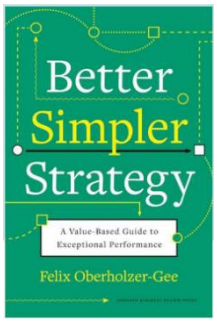
Book Review

Nadharatch (Patrick) Ounlert, Ph.D.

Lecturer in Accounting, Chulalongkorn Business School



Oberholzer-Gee, F. (2021). *Better, simpler strategy: A value-based guide to exceptional performance*. Harvard Business Review Press.

Introduction

Better, Simpler Strategy, authored by Felix Oberholzer-Gee, introduces a straightforward analogy: the 'value stick'. This framework illustrates how increasing customer/client willingness-to-pay (WTP) (i.e. satisfying with products or services they pay for) while decreasing employee and supplier willingness-to-sell (WTS) (i.e. satisfying with working with an entity to better development of products or services) drives better financial performance. Drawing on his academic expertise, the author presents his ideas through real-world examples that simplify complex concepts for the reader. Furthermore, although it is not the author's main focus, the strategic principles demonstrated in Better, Simpler Strategy are highly applicable to the field of sustainability.

Summary of the Book

Felix Oberholzer-Gee organises the book into six parts: 1) Exceptional Performance; 2) Value for Customers; 3) Value for Talent and Suppliers; 4) Productivity; 5) Implementation; and 6) Value.

The first part provides an overview of how the author's core framework plays a vital role in improving financial performance. He refers to the success of Best Buy’s 'store-within-a-store' strategy, which was implemented to counter competition from Amazon, an online platform selling books as well as electronic gadgets. Recognizing that Best Buy could offer physical retail space and trained staff to help suppliers open dedicated spaces within its stores, this partnership enhanced the experience for both customers and suppliers. Customers gained the ability to see physical products and consult knowledgeable staff on-site, while suppliers benefited from reaching end-consumers

with the help of Best Buy's experienced team. Consequently, improvements were visible at both ends: sales grew (an increase in WTP) and employees and suppliers were more satisfied with the collaboration (a decrease in WTS). As a result, the value stick expands to create more value to Best Buy.

Part two and part three elaborate on how optimizing WTP and WTS drives business success. For instance, in case of Taobao versus eBay, Taobao leveraged its deeper understanding of the local context. It recognised that 'near-customer' groups (those not relying 100% on online transactions) wanted to converse with suppliers before placing orders, sometimes negotiating prices directly. Another example illustrates how Gap incorporated employee wellbeing into shift management. By establishing systematic schedules and enabling shift swaps via a its own scheduling application, scheduling managers and staff gained greater flexibility. As a result, store personnel reduced their commute stress, rested better and spent more time with their families. In return, employee satisfaction increased, leading to better customer service (a decrease in WTS). On the supplier side, Nike provided lean production management training to its suppliers. As such, they understood how to optimize operations to meet Nike's expectations.

Part four and part five examine productivity and the implementation of the value stick strategy. Scale (Chapter 13), learning (Chapter 14), and operational effectiveness (Chapter 15) are presented as key drivers of productivity. However, simplicity remains crucial for effective execution. For example, Gucci tailors its handbag designs to different customer segments. For high-end clientele, prominent logos matter less than material quality; thus, top-tier Gucci handbags do not feature prominent GG logos. On the other hand, Gucci recognises that another customer segment values the brand's heritage and prefers the iconic GG logo. Offering both designs demonstrates how Gucci addresses distinct customer preferences to increase WTP.

The final section argues that strategists shall simultaneously target an increase in WTP and a decrease in WTS to achieve sustainable financial success. The 'Tommy Adaptive' line is a prime example: introducing clothing adapted for people with disabilities aligned with Tommy Hilfiger's commitment to inclusivity while driving commercial success. Recognising the daily challenges faced by people with disabilities, Tommy Hilfiger partnered with specialized designers to launch the Tommy Adaptive collection. This initiative resonated with both customers and suppliers. Although the adaptive line was more costly to produce, suppliers willingly shared manufacturing techniques to help individuals overcome dressing challenges. Customers responded positively, feeling valued

and included, while Tommy Hilfiger employees took pride in working for a brand that creates societal value, leading to higher morale and fewer complaints.

Evaluation

The primary strength of Better, Simpler Strategy lies in how Felix Oberholzer-Gee elaborates skillfully real-life cases into each chapter, making the core concepts of WTP and WTS accessible and practical. His clear demonstration allows readers to navigate complex strategic theories with ease. Nevertheless, some readers may find that the quantitative ratios presented in certain sections are slightly challenging to follow.

Another aspect worth highlighting is the book's relevance to sustainability. Although the author focuses primarily on corporate strategy, Better, Simpler Strategy offers valuable insights for sustainable business practices. Gap addressing employee wellbeing, Nike sharing lean management practices with suppliers, and Tommy Hilfiger minding customers with disabilities all align closely with the sustainability agenda. Furthermore, as businesses face increasing expectations to adopt sustainable practices—and, in many jurisdictions, mandatory reporting under frameworks, such as the sustainability reporting standards set out by the International Sustainability Standards Board (ISSB) and the European Sustainability Reporting Standards (ESRS), are put in place—this value-based approach provides a clear operational framework that cannot only improve financial performance but also achieve sustainability goals.

Conclusion

Felix Oberholzer-Gee introduces a sophisticated yet simple framework in the value stick, demonstrating that value is created by expanding both ends: raising customer willingness-to-pay (WTP) and lowering employee and supplier willingness-to-sell (WTS). As the title promises, the author delivers these insights in an accessible and engaging style. Consequently, this book makes a valuable contribution to strategic management and will appeal to a wide audience. Ultimately, this strategic mindset translates exceptionally well to the sustainability domain, as its outcomes directly inform financial and strategic sustainability accounting.

Note: The author used an AI-assisted language editing tool to improve grammar, spelling, and clarity. All interpretations, analyses, and opinions expressed in this review remain the author's own.