

HBR.ORG NOVEMBER-DECEMBER 2017

# Harvard Business Review

MANAGEMENT 46

Why Your  
Company Needs  
an AR Strategy

Michael E. Porter  
and James E. Heppelmann

LEADERSHIP 66

The Best-  
Performing CEOs  
in the World

2017 edition

ORGANIZATIONS 110

Stop Doubling  
Down on Your  
Failing Strategy

Freek Vermeulen  
and Niro Sivanathan

MANAGING YOURSELF 150

Are You Suited  
for a Start-Up?

Jeffrey Bussgang



DOUBLE  
ISSUE



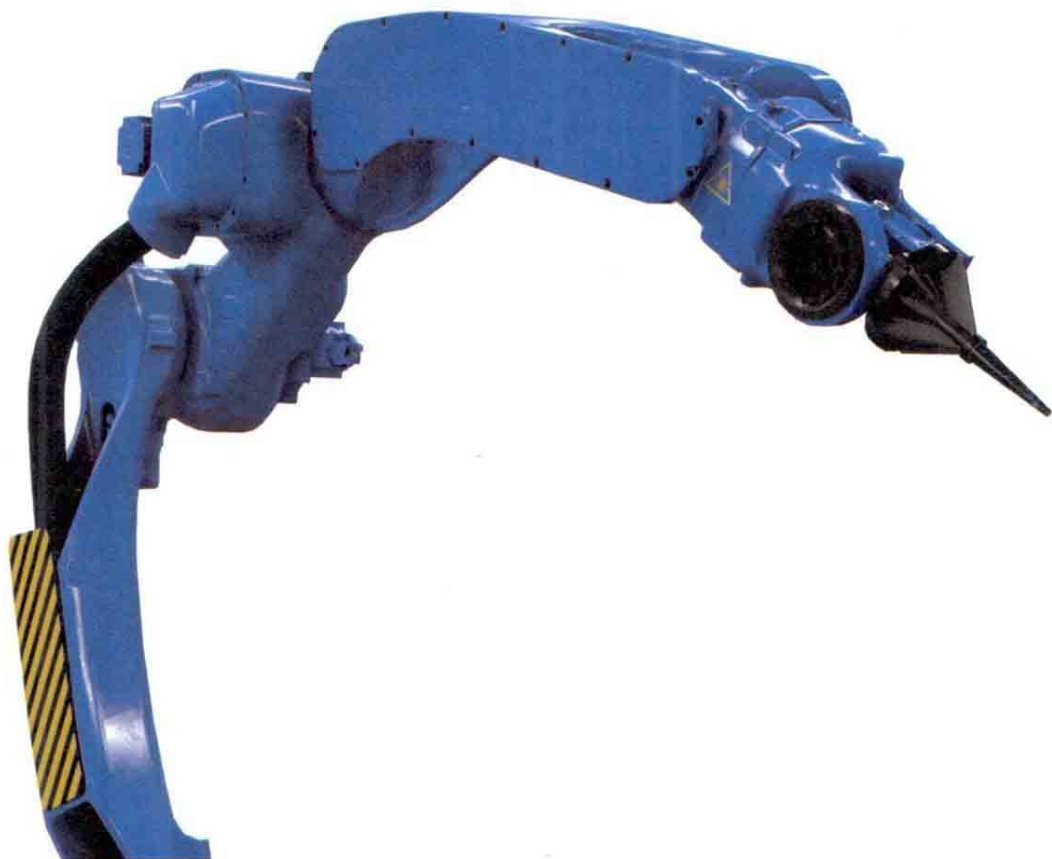
## LAUNCHING SUCCESSFUL LEADERS

**HOW TO MAKE SURE  
YOUR MOST PROMISING  
PEOPLE REACH THEIR  
HIGHEST POTENTIAL**

PAGE 86

# Harvard Business Review

NOVEMBER-DECEMBER 2017



## SPOTLIGHT A MANAGER'S GUIDE TO AUGMENTED REALITY

# 45

46 **STRATEGY**

### WHY EVERY ORGANIZATION NEEDS AN AUGMENTED REALITY STRATEGY

AR will become the new interface between humans and machines.

*Michael E. Porter and James E. Heppelmann*

58 **TECHNOLOGY**

### HOW DOES AUGMENTED REALITY WORK?

The key is a digital twin.

*Michael E. Porter and James E. Heppelmann*

59 **DATA**

### AUGMENTED REALITY IN THE REAL WORLD

Companies are investing and testing.  
*HBR editors*

60 **PRACTITIONER VIEW**

### ONE COMPANY'S EXPERIENCE WITH AR

A conversation with ABB's chief digital officer, Guido Jouret  
*Gardiner Morse*

62 **PRODUCT DEVELOPMENT**

### THE BATTLE OF THE SMART GLASSES

Money is pouring into development.

*Michael E. Porter and James E. Heppelmann*

## CONNECT WITH HBR

JOIN US ON SOCIAL MEDIA

WWW.HBR.ORG

TWITTER @hbr, @HarvardBiz

FACEBOOK HBR, Harvard Business Review

LINKEDIN Harvard Business Review

INSTAGRAM harvard\_business\_review

CONTACT HBR

PHONE 800.988.0886

EMAIL customerservice@hbr.org

editors@hbr.org

designers@hbr.org

publishers@hbr.org



ILLUSTRATION BY MAX HALEACHIN/BULLY! ENTERTAINMENT

NOVEMBER-DECEMBER 2017



## FEATURES

### LEADERSHIP

**The Best-Performing CEOs in the World**  
HBR's annual ranking

66

### CHANGE MANAGEMENT

**What Everyone Gets Wrong About Change Management**

Poor execution is only part of the problem.

*N. Anand and Jean-Louis Barsoux*

78

### TALENT MANAGEMENT

**Turning Potential into Success**

The missing link in leadership development

*Claudio Fernández-Aráoz, Andrew Roscoe, and Kentaro Aramaki*

86

### ENTREPRENEURSHIP

**When Founders Go Too Far**

Some start-up CEOs have too much power. Here's what to do about it.

*Steve Blank*

94

### INNOVATION

**The Board's New Innovation Imperative**

Directors need to rethink their roles and their attitude to risk.

*Linda A. Hill and George Davis*

102

### STRATEGY

**Stop Doubling Down on Your Failing Strategy**

How to spot (and escape) one before it's too late

*Freek Vermeulen and Niro Sivanathan*

110

### MANAGING ORGANIZATIONS

**What Managers Need to Know About Social Tools**

Your organization can use them to collaborate, learn, and innovate.

*Paul Leonardi and Tsedal Neeley*

118

### HEALTH CARE

**The IT Transformation Health Care Needs**

Reducing costs while improving care

*Nikhil R. Sahni, Robert S. Huckman, Anuraag Chigurupati, and David M. Cutler*

128

### DIVERSITY

**"Numbers Take Us Only So Far"**

Facebook's global director of diversity explains why stats alone won't solve the problem of organizational bias.

*Maxine Williams*

142

PHOTOGRAPHY BY ANASTASIIA SAPON

NOVEMBER-DECEMBER 2017

## IDEA WATCH

New Thinking and Research in Progress

20 **ENTREPRENEURSHIP**  
**Rethinking Crowdsourcing**  
Social ties can skew results.  
*PLUS A roundup of the latest management research and ideas*

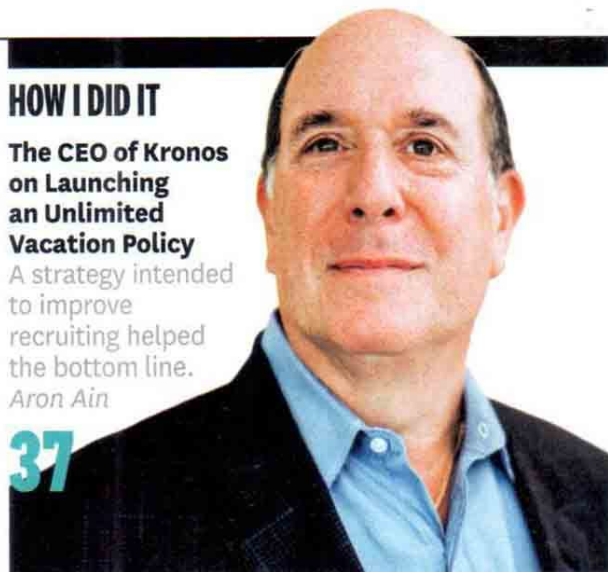
34 **DEFEND YOUR RESEARCH**  
**Women Respond Better Than Men to Competitive Pressure**  
In high-stakes games in professional tennis, female players keep their cool and choke less.

## HOW I DID IT

**The CEO of Kronos on Launching an Unlimited Vacation Policy**

A strategy intended to improve recruiting helped the bottom line.  
*Aron Ain*

37



## EXPERIENCE

Managing Your Professional Growth

150 **MANAGING YOURSELF**  
**Are You Suited for a Start-Up?**  
How to assess your fit, find the right company, and make the leap  
*Jeffrey Bussgang*

157 **CASE STUDY**  
**Spread Too Thin**  
A TV producer struggles to balance the demands of three hit shows—and dreams of a new one.  
*Alison Beard*

164 **SYNTHESIS**  
**Leading, Not Managing, in Crisis**  
Lessons from history and the present  
*Daniel McGinn*

**LIFE'S WORK**  
**SCOTT KELLY**

172



## DEPARTMENTS

- 10 From the Editor
- 12 Contributors
- 16 Interaction
- 166 Executive Summaries