

# MAKE IT IN AMERICA

The Case for Re-Inventing the Economy

By Andrew N. Liveris

Wiley, \$24.95

Liveris, chairman and CEO of Dow Chemical, refuses to accept the conventional wisdom that the United States must abandon its factories—after all, manufacturing “can create jobs and value and growth to a degree that the service sector cannot.” Indeed, “The world is entering a golden age of manufacturing,” and American companies can and should lead the way.

The author argues that the decline of U.S. manufacturing “was not the product of fate. It was the product of choices we made as a nation.” And he sets out an agenda for reviving the sector in America and putting the country “back on track toward economic growth and global dominance.” Refreshingly, there’s no silver-bullet solution: Liveris talks of patching up U.S. infrastructure, bolstering science education, encouraging clean energy, and streamlining regulations.

Most notably, the (Australia-born) author calls for increased U.S. government partnership with business and asks the business community to stop “seeing Washington automatically, in almost every case, as the enemy.” Granted, Liveris is far more specific in his complaints about Washington, particularly that the government rarely offers the same tax incentives as do developing nations with no social safety net to support. And he laments legislative gridlock and blithely calls for “political reform” without acknowledging Dow’s part-of-the-problem \$159,000 in political contributions in 2009 alone.

Still, it’s nice to see a plea for less antagonism and more engagement. Early in the book, Liveris laments the arrival, in the 1980s, of “a leadership class . . . that no longer valued the manufacturing sector,” and he concludes by urging retired CEOs to run for office. With any luck, a few will take him up on it. —Matthew Budman

## REINVENTING THE WHEEL

The Science of Creating Lifetime Customers

By Chris Zane

BenBella, \$24.95

They say you can’t reinvent the wheel, but Zane actually did, by creating a bicycle business with an unusually high level of customer service. For the past three decades, Zane’s Cycles has steered the notion of customer service onto roads that make other companies jittery.

Zane founded his first bike shop at 16 and today presides over a \$15 million corporation. In his new book, he reveals how his customer-service philosophy enabled him to maintain loyal buyers and grow his business—essentially, you make a profit by not focusing on making a profit. Even creating quality products isn’t most important: “We aren’t better than our competitors because we offer better stuff,” Zane explains. Rather, it’s “because we differentiate ourselves by offering more service than most customers consider reason-

able.” The firm doesn’t charge for parts costing less than \$1, offers a lifetime parts and service warranty, and allows parents to return their child’s outgrown bike for credit toward a new one.

Do customers take advantage of Zane’s policies? There are, of course, two ways to interpret this question, and the answer to both is yes. But as Zane explains, allowing buyers to occasionally—and it really does seldom happen, he insists—“reach into that bowl of quarters” helps ensure they’ll be customers for life. In other words, the secret is building relationships with people.

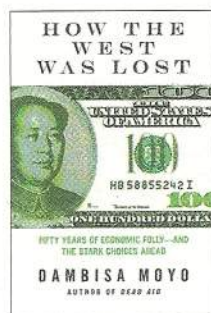
“Some secret!” you’re probably thinking. Except that Zane fills his book with anecdotes and candid reasoning in a way that goes beyond typical customer-service how-to guides written by countless gurus. In fact, if you’re looking for a step-by-step handbook to improve your company’s customer service, this isn’t it. Instead, *Reinventing the Wheel* is an enjoyable ride that provides ample inspiration to make changes at your own organization. —Vadim Liberman

## HOW THE WEST WAS LOST

Fifty Years of Economic Folly—and the Stark Choices Ahead

By Dambisa Moyo

Farrar, Straus and Giroux, \$25.00



Contrarian thinking thrills and beguiles, and often causes us to brush aside an argument’s validity because we’re so taken by the mere fact that it’s different. Moyo

is different. In 2009’s *Dead Aid*, the Zambia-born economist claimed that rich countries’ aid made poor countries poorer. As if that weren’t bad enough, Western economic policies aren’t even good for the West: In her new book, Moyo chronicles how the United States and other nations enacted poor economic policies and offers unorthodox prescriptions to get back on track.

*How the West Was Lost* is provocative

and strongest when it details the economic history of what Moyo perceives as a declining United States. The main problem with America is that it is not China, whose government has done a better job of guiding (controlling would be a far better word) development. Ultimately, Moyo indicts not just Western nations' specific financial decisions but capitalism itself. (Curiously, she seems indifferent to the possibility that China owes at least some of its success to a worldwide economy reliant on capitalist ideas if not ideals.)

As a result, the book devolves into a paean to black-and-white hyperbole, making it difficult to take seriously her ultimate recommendation to the West: Either recoil into protectionism or default on debt to China. "Time is running out," she writes. "Unless the West adopts radical solutions . . . it will be too late."

To her credit, in the book's introduction, Moyo posits a question rarely posed by economists. Citing "prosperous and peaceful" examples like Denmark and Sweden, she asks: "Who cares whether a country has economic supremacy, as long as your country is prosperous and can manage its own internal affairs?" The answer would be the book's basis. Unfortunately, she fails to provide one that's adequate—not entirely unexpected from someone seemingly unwilling to think in the gray. —V.L.

#### NOT FOR FREE

##### Revenue Strategies for a New World

By Saul J. Berman

Harvard Business School Press, \$29.95

These days, it seems everybody is throwing around the F word, and Saul Berman has had enough of the four-letter remark. "Free," says IBM's global strategy consulting leader, is hurting companies. While getting something for nothing originally started in the media business—subscriptions at no charge, free

music downloads, etc.—it has gradually seeped into most industries. There are better ways to market products and services, Berman says, and they begin with understanding your customers.

Here we go again—another book touting that the customer is king. Berman's recommendation to move beyond segmenting consumers based on mere demographics by focusing on buying behavior is hardly new. Nevertheless, the author's advice on developing pricing strategy is worth pondering. He points out ways to raise revenue without resorting to free add-ons or lowering prices, exploring issues like bundling vs. à la carte, renting vs. buying, and even pay-what-you-want options. Although he cites Apple, Best Buy, and some other big names to illustrate different approaches, most of Berman's examples remain in the world of media.

Still, this simply means you'll have to make the connections to your company for yourself. In the end, you may discover new ways to make money. "I wrote this book to be a thought and discussion guide for executives and organizations looking to jump-start their experimentation with revenue innovation," Berman writes. "By no means is this book a comprehensive history of the media industry or a complete look at business model innovation. The best innovation comes from doing, not reading." —V.L.

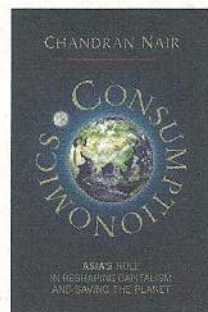
#### CONSUMPTIONOMICS

##### Asia's Role in Reshaping Capitalism and Saving the Planet

By Chandran Nair

Wiley, \$27.95

For the global economy to recover, we desperately need Asia to continue consuming and raise its living standards . . . while for the global environment to survive, we desperately need Asia to reduce, not grow, its carbon footprint. Irreconcilable goals? Perhaps, but Nair, a strategy consultant and



environmental activist, aims to bridge the chasm. It begins with challenging "the assumption that everyone in Asia should aspire to own a car, live and work

in air-conditioned surroundings, and consume food and goods shipped from every corner of the world."

In other words, the key shift is attitudinal, to shun "wealth creation at any price" and embrace "prosperity without growth." Nair charges Asians "to refuse to accept the dogma of Western economic theory, in particular the notion that markets are efficient and self-adjusting, can deliver prosperity to all, and can do so without imposing unbearable changes on large parts of our world."

Is it even conceivable, in the real world, to effect "a rethink of the future beyond the bland assumptions of affluence that have been peddled across the region"? Nair calls for strong political leadership to restrict "advertising that promotes resource-intensive goods or lifestyles," repudiate "the Harvard Business School model of supply-chain management," and convince Chinese and Indian citizens that happiness lies in sites other than consumer items. "Of course, for Asians, it will be harsh to be told that as latecomers to the capitalist party they will never be able to attain the way of living taken for granted by most in the developed countries," he writes. "But this is the message their leaders have to deliver."

The author doesn't expect *Consumptionomics* to, by itself, turn around the entire growth-oriented global economy—how could he? But if the book helps start a conversation among policymakers about the direction of the next few decades, Nair has made a valuable contribution. —M.B. ■