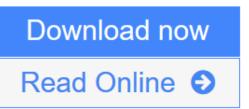# Thinking Strategically: The Competitive Edge in Business, Politics, and Everyday Life

Avinash K. Dixit , Barry J. Nalebuff

Thinking Strategically: The Competitive Edge in Business, Politics, and Everyday Life

Avinash K. Dixit , Barry J. Nalebuff

Thinking Strategically: The Competitive Edge in Business, Politics, and Everyday Life Avinash K. Dixit , Barry J. Nalebuff

The international bestseller — don't compete without it! A major bestseller in Japan, *Financial Times* Top Ten book of the year, Book-of-the-Month Club bestseller, and required reading at the best business schools, *Thinking Strategically* is a crash course in outmaneauvering any rival. This entertaining guide builds on scores of case studies taken from business, sports, the movies, politics, and gambling. It outlines the basics of good strategy making and then shows how you can apply them in any area of your life.

Thinking Strategically: The Competitive Edge in Business, Politics, and Everyday Life Details

Date   : Published April 17th 1993 by W. W. Norton Company (first published January 1st 1991)
ISBN   : 9780393310351
Author : Avinash K. Dixit , Barry J. Nalebuff
Format : Paperback 416 pages
Genre : Business, Economics, Nonfiction, Management, Science

Download and Read Free Online Thinking Strategically: The Competitive Edge in Business, Politics, and Everyday Life Avinash K. Dixit , Barry J. Nalebuff

From Reader Review Thinking Strategically: The Competitive Edge in Business, Politics, and Everyday Life for online ebook

Domas Markevicius says

I came to Thinking Strategically with already sparkled interest in game theory and read it just out of curiosity. The book is driven forward by examples. That's not a bad thing by itself, but I found them too artificial, dry and bookish quite often, not to mention all of the baseball and American football ones (somehow a fact that not all readers would be from North America was overlooked). In general it was slow and low-energy read which failed to capture my full attention and imagination. Some really interesting and practical topics, such as auction designs were only mentioned in the passing. Most stimulating chapter of the book was the last one, Case Studies, so I you feel like DNF, go to chapter 13.

Riku Sayuj says

Wonderful book on game theory. The examples from history, literature and from every day life make the discussions lively and entertaining. Mathematics and complex reasoning is kept to a minimum and conversational, easy-to-follow logic is generally adopted. The case studies at the end of each chapter helps to sum up understanding and we can easily breeze through the book with the assurance that the final chapter of case studies will refresh any idea that we might be unclear on. All in all, a great medium-difficulty-level introduction to the complex field. Not a bed time read though, unless your intention is to fall asleep quickly.

Prakhal Goyal says

A fantastic read! Inundated with examples of politics, sports, and business. Relevant case studies are provided post chapters. An active mind is required while reading the book. Definitely a mind expanding book!

Alex says

Thinking strategically is an excellent book for those interested in Game Theory or gaining a better understanding of how to effectively react to the oppositions move in various situations within business, sports and personal life.

The way in which each subject is outlined is brilliant; an introduction to an idea followed by a simplistic example then a case study to ensure that the reader fully comprehends the matter in discussion.

The only reason that I did not rate this above a three was due to looking at the book purely from a student's perspective. For those of who the book is generally intended for; "the intelligent layman", the book offers a great insight into strategic behaviour. But for those who are already aware of Game Theory, this book could quite easily be condensed into a 10 page sheet of rules as to how to react in different situations. In other words, too many pages for too little substance - but that is only because I wanted only the facts.

Having said all of that, anyone that has just been introduced to economic/business strategy should definitely give this a read. Jot some
notes down as you go, mind you.

Alex Petkus says

A very interesting, quick, and easy read. The only dry section was about 20 pages on politics, of the ≈ 376 pages; somewhere around 280. The politics section, in my opinion, is more about winning for the sake of winning and less about winning with meaning, principles, or a philosophy in mind; basically, become as bland and ordinary as possible, more ordinary than the people you are running against, and you will be more likely to win that election- that is a major waste of time and a loss in my book - AKA sellout to win, take positions based on polls, etc. But, in game theory, it is all about winning and not always about winning in the most meaningful way, just how you are most likely to win, which can feel empty; there are caveats, the book does recommend not to be "cutthroat" when you are competing against somebody where you may be able to cooperate with them in the future for mutual benefits, ect, ect..

A lot of the book sounds like logical or common sense, but some of it is helpful in getting what you strategically desire, such as making the deal a little sweeter for your competitor; for example, in a boardgame, don't just warn a competitor that you will attack one of there important areas if they take a game piece you desire, sweeten the deal by promising that you will not take a particular game piece that is strategically important to them...but be sure to betray them before they betray you near the end of the game, in order to win in a win-lose zero sum situation. However, if there is a fixed number of turns in a game, betray your opponent immediately, because betrayal has the biggest payoff in a "fixed turns" game, but you are not likely to keep friends or acquaintances this way, this is only how you act when you will never compete against this opponent again; if you treat a "future opponent" this way, you will have dealt yourself a terrible hand before the beginning of the "future game."

Definitely a fun read, more fun than I expected. The exercises at the end of chapters are fun and exciting when you choose the best strategy [according to the authors] based on what information you have or your position in a game.

Hesham Khaled says

 ?????? ????? ????? ?????? ?????? ??????? ??????? ????????? ????????? . . ?? ??????? ????
?????? ??????? ??? ???? ????????.
????? ??????? ????? ????? ???????????? ??????? ?????? ??????? ? ????? ?????? ????????????
????? ????? ????? ????? ?? ????? ??? ?????? ????? . . ??? ?? ???? ???? ?????? ??????.

????? ??????? ??? ??????? ????????? ????? ??????? ????? ???? ?????? ????? ?? ???? ?? ??????
???? ??????? ?????? ???????.

?????? ????? ?????? ????? ?????? ??????????.

???? ??? ??? ???? ??? ?????? ?? ????? ???????????? ???????? ???? ?????? ?????? ???????? ?????
???????

?? ?????? ?? ??? ???? ?????? ????? ????? ?? ??? ????? ?????? ?? ????? ??????? ????????????? ??????.

Kathryn Davidson says

The book focuses on game theory as strategy. The overview of the game theories is decent. Unfortunately, the authors attempt to convert everything to a quantifiable value that can then be run through standard formulas. Personally, I think a lot of the quantification is highly qualitative and therefore isn't quite as straightforward as it's made out to be in the book.

Toe says

This is how a book should be written.

It is a fantastic introduction to game theory for the intelligent layman. It covers strategic decision making for innumerable scenarios, including but not limited to: poker, political campaigns, takeover bids, business negotiations, baseball pitches, bargaining, labor relations, tax audits, and nuclear war. The authors strike the perfect blend of in-depth coverage of the technical topics, like Bayes theorem, with concrete examples illustrating the concepts. They avoid jargon as much as possible and deliver the meat of the matter. Sprinkled in like M&Ms in trail mix are humorous anecdotes and some hysterical quotes (with more than a few stemming from the fertile mind of Yogi Berra). I was so engrossed with the book that I failed to take the time to record all the funny quotes and stories; besides, there were too many to record anyway. They await your discovery.

Unfortunately, as you will learn after reading the book, the ideas you discover cannot help you gain an advantage over future adversaries. Why not? Because they will have read the book too. There is no strategic advantage to be gained, the price of admission has merely shifted.

Here are the most fundamental ideas heartlessly wrenched from a charming and intriguing book well worth your time:
Rules:
1. Look ahead and reason back.
2. If you have a dominant strategy, use it.
3. Eliminate any dominated strategies from consideration, and go on doing so successively.
4. Having exhausted the simple avenues of looking for dominant strategies or ruling out dominated ones, the next thing to do is to look for an equilibrium of the game.

There are 8 ways to make credible threats or promises:
1. Establish and use reputation
2. Write Ks
3. Cut off communication
a. Last will and testament
4. Burn bridges behind you
a. Cortes burned his ships when he landed in Mexico
5. Leave the outcome beyond your control

a. The doomsday device in Dr. Strangelove was set to automatically destroy the planet if the Soviet Union were attacked
6. Move in small steps
a. Purchase cocaine in small quantities and take delivery even if you want a lot
7. Develop credibility through teamwork
a. Alcoholics Anonymous, Roman army would kill deserters
8. Employ mandated negotiating agents

Min-Max theorem – in zero-sum games in which the players' interests are strictly opposed, one player should attempt to minimize his opponent's maximum payoff while his opponent attempts to maximize his own payoff. When they do, the mini-max and maxi-min are exactly equal. Neither player can improve his position, so there is an equilibrium. Employing your "best mix" strategy requires unpredictability to avoid letting your opponent catch on.

John Blackman says

This book should really be called an introduction to game theory. I certainly enjoyed it as a way to think about problems and reduce them to a polynomial equation that solves for a particular variable. You can take this a step further and find local minimum and maximum in any given function to find optimal solutions which is essentially what is most of modern machine learning. The hard part is getting an accurate function to define your problem which generally takes a lot of data. This book was written in 1991 before the massive adoption of machine learning to all things business. Those concepts still apply, but now we just have a lot more data.

Turning problems into a a mathematical representation takes the romance and human component out of solving problems. This eats my soul and also produces better outcomes. It takes things like rules and regulations and reduces them to probabilities and punishments. This leads one to think that rules don't need to be followed as long as the equation predicts a better outcome and the risk of rule enforcement is low enough to warrant breaking them. This math help define how to fight the cold war since there aren't any real rule enforces in a geopolitical scale.

So if you want to find the best solutions to problems that can be represented by equations and probabilities, this will be a great book to get you started. The equations for the problems presented in this book were pretty simple which is great for teaching by example. To be competitive today you will likely have to have much more data and much more accurate equations to define your problem space.

May the best math win.

Tin Wee says

A primer on game theory - it attempted to explain the main concepts in lay language, without going too much into the maths. Found portions difficult as some examples were drawn from baseball and american football, which I'm not familiar with. Still, there are many other interesting examples that will warp your brain. Some of the mathematical explanations were also beyond me. My main grouse with game theory is that it assumes that players are logical, which is apparently not true all of the time. Nonetheless, it does

provide good frames for thinking about problems. Recommended if you're interested in game theory.

Kolagani Paramahamsa says

It's not one of those 'motivation' books, the caption for the book is misleading. Application of strategies in all walks of life-sports, casinos, business, politics, and everyday life-using case studies are presented in this book. Although majority of the case studies are explained based on rudimentary concepts in game theory, there are instances of using probability and psychology concepts as well. Overall, a very good no non-sense read, which is not very thought provoking but interesting in most of the pages.

On the negative side, the concepts in case studies are repeated in many instances, notwithstanding the fact that the background story of every case study is unique. About around five case studies out of more than thirty are unique in terms of idea and complexity.

Brian Mcleish says

Tough going but a good overview of game theory as it applies to strategy.

Ivan says

Oh game theory! I agree with the fact that knowledge of how to play games matters but this book was more academic than mainstream. Economics is a dismal science though, and this book does not even make an effort examining moral implications of many games.

Things I learned:

- To improve the effectiveness of your backhand in tennis, improve your forehand so your opponent respects (and plays more) against your forehand.

- When you're #1 in the industry, let the competitors drive the innovation and imitate them when they are successful so you take less risk and protect your standing.

- Mix your strategies randomly to keep the opponent honest.

- Hostages' dilemma is often worse than prisoners' dilemma though both generally suck and require difficult resolutions. Why? It is hard to deter cheating.

- It takes a lot of effort to earn credibility.

- In unique situations (i.e. war battles), surprise yourself at the last minute to surprise your enemy.

- Brinkmanship saved the world from nuclear disaster but failed at Tiananmen Square.

- We're stuck with the QWERTY keyboard and racially non-integrated neighborhoods due to unkind

equlibria. Many equilibria are also determined by fad.

- Voting sucks because no voting system exists in the world that can induce ALL voters to represent their honest views through their votes. Voting gets even worse for contests such as the Baseball Hall of Fame.

- Shrinking industries usually feature larger firms go out of business first because their costs are highest.

Santino Maguire says

Fantastic introduction to game theory. I would highly recommend this book to everyone I've ever met.

Ami Iida says

It is a book to learn the game theory from basic.
This book is ideal as introduction to game theory.
Learning the game theory by using the game.
It is to incorporate all the basic essence of game theory.