



Money

TUESDAY, MARCH 12, 1985



MUSCLING IN: ROBERT KUHN HAS HELP FOR MIDSIZE FIRMS. PAGE 2B.

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Midsize firms carve up markets to slay giants

Robert Lawrence Kuhn likens midsize companies to critters stuck "between the mammoths and the gnats."

"Every medium-sized company is in an industry dominated by a giant company," notes Kuhn, author of *To Flourish Among Giants*. "If they don't have the clout, they lose. On the other hand, they don't have the flexibility of a job shop. In essence, they're stuck in the middle."

So how can they prosper?

By finding a niche and dominating at least one segment of their industry, he says. Kuhn, 40, who teaches at New York University, is a corporate strategist specializing in mergers and acquisitions and new ventures.

Midsize companies also must bring in professional managers. "But to do so and maintain the entrepreneurial spirit is the trick. The key is creative and innovative management," Kuhn says.

By studying hundreds of successful midsize performers, Kuhn finds 10 recurring creative strategies: "Some exhibit all, most only a few."

Among them:

- **Dominate your corporate niche.** Kuhn points to Stephen J. Cannell Productions, a midsize studio that has taken on the Hollywood giants. As producer of the hit TV show *The A-Team*, Cannell made it by specializing in the production of action-



By Jeanne Marklin

KUHN: "The key is creative and innovative management."

drama TV series.

- **Product emphasis.** The Maytag Co. and Bacardi Imports Inc., for example, can compete with the biggest because they have established brand names.

- **Uniqueness.** La-Z-Boy Chair Co. promotes its famous reclining chair, and Neutrogena Corp. makes a translucent soap for sensitive skin.

- **Focus.** De Luxe Check Printers Inc. targets printing for financial institutions and their depositors. And Plenum Publishing Corp. — overshadowed by giant Simon & Schuster Inc. and Harper & Row Publishers

Inc. — netted \$6.2 million in 1983 in the business of scientific publishing.

- **High-profile chief executive.** Tyco Laboratories Inc. was built from a small research and development shop by the late Joseph Gaziano. MCO Holdings Inc., a real estate and energy firm, was turned around by financier Charles Hurwitz.

"The high-profile chief executive is not just a professional. He is consumed by the business. ... He is out there talking to the customers," Kuhn says.

— Haya El Nasser

Creative strategies profit mid-sized firms

**To Flourish Among Giants—
Creative Management
for Mid-Sized Firms**
By Robert Lawrence Kuhn
John Wiley & Sons Inc.
494 pages; \$19.95

By ROY KATZ

In *To Flourish Among Giants*, Robert L. Kuhn presents a detailed look at the best companies and practitioners of what he calls "middle-power" art. Mr. Kuhn focuses on mid-sized businesses that make extensive use of one or more of the 10 basic creative strategies that he says are vital for success in marketing and management.

"My objective was to identify the finest firms, and find out what made them so fine," Mr. Kuhn writes, and he brilliantly achieves this goal. Moreover, he's written an informative as well as entertaining book. *To Flourish Among Giants* provides dozens of examples of how careful use of these strategies has meant the difference between mere survival and outstanding profitability.

Among Mr. Kuhn's 10 creative strategies is dominance, for he says companies must "dominate their corporate niche."

He adds to the list distinctiveness/uniqueness, admonishing: "Be different. Make the firm overtly dissimilar to competitors. Strive for originality."

And then there's the growth-profit trade-off. "Eschew growth for growth's sake, but seek growth for business's sake," writes Mr. Kuhn. "Market products forcefully. The bottom line, not the top one, is what counts."

He also argues that successful companies must have high-profile chief executives. "The CEO should be more than a CEO," writes Mr. Kuhn, and should have personal charisma, profound dedications and a pulsating presence. Mr. Kuhn also says that mid-sized companies need executives with insight and guts. "The former to discern what to do, the latter to determine how to do it," he writes.

One of the book's many premier mid-sized businesses is Plenum Publishing Corp. of Manhattan. Plenum is in the business of scientific publishing and publishes more than 150 journals and 300 books annually. Mr. Kuhn says Plenum's creative strategy is as unique as the material it publishes because "Plenum owns 10-year rights to some 95 Soviet technical journals and has many leading Russian scientists under exclusive book contract."

In evaluating Plenum's success, Mr. Kuhn quotes Martin Tash, the company president, as stating that the company's objectives are "to seek out markets in need of the special expertise developed by Plenum

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and to develop unique services for these markets." In addition, Mr. Kuhn notes that Plenum "knows what it knows best and does what it does best."

To Flourish Among Giants also describes Kaufman Astoria Studios Inc. in Queens as a business with a distinctive/unique corporate strategy. Astoria Studios operates the largest motion picture studio in the country outside of California, and is the brainchild of George Kaufman, the real estate developer.

Mr. Kuhn says Astoria Studios' strategy isn't to own everything as a "traditional studio megalith; rather the strategy is to participate with

creative professionals and investment partners, thereby attaining greater operational and financial leverage," writes Mr. Kuhn. "Such an approach is resonant with the entrepreneurial penchant of many entertainment and telecommunications executives, especially the innovative ones."

The book also profiles other New York area companies such as Oak Hill Sportswear Corp., Discount Corp. of New York, and Decision Systems Inc. in Mahwah, N.J. Kuhn also examines mid-sized concerns from across the country ranging from Dr Pepper and La Quinta Motor Inns Inc. to Stephen J. Cannell Productions (pro-

ducers of television's "A-Team"), Marion Laboratories Inc., A.T. Cross Co. and North Fork Bank & Trust Co. in the Hamptons, L.I.

To Flourish Among Giants is a massive and highly readable volume that will interest marketing managers and executives not only of mid-sized companies, but of corporate giants as well.

Mr. Kuhn provides dozens of colorful examples of creative strategies in action, any one which might be worth its weight in gold to your organization. □ CNYB

Roy Katz reviews books regularly for Crain's New York Business.

To Flourish among Giants

Creative Management for Mid-Sized Firms



Robert Lawrence Kuhn

The book cites several area businesses, including Plenum Publishing Corp.

"YOU CAN HELP FREE ENTERPRISE WORK WORLD- WIDE!"



David E. McKinney,
President,
IBM World Trade
Americas/Far East Corp.



Robert Kuhn succeeds in his stated quest to "identify the finest firms, and find out what made them so fine."

*Hi Ted + Skiel
Great seeing you guys in
December.
Enclosed are some
recent ramblings.
Keep in touch.
Warm regards,
Robert*

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