

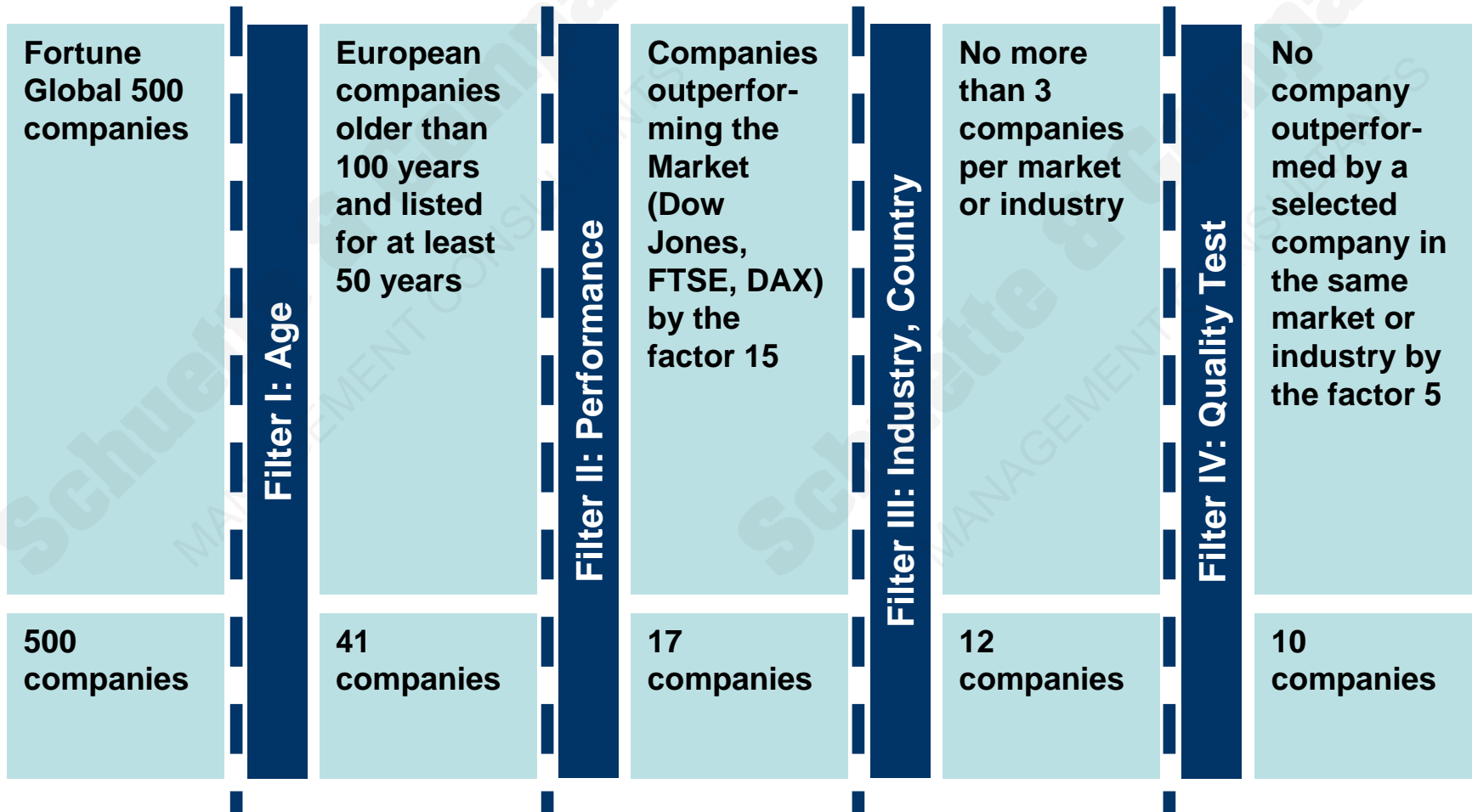
## **Built to Last in Europe**

How the most successful European companies managed to survive and thrive for more than 100 years

## Project aims to identify timeless management principles that have consistently distinguished outstanding European companies

- Identify **characteristics of major European corporations** which allowed them to be managed **successfully over a sustained period** of time
- Analyze European corporations which **survived for more than 100 years** and **outperformed the major stock markets over a period of 50 years**
- Average life expectancy of a corporation on the Fortune 500 list is less than 50 years
- Even smaller group generated substantial return for their shareholders
- Chosen companies will be
  - Looked at as start-ups, mid-sized companies and finally large multinationals
  - Critically explored while they went through dramatic times such as world wars, depressions, introductions of revolutionary technologies, and cultural upheavals
  - Looked at through the eyes of shareholders, customers, employees, the society and top management
- Ultimate aim of project will be the discovery of timeless management principles that have consistently distinguished outstanding companies in Europe

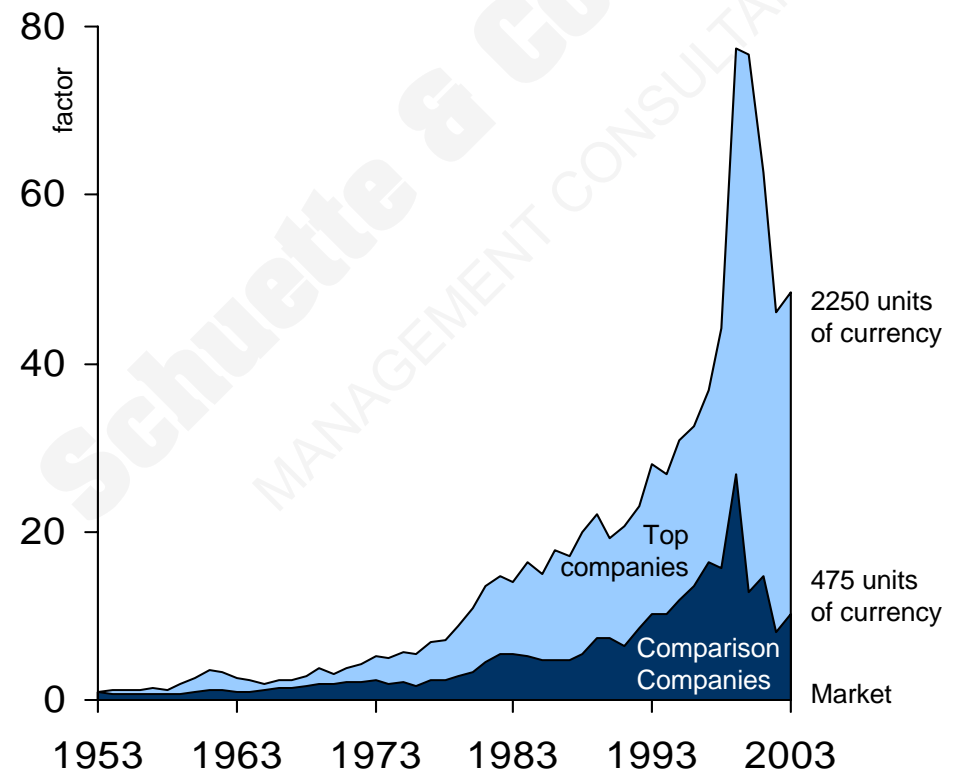
## Selection of companies



## Over 50 years 10 Top Companies outperform Market by the factor 48 and Comparison Companies by the factor 5

Top Companies	Comparison Companies
Nokia	Ericsson
HSBC	Standard Chartered
GlaxoSmithKline	Allen & Hanburys
Legal & General	Prudential
Shell	BP
Skanska	NCC
Allianz	Aachener u. Muenchner Vers.
Siemens	AEG
Munich RE	Swiss RE
Lafarge	Saint-Gobain

Cumulative Stock Returns of unit 1 invested 1953 – 2003



## Categories to be explored in the chosen companies

### **Market, competitors, business environment**

How did the relevant markets develop?  
What did their competitors do? In which way did the companies react?

### **General development of companies**

How did the companies develop over time? What were the main events that shaped the companies?

### **Technology and products**

What role did technology play? Which type of products did the companies produce? Did they switch their product range substantially?

### **Value statements, visions**

Did companies define value statements and visions? At what point in their history? Are the values reflected in the companies' behaviors?

### **Rest category**

Which aspects do not fit into any of the defined categories? Do successful companies display actions which do not fit into the conventional frameworks we use in business studies?

### **Business strategy, strategic process**

What are the primary elements of the companies' strategy? What was the process that assisted in setting this strategy?

### **Change**

When did companies engage into major change exercises? Why did they do so? How did they manage change? Who played a vital role in these processes?

### **Leadership**

What role did leadership play? Which leadership style works well in which environment? Is there a different approach at different levels in the companies?

### **Financial data**

How did the companies perform? How did profits, earnings, sales etc. develop?

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**Appendix**

**Schuetten & Company**  
MANAGEMENT CONSULTANTS

**Schuetten & Company**  
MANAGEMENT CONSULTANTS

# Project Plan

## Step I

Selection of companies based on qualitative and quantitative data

Jan-Feb 2004

## Step II

Analysis of

- Books
- Articles
- Case studies
- Company documents
- Archive material

Feb 2004- Oct 2006

## Step III

Qualitative interviews

Mar-Jun 2006

## Step IV

Write up

Oct 2006 – Dec 2006

## Project Team

### Supervisors

- Prof. Dr. Hans Hinterhuber
- Prof. Dr. Franz Mathis

### Operational Project Leader

- Dr. Christian Stadler

### Project Members

- Daniel Blum (PhD student)
- Motsham Said (PhD student)
- Philip Waeltermann (PhD student)
- Christine Raschke
- Stephan Höger
- Mathias Hoeglund

### Advisors

- **Prof. Alfred D. Chandler** (Author of “Strategy and Structure”, “Scale and Scope”, “The Visible Hand”, Harvard Business School)
- **Arie de Geus** (Author of “The Living Company”, former Head Shell’s Strategic Planning)
- **Prof. Dr. Jerry Porras** (Author of “Built to Last”, Stanford University)
- **Prof. Dr. Michael Mirow** (former Head of Siemens’ Strategic Planning, TU Berlin)
- **Prof. Dr. Peter Schütte** (Nyenrode University)
- **Prof. Dr. Risto Tainio** (Helsinki School of Economics)