The Power of the 2x2 Matrix

Using 2x2 Thinking to Solve Business Problems and Make Better Decisions

Alex Lowy and Phil Hood

©2004 John Wiley & Sons, Inc.
Adapted by permission of Jossey-Bass
ISBN: 0-7879-7292-4

Reviewed by Lydia Morris Brown

Introduction

The 2x2 matrix is a representational tool that has been used by countless individuals and groups in countless disciplines and endeavors. However, The 2x2 Matrix draws on models from the works of leading consultants, business-school professors, social scientists, and organizational theorists (including, Michael Porter, Stephen Covey, Igor Ansoff, Gary Hamel, C.K. Prahalad, Geoffrey Moore, and other illustrious thinkers) to raise its status from mere representational tool and to showcase 2x2 modeling as one of the most flexible and powerful weapons “in the knowledge worker’s intellectual arsenal.” Lowy and Hood mine a rich assortment of case material, concepts from the dialectical tradition, classic management literature, and interviews with expert practitioners to demonstrate how to apply the 2x2 construct to a wide range of critical business dilemmas, get to the heart of these dilemmas, and involve others in the search for the best solutions. And, with their collection of 55 inspirational 2x2 frameworks, demonstrating the strategic orientation of some of the most innovative problem solvers, the authors provide an essential and practical resource for business strategists, professional consultants, and teachers, alike.
PART I: 2x2 THINKING

Lowy and Hood define 2x2 Thinking as a universal and highly transparent path to extraordinary ends—an approach to problem solving that allows a complex situation to be examined in a matrix framework as a set of conflicting interests. Instead of hunting for a single, correct solution, the 2x2 process searches for understanding, perspective, and insight. Thus, tension becomes a good thing, leading to important topics and questions. Conflicting goals emerge, becoming useful markers for setting the parameters of the search. And, because the high and low cases of the two conflicting objectives (axes) are considered, a set of plausible options is created (ones that are richly provocative if the two axes are well-defined) rather than a single right answer.

Although 2x2 Thinking may be universal, it is not easy. And, though it can be applied at the individual level for tackling a single issue, it becomes increasingly challenging and subtle when applied to leadership, strategy, and intervention—instances where excellent problem-solving skills and tools can have the greatest leverage. Under these kinds of circumstances, a set of master principles of practice is applicable: (1) Struggle is a necessary condition for breakthrough. (2) Timing is critical—a good idea at the wrong moment is not half as powerful as a good idea at the right moment. (3) Simplicity is the key factor when mapping highly complex material. (4) Ownership is essential. Groups and organizations derive the greatest value when they actively participate in developing and interpreting the framework. (5) Participants must be passionate about the process, personally invested in the outcome, and take responsibility for their opinions and commitment. Because, the 2x2 form is merely a convenient device—a means to an important end—this last element is more revealing than structure, tools, or matrices. In its absence, tension is artificial and, without tension, the process is flawed.

Lowy and Hood note that, many approaches and styles can be used to solve problems; however, it is the willingness and ability to see both sides of an issue, and to engage them rapidly and creatively, that provides the edge. Structure and attitude are what make 2x2 Thinking a great problem-solving tool. The 2x2 structure is open and reflective, enabling rapid iterations of organization, visualization, and experimentation. Its attitude is exploratory, embracing tension and control as central organizing principles. And, the process of seeking out and exploiting core tensions ensures that the relevant issues are being addressed. In this context, organization is more art than science. It is the ability to deconstruct situations and then quickly reconstruct them into new perspectives, problems, and approaches—it is about thinking literally and metaphorically at the same time, and being guided by both.

Visualization is the metaphorical capacity to envision whole, complex situations and, thus, see a vast array of possibilities immediately. The generative outpouring of options, without concern for the constraints and pressures of the moment, comes naturally to the best problem solvers. Before committing to any one solution, they conduct many mental experiments, asking a thousand what-if questions, and then imagine the outcomes. This exploration and modeling of possibilities is done without trepidation, and they actively participate in developing and interpreting the framework. (5) Participants must be passionate about the process, personally invested in the outcome, and take responsibility for their opinions and commitment. Because, the 2x2 form is merely a convenient device—a means to an important end—this last element is more revealing than structure, tools, or matrices. In its absence, tension is artificial and, without tension, the process is flawed.

Lowy and Hood note that, many approaches and styles can be used to solve problems; however, it is the willingness and ability to see both sides of an issue, and to engage them rapidly and creatively, that provides the edge. Structure and attitude are what make 2x2 Thinking a great problem-solving tool. The 2x2 structure is open and reflective, enabling rapid iterations of organization, visualization, and experimentation. Its attitude is exploratory, embracing tension and control as central organizing principles. And, the process of seeking out and exploiting core tensions ensures that the relevant issues are being addressed. In this context, organization is more art than science. It is the ability to deconstruct situations and then quickly reconstruct them into new perspectives, problems, and approaches—it is about thinking literally and metaphorically at the same time, and being guided by both.

Visualization is the metaphorical capacity to envision whole, complex situations and, thus, see a vast array of possibilities immediately. The generative outpouring of options, without concern for the constraints and pressures of the moment, comes naturally to the best problem solvers. Before committing to any one solution, they conduct many mental experiments, asking a thousand what-if questions, and then imagine the outcomes. This exploration and modeling of possibilities is done without trepidation, and

**About the Authors**

**Alex Lowy** is an internationally recognized thought leader, specializing in the creation of innovation work, learning, and information systems. In 2003, he formed the Transcend Strategy Group and is the cofounder and past president of Digital 4Sight, a global technology think tank and strategy consulting firm. Lowry is coauthor (with Don Tapscott and David Ticoll) of *Digital Capital: Harnessing the Power of Business Webs* and *Blueprint to the Digital Economy*.

**Phil Hood** is considered to be one of Silicon Valley’s most thoughtful voices on the development and use of multimedia and pervasive computing technologies. This former CEO of Digital 4Sight is presently a senior consulting associate to Stanford Research International (SRI) and a partner in the Transcend Strategy Group. He is also the former executive editor of *NewMedia* magazine and a contributing columnist to *Wired*.

For more information, please visit: [www.TranscendStrategy.com](http://www.TranscendStrategy.com)
there is no attachment to whatever ideas emerge. Moreover, the ability to define and redefine roles allows movement away from the level at which the problem was created toward higher levels of logic. Thus 2x2 Thinking is, by its very nature, profoundly transcendent. Because it requires that conflicting items be placed in dynamic relationship to each other, the structure of the 2x2 matrix allows one to see beyond a restrictive either-or perspective to a both-and response that automatically draws the problem solver to a new and different perception. This quality is at the center of great problem solving.

The form of 2x2 modeling is rather straightforward. When one places two variables, which influence something significant, on an x-y grid, the essential requirements of form are met. The authors warn, however, that though the fundamentals have been satisfied, the key ingredients are missing. These are the knowledge-intensive lessons of experience (i.e., deeper levels of wisdom), expressed as method and mastery, which guide the problem solver in making choices.

Dialectics is the greatest source of insight into this process. Because dialectics embodies a set of beliefs about the nature of change and the structure of thinking and discovery processes, it focuses on the dynamic relationship between things and their evolution. It is a relationship in which nothing exists in isolation—in which facts, issues, and processes must be examined within the larger context of their logical opposites, internal tension, purpose, and history.

This approach generates significant problem-solving and design benefits. Problems are framed, explored, and resolved better and faster because, rather than focusing on either-or choices, dialectic thinkers can see both-and potential. They naturally ask what-if, in order to generate alternative views. And, suspicious of easy answers to complex issues, they free themselves up quickly to create and sort through a larger list of possible problem statements and solutions. Thus, the dialectic method is ultimately about transcending an initial assessment in order to gain a new, more useful perspective. Nonetheless, this perspective will not emerge without form (the 2x2 matrix), method (a process), and mastery (principles and competency).

The power of the 2x2 form lies in its simplicity and in its limits. On the one hand, it is easily applied and communicated. And, on the other, it can support and express the most complex issues, such as economic forecasts in supply and demand calculations or the use of Game Theory and the Prisoner’s Dilemma to model negotiation theories. Limits are imposed by the selection of a single issue, which is precisely and dynamically defined through the choice of two prime opposing forces. These characteristics make the humble 2x2 matrix natural, adaptable to many situations, highly scalable, and useful at all levels, from the individual to the national policy arena. However, in order to improve one’s success in using this tool effectively in this manner, method and mastery are also needed.

According to the philosopher, G. W. Hegel, with dialectic reasoning, the thesis and antithesis of an important issue are pursued in tandem until their resolution is found in synthesis. Resolution of the tension (synthesis), set up between two points of view (thesis and antithesis), presents new possibilities that draw on both. Moreover, each resolution of tension typically contains its own contradictions, which spark a new cycle of investigation. Thus, the dialectic process does not end after just one cycle. It is a method in which intractable problems suggest that underlying factors exist, and that these factors need to be explored and developed rather than eliminated. In this way, the dialectic process of 2x2 Thinking helps to draw core conflicts and dilemmas to the surface quickly, helps to resolve them quickly, and ensures that the focus is on those areas needing deeper understanding and added management.

Mastery can only be acquired through experience that is grounded in the five principles of creative tension, opposition, iteration, integrity, and transcendence. First, in order to provide the energy and focus necessary for success, creative tension must exist between the two axes. Tension, which results from unresolved opposition between forces, is the prime source of problem-solving energy, as in Risk versus Reward and Urgency versus Importance.

Second, understand the opposition between forces, ensure that it is real, and exploit it. According to Hegel,
opposition is the source of forward movement, and Lowy and Hood believe that the key to harnessing its power lies in selecting the core dialectic struggle and identifying the competing forces.

Direct, complementary, and reflexive opposition are the three legitimate forms of opposition the authors have identified as being applicable to problem solving and design. Direct opposition (i.e., either-or tension) is the purest form and is characterized by the ability to place the two dimensions on a single continuum, as with Hot versus Cold or On versus Off. Complementary opposition occurs between factors that are qualitatively different, yet interdependent in a relevant way. Although they do not exist as the polar ends of a scale (e.g., Size versus Speed or Growth versus Profit), they create a dynamic field of interaction that seeks resolution, for they account for a significant amount of possible variations in a situation. Finally, reflexive opposition arises when a single category is used to represent both of the dialectical dimensions, viewed from two or more perspectives. For example, the Johari Window framework compares Self-Knowledge with what others know or do not know about the self.

Third, because the value of 2x2 Thinking is directly proportional to the timeliness and importance of the topic, to maintain perspective and integrity, it is critical to return regularly to the natural context of the problem (the core that addresses points that are essential rather than peripheral). According to the principle of iteration, no problem exists in isolation; thus, no problem should be examined apart from its natural context. The buildup and release of tensions are best understood within the context of the complex processes and relationships that surround the issue in question. As one tension resolves, new ones emerge at a different level of logic. All solutions need to be viewed as part of this continually evolving set of dynamics.

Fourth, 2x2 modeling is characterized by discovery and unpredictability (the two axes set the tone and the level of challenge for the search that ensues), for an investigation of unanticipated outcomes is often the most rewarding path. Thus, it is important to remain open to what emerges and to build on interim findings. In this way, one observation leads to another insight and eventually sheds light on the central topic.

Fifth, because the answer often lies in a perspective that requires letting go of some old mind-sets, it is necessary to seek out all opportunities to reframe one’s views. The whole purpose of dialectical 2x2 Thinking is transformation rather than adaptation. It is an active process that demands effort and imagination so that one can attain a transcendent perspective that allows the creation of new options and/or an advancement beyond the negative or stuck feelings that make progress impossible.

Form, method, and mastery must work in concert. Without method and mastery, form is mechanical, aimless, and risks causing the problem solver to engage the wrong issue and/or to neglect its essential aspects. Method without form and mastery is frustrating and inefficient. And mastery, without form and method (i.e., without tools and processes) is useless. Understanding this relationship is important when the issue being tackled needs dialectical treatment because it contains “polarities” that must be managed rather than mere problems that can be solved.

Polarities, what Lowy and Hood call archetypal dilemmas, tend to be deep, recurring interdependent patterns that contain common struggles between opposing forces. They note, for example, that when any strategic dilemma is examined, one will find a basic struggle occurring between such opposing forces as Quality versus Speed, Time versus Money, or Risk versus Reward. Thus, they delineate eight thematic struggles—each in response to a particular question or challenge: Head versus Heart, Inside versus Outside, Cost versus Benefit, Product versus Market, Change versus Stability, Know versus Don’t Know, Competing Priorities, and Content versus Process.

Because each archetype takes a different path, with its own underlying assumptions and structures, together they form a powerful diagnostic and idea-generating tool. For example, if a firm suddenly finds itself floundering after years of unabated growth and prosperity, an archetypical analysis can help to prioritize dilemmas and focus attention on the ones that are most instrumental in determining the success of the business.

- Is it the problem of Head versus Heart—the tough choice between doing what makes sense, and doing...
what feels right, and understanding the compelling arguments on both sides?

- Is it about Inside versus Outside? Are the external demands understood, and are the right structures, competencies, and culture in place to meet those demands?
- Is it a Cost versus Benefit issue? Does the firm know how much to invest and whether the rewards merit the risk?
- Is it a classic Product-Market mismatch? Are the wrong offerings being made to the right market, the right offerings to the wrong market, or are right offerings being made at the wrong times?
- Is it really a problem of managing Change versus Stability? Does the organization know how to balance the perpetual dynamic tension between the forces of growth and adaptation and the forces of integration and stability so as not to stumble into chaos on the one hand or rigidity on the other?
- Is it a Know-Don’t Know issue? Is the company’s picture about important aspects of the organization (e.g., its capabilities or how it is regarded by customers and/or other companies) unclear?
- Are there Competing Priorities? Is the organization making shortsighted trade-offs that relieve immediate pressure but postpone the truly important tasks?
- Is it about Content versus Process? Is the organization able to master both the what and the how?

As can be seen, using archetypal analysis unearths numerous perspectives. Lowy and Hood note that when each of these perspectives is examined for fit (ultimately, people solve the problems they recognize), one has a better chance of getting the right fix on what is needed and on what can be done about it.

"The value of archetypes lies in their applicability to everyday experience, rendering the mysterious interpretable and the mundane more essential."

When a situation reaches a turning point—a new, higher level of complexity, causing reflection, pause, and discussion—a decision is needed. Sometimes the issues are explicit, clear, and viewed consensually, but this is not always the case. Moreover, there can be some dispute as to whether an issue even exists. Crossing this bridge is the first step.

Naming the two axes is the next, and most crucial, step in the design process. It begins by identifying, prioritizing, and applying core issues, which, through trial and error, eventually lead to a provisional set of dimensions. And, though these dimensions may (and often do) change over time, it is critical that they be specific to the company or situation and be ones that the team can own.

In order to add value, the two dimensions need to be relevant, different, and cover a large amount of the issue under consideration. Thus, the axes must be tested for relevance and coverage, difference, and dialectical opposition to ensure they create dynamic tension in search of release.

The process of constructing the 2x2 matrix can move quickly or slowly, and can be either intuitive or highly structured. Nonetheless, Lowy and Hood advise that it should not be any more complicated than necessary and offer an eight-step method, which they believe provides a simple and practical approach to applying 2x2 Thinking to a specific problem.

1. **Acknowledge.** Identify the phenomenon/problem that is resisting easy understanding or resolution (“The problem or opportunity is to decide, or to create …”) and acknowledge that a method or framework is needed to move forward. The authors warn that, because any aspect of the company’s offerings, operations, or people can be the locus of a dilemma, it is critical (at this stage) not to be constrained by existing boundaries, investments, and/or “sacred cows.”

2. **Envision the end state**—the ideal outcome. (“This will help us to … by …”) Coming up with a statement of self-interest at the outset provides direction, creates urgency, and sets the success criteria for the entire undertaking.

PART II: 2x2 PRACTICE

According to the authors, designing 2x2 matrices is about making intuition explicit. Because the useful matrix cuts to the essence of what is being investigated and presents an accurate and enabling map of the territory in question, 2x2 Thinking is most constructive when the problem solver has arrived at an impasse. If the next step in a process is self-evident, a 2x2 approach is likely not required. Given these factors, the underlying structure and design dynamics of 2x2 modeling involve initiation, naming, and testing.
3. **Catalogue.** Create an inventory of interesting and important aspects of the situation by making a list of many broad, uncritical features. ("The essence of the situation is ... What is important is ... What is difficult is ...”) This helps bring issues to life, as well as the beliefs, hopes, and fears of the group. Allowing these elements to surface as this juncture can be the key to success later in the process.

4. **Organize.** Find the common themes (between four and seven) among the list of important features generated in step three and place the individual items in the appropriate cluster. Occasionally, this clustering helps to generate new items or categories, which can be constructive, when they lead problem solvers closer to the heart of the issue. Sometimes, however, new items represent avoidance and sabotage on the part of those who feel threatened by the process. Be aware that only legitimate and honest issue framing will lead to new insights and useful results.

5. **Prioritize.** Rank the factors from step four in order of their relevance to, and influence on, valued outcomes.

6. **Design.** Draw a 2x2 grid, use the top priority factor from step five to name the vertical axis, and then name the two ends of this dimension (e.g., Market [Fragmented versus Integrated]). Repeat this process for the horizontal axis, selecting the name of this dimension from the remaining top priority factors. Lowy and Hood emphasize the importance of not forcing closure and remaining open to variations. They recommend using the dimension and the matrix shape to experiment with possible representations of the situation.

7. **Name the four quadrants** by describing the meaning of each of the quadrants, in a single word, phrase, or sentence, and then assigning a designation that is the most obvious. Deciding what goes inside the matrix is the most creative part of working with 2x2 modeling, for here, one has the largest amount of latitude for expression and interpretation. Selecting the two axes is science; naming the four quadrants is art.

8. **Test for coverage, orthogonality, and fit.** Ask: Are there any important elements of the subject that can be imagined, but that cannot be addressed within the matrix? Are there only two plausible quadrants rather than four? And, does the framework address the essence of the issue in a helpful way (i.e., in a way that yields added perspective and insight)? If the answer to any of these questions is no, it is probably worth experimenting further to see what else is possible.

The beauty of the 2x2 framework constructed in this manner is that it can readily be applied to the strategic, organizational, and individual dilemmas managers face day to day. According to Lowy and Hood, the most visible strategic act is making choices that advance the goals of the organization in the best possible way. Thus, they believe that strategy is “a dialectical dance between competing goals and modes; form and function shape each other; the organization is the strategy. Agility, an aspect of form, is recognized as key to strategic effectiveness; market share and profitability compete for primacy, and growth and stability oscillate in self-correcting loops.” Given this perspective, the key question the strategist seeks to answer is, “How do we compete more effectively?” This archetypal strategic dilemma involves resolving the tension between Context (the who, why, where, and how of value creation) and Value (the what).

Within this arena, the authors have found a wealth of important and useful strategic 2x2 frameworks in five categories: (1) customer needs models that address the challenge from an assortment of creative angles; (2) strategic context frameworks in which such considerations as the nature of competition and the timing of an offering are included; (3) strategic options—a group of models that help to generate a rich set of possibilities and then sorts them in an efficient and meaningful way; (4) marketing and communications—frameworks that help to model customer characteristics and needs so that marketing and communication decisions are well-matched to unique preferences; and (5) risk management—models that help to make risk decisions more explicit and rational.

Lowy and Hood note that, as in the case of strategy, traditional approaches to achieving organizational effectiveness are being challenged by the forces of complexity, technology, and globalization—factors that have resulted in a reconceptualization of the enterprise, work, and day-to-day operating challenges. Thus, the archetypal organizational dilemma involves resolving the tension between Integration and Differentiation; it is
the issue of designing and managing structure, jobs, and processes so as to make the organization more effective.

2x2 Thinking addresses this issue with a rich assortment of organizational frameworks in four categories: (1) structure—models that can assist firms in defining and structuring work in ways that improve performance; (2) leadership and culture frameworks, which reflect best practices and emphasize balance and adjustment to situational requirements; (3) learning and change, addressed as an integrated whole in which interdependency is underscored, and (4) process models that address what processes are needed and how they are designed.

Finally, Lowy and Hood note that as work becomes increasingly knowledge based, the importance of individuals to business is also increasing. The widespread use of computers and communications tools is simultaneously enhancing the effectiveness of individual workers and blurring the distinction between roles. The remarkable improvements brought about by information technology are accompanied by the need to shape and manage the ensuing information and opportunities. Thus, a new information generalist has emerged, challenged to juggle, optimize, and find personal meaning in a world of infinite variety. It is the archetypal individual dilemma that involves resolving the tension between effectiveness (contributions made) and the attainment of personal satisfaction (needs met). In this context, the core issue is one of how to increase personal effectiveness—how to match such personal attributes as style, strengths, and interests with context and demand.

The authors have found that some of the best developed 2x2 frameworks in this arena fall into three categories: (1) personal awareness and style frameworks, based on well-established research and modeling from the fields of personality and social psychology; (2) professional effectiveness—performance and awareness models that address leadership, interpersonal and team orientation, career management, and social style; (3) and decision making models that structure decision making intuitively in ways that are fundamental and practical.

Remarks

Most professionals in any field of endeavor are familiar with (if only in passing) the ubiquitous 2x2 matrix, which many view as a device for sorting information that can be reduced to two simple variables, particularly when the variables are qualitative rather than quantitative in nature. And, in general, those who seem to view the 2x2 framework as a mere device, also tend to confine its value to the fact that it enables them to cluster information rapidly into four categories, which they define according to the issue under examination. They view this capability to be especially useful for groups, who need a way to visibly represent a common understanding about a situation/issue.

Lowy and Hood demonstrate that the 2x2 matrix is much more than a grid for displaying a finished and closed set of ideas, but the beginning of a “dialogue” that “brings richness, depth, and a uniquely dynamic transformational power to the form.” They demonstrate that there is a right way and a wrong way to construct a 2x2 model, that the key to this right way lies in how the primary variables are selected and applied, and that selection and application depend on “a particular cognitive and emotional bias in approach”—2x2 Thinking.

Thus, from the authors’ perspective the 2x2 matrix is not about a form that allows rapid sorting of information (though the essence of the approach is contained within the form) but about a dialectical approach that begins by understanding that most issues are complex, containing paradoxical elements that are not necessarily mutually exclusive. From this understanding comes the insight that 2x2 Thinking is an open approach, which is proactively drawn toward inherent conflict in search of resolution. It is an insight that leads away from the linear thinking, so common in decision making: linear thinking that does not allow complementary tendencies to be treated as dualities; linear thinking that, because it fails to allow all possibilities to emerge, encourages the thinker to leap to the “right” answer and to get nonsolutions as a result.

In this context, 2x2 Thinking is about managing “dilemmas” rather than “problems.” Lowy and Hood believe that problems can be dealt with simply, but dilemmas (e.g., Profit versus Growth or Cost versus Benefit) are major business challenges that defy any quick-fix approach. The dilemma-based approach presented in The 2x2 Matrix
provides a method that helps organizations create effective strategic plans, characterized by differentiated value. Thus, dilemmas viewed through the lens of 2x2 Thinking represent a source of great strategic leverage and power. By transforming the familiar grid into a generic construct, the authors show executives, managers, and consultants, who struggle with complex and widely ranging issues, how to gain a better understanding of the key tradeoffs in decision making and to identify the solutions that transcend those tradeoffs. It is an approach that is just as powerful for generating new ideas as it is for sorting and analysis.

Reading Suggestions

Reading Time: N/A, 339 Pages in Book

Lowy and Hood believe that reading The 2x2 Matrix from beginning to end will not be meaningful for most readers in most circumstances, and they suggest concentrating on “the jewel in the crown”—part three—the inventory of strategic, organizational and individual frameworks (which fills 232 pages of the book’s 339). The authors offer this inventory as “a rich resource and problem-solving aid,” and parts one and two of the book are offered to complement and extend the value of this resource. In these complementary sections, you will find an explanation of the conceptual foundation and logic of 2x2 Thinking, as well as an explanation of methodology, which takes you through two levels of application, offered to make the design and use of the approach clear and explicit.

We suggest that you honestly assess your level of competency in 2x2 modeling, and your level of understanding and mastery of dialectical thinking, before you take the authors’ suggested approach. If you are already seasoned in applying dialectical methods, and merely need a reference to jog your memory about the particulars of any of the classic 2x2 frameworks, then the authors’ advice will probably fit your needs. We would only add that you should perhaps begin by examining “How the Book Is Organized” (in the introduction) and use it as a guide in selecting the complementary content you might also want to access. Nonetheless, we must warn that this skip-and-skim approach might cause you to miss valuable time saving tips (relevant to the seasoned dialectical thinker as well as to the novice) on how to construct your own 2x2 matrix more effectively.

We also believe there are other reasons for “reading” The 2x2 Matrix from beginning to end: First, 2x2 modeling “has been greatly misunderstood, misused, and mistrusted,” despite its value as an analytical tool. Second, as is mentioned in the foreword, much of management thinking consists of “giant [lists] of stuff” without any perspective on the underlying contributory factors or any linkage that connects principles or phenomena. This book makes important strides in helping you overcome these obstacles, if you have, indeed, fallen victim to them. By reading the work in its entirety, you can learn how not to limit yourself when encountering 2x2 matrices, thinking they represent the totality of all thinking on a subject. Or, you can learn not to limit yourself by viewing them as too simplistic to improve the clarity, honesty, and quality of your problem-solving endeavors.

The frameworks presented are diverse but share a common structure, which Lowy and Hood believe is responsible for their strength. Thus, by reading the entire book, you can also learn to recognize, appreciate, and exploit this commonality, contained in the 2x2 design, which sets the tension that is the prime source of problem-solving energy and direction. Although the inventory of applications allows you to grasp the structure, breadth, and relevance of 2x2 modeling, the addition of theory and methodology will help you open up to the practice of 2x2 Thinking. Throughout the book, the authors offer examples of this approach that allow you to practice it by applying the examples to your own circumstances. You’d probably do well not to miss them.

With that said, if you are unfamiliar with 2x2 Thinking, and/or have any misunderstanding or misgivings about the 2x2 matrix, we recommend that you begin with the foreword and introduction, then skip over to Chapter Five: 2x2 Thinking in Action. This case study of How Fujitsu turned chronic loss to profit by applying the 2x2 approach provides an excellent foundation for the theory and methodology explored in chapters one through five, which you should go back and read in the order presented. As for how you should approach the inventory of frameworks, the authors provide several suggestions throughout the text you can ignore or heed, according to your needs.
Finally, we must note that even if you read the book from start to finish, in the order presented, how long it might take depends upon what you stop to do along the way. For example, in addition to stopping and “practicing” 2x2 Thinking and modeling, you might also need to take a side trip to visit some beginner texts, such as *For Dummies* or *The Complete Idiot's Guide*, to get a quick, basic overview of dialectical thinking and/or the approaches of Descartes, Pascale, and Hegel.

CONTENTS

PART 1: 2X2 THINKING
Chapter 1: The DNA of Great Problem Solving
Chapter 2: 2x2 Thinking as Dialectical Process
Chapter 3: The Eight Archetypal Dilemmas

PART 2: 2X2 PRACTICE
Chapter 4: Designing 2x2 Matrices
Chapter 5: 2x2 Thinking in Action—Fujitsu

PART 3: 2X2 FRAMEWORKS INVENTORY
Chapter 6: Strategic Frameworks
Beyond Customer Led
Discontinuity and the Life Cycle
Customer as Value Manager
Customer Value Analysis
Scenarios
Gartner Magic Quadrant
Portfolio Analysis
Problems and Solutions
Dialectical SWOT Analysis
Market Tipping
Corporate Strategy
Generic Strategy
E-Business Opportunity Matrix
Global Product Planning
Generic Network Strategy
Mass Customization
Attentionscape
Managing Customer Loyalty
Likelihood to Buy
Revenue and Profitability
BCG: Product Portfolio Matrix
Impact-Uncertainty Matrix
Entrance and Exit Strategies
Chapter 7: Organizational Frameworks
Good to Great Matrix of Creative Discipline
Employee Motivation
Alliance Drivers
Team Types
Situational Leadership
Four Power Players in Knowledge Organizations
T-Group Leadership
SECI
Human Capital
Differentiation and Integration
Means and Ends
The Change Grid
Learning and Change
Similarities and Differences
The Four Realms of Experience
Make versus Buy
Four Square Model
Product and Supply Chain Architecture
Telematics Framework
The Virtue Matrix
Chapter 9: Individual Frameworks
Johari Windo
Myers-Briggs Type Indicator
Learning Styles Inventory
I'm Ok, You're OK
Conflict Mode
Social Styles
Getting It Right
Leadership Coaching
Career Transitioning
Prisoner's Dilemma
Urgency and Importance
Influence and Concern
A Note to Our Readers

We at BBR encourage our readers to purchase the business books we review. BBR Reviews are intended as a service to busy professionals, as we recommend only those books that are worth your time to read in their entirety. We apply stringent criteria in selecting only the best business books, and in that selection process, strive to help you make informed book-purchasing decisions.

This book is available at bookstores and online booksellers.

Business Book Review™ is a service of Business Book Review, LLC
For more information about BBR, to subscribe to BBR, or to provide us feedback, visit our Web site.

www.businessbookreview.com

Business Book Review, LLC
1549 Clairmont Road, Suite 203
Decatur, GA 30033

Copyright © 2004 Business Book Review, LLC • All Rights Reserved
No copies may be made of this review unless appropriate license has been granted.
ISSN 0741-8132
By studying the work of hundreds of the most original and effective business minds, the authors present a common architecture that illuminates exceptional analysis and creative performance. 2 x 2 Thinking is characterized by a fundamental appreciation for the dynamic and complex nature of business. The best strategists go out of their way to tackle dilemmas rather than merely solve problems. They use opposition, creative tension, iteration and transcendence to get to the heart of issues and involve critical others in finding the best solutions. The authors demonstrate how to apply the 2 x 2 ap