

- (ed.), *Annual Review of Information Science and Technology*, Vol. 19, American Society for Information Science and Technology, White Plains, NY, 1984, pp. 3–30.
2. See James Lahore *et al.*, *Patents, Trade Marks & Related Rights*, Butterworths, Sydney, 1996, paragraphs 12,555–12,575.

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Perspectives on Strategy: Contributions of Michael E. Porter

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Dordrecht, Kluwer Academic Publishers, 1997, 107 pp., \$US69.95, ISBN 0 7923 9895 5

Michael Porter's main published contributions to strategy are in *Competitive Strategy: Techniques for Analysing Industries and Competitors* (1980); *Competitive Advantage: Creating and Sustaining Superior Performance* (1985); *The Competitive Advantage of Nations* (1990); and 'Towards a dynamic theory of strategy', *Strategic Management Journal*, 12, 1991, 95–117.

To celebrate the award of an Honorary Degree to Michael Porter by the Erasmus University Rotterdam, The University Department of Strategy and Business Environment organized a seminar. Chief executives from Royal Dutch/Shell and Unilever, and Chief executives from the Port of Rotterdam and the Dutch Ministry of Economic affairs were invited to reflect, respectively, on Porter's contributions to strategies at the business, corporate, regional and national levels. Later these contributions were prefaced by very useful summary accounts, contributed by various members of the Department, of Porter's contributions at each level to the published appraisals of them, and followed by valuable essays by the two editors on how Porter's contributions over time could be related to each other and on how his different levels of analysis could be integrated.

The CEO of Royal Dutch/Shell wrote that in his first two books, Porter pulled together a widely scattered literature on the nature of competition, added his own research findings, and presented a coherent and comprehensive approach to analyzing the market place 'which businessmen can actually use' (p. 20). His three generic strategies—cost leadership, differentiation and premium value to customer, and market niche—'provoked managers into thinking seriously' about strategic choices, and his five-choices model enabled managers 'to analyse and question more acutely their own environments and to raise the level of strategic debate at the business level' (p. 23).

In the chapter on corporate strategy, a former co-chairman of Unilever (and now a Professor of Strategic Management in the Department) wrote of the tensions throughout Unilever's history, between growth by diversification and growth through synergies in related businesses. In his account of Unilever's changing business strategies, he demonstrated the relevance of Porter's five-forces model, value chain, and 'most importantly' his concepts of corporate strategy, and concluded that he handed Unilever tools that will help the corporation to further improve business performance. However, he warned that although the value-chain concept can be a great help in strategic thinking, intuition is often needed to complement or qualify quantification.

In the chapter on national competitive advantage, the Secretary General of the

Ministry of Economic Affairs in the Netherlands emphasizes the importance of Porter's bridge across the traditional gap between the macroeconomist/policy makers and industry/strategic management. A great part of adoption of the new views on 'knowledge, innovation and clustering' (p. 63) he attributes to the work of Porter, but he adds some critical reflections from the perspective of the Dutch government:

Porter's diamond is not the only source of competitive advantage—it has to be embedded in a sound macroeconomic environment; the European Common Market does not form a barrier to the adoption business strategies on differentiation, exploration of niches and diseconomies of scale; jobs and social stability are at least as important to Governments as business returns and share prices, though to Porter every strategy is good if firms are able to produce more efficiently and less expensively.

Although Porter's *The Competitive Advantage of Nations* is primarily concerned with countries, the CEO of the Port of Rotterdam adapts Porter's methods to apply to a small region. He analyses the three dominant clusters in the Rotterdam region—transport, petrochemicals and food—and indicates how an understanding of Porter's four stages of competitive development can be used to guide the role of the Municipal Authority in stimulating networks. The chapter is a valuable contribution to the literature on regional policies.

In the penultimate chapter A. P. de Man considers the relationships between the nature and role of competition in *Competitive Strategy* (1980) and in *The Competitive Advantage of Nations* (1990). In the first book, innovation is hardly mentioned and competition is static, whereas in the second, innovations in products and processes are the core of competitive advantage. After considering that static and dynamic competition may alternate over the life-cycle of an industry, de Man reached the plausible conclusion that it is more likely that competition takes place along a continuum between the two extremes of static and dynamic competition.

In the final chapter, F. A. J. van den Bosch considers how Porter's five-forces framework at the industry level, his value-chain framework at the business level, and his diamond framework at the national level, might be integrated. In his paper of 1991, Porter provided a chain of causality framework consisting of five successive links with each link drawing from his five forces and value chain. To his five links, van den Bosch adds a sixth based on the diamond framework, which Porter might well have done himself: 'the environment, via the diamond affects both a firm's initial conditions and its managerial choices ... The diamond begins to address a dynamic theory of strategy early in the chain of causality' (p. 98).

This is promising, but as van den Bosch concludes here and in an earlier article, dynamic choices of strategies are still in their infancy.

The authors hope that by examining Porter's contributions from practitioner and research perspectives the relevance of strategy research for business will be increased. The great increase in general levels of education, and the spread of postgraduate education in fields of management, should increase fruitful interactions between practitioners and academics. This volume should encourage further activities of that nature.

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