

## ANOOP R. MENON

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### Education

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2013 (expected)	<b>Harvard Business School</b> Doctor of Business Administration in Strategy Committee: Giovanni Gavetti (co-chair), Dennis Yao (co-chair), Juan Alcacer, Andrei Shleifer
2007	<b>Amherst College</b> Bachelor of Arts in Economics and Psychology, <i>magna cum laude</i>

### Research and Teaching Interests

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**Research:** Strategic decision making, strategic change, cognition, game theory, innovation

**Teaching:** Core strategy, strategic decision making, behavioral strategy, competitive strategy, strategic change and innovation

### Working Papers

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- Menon, Anoop R. (Job Market Paper) “The Impact of Prior Performance on Strategic Choice: An Emotion-Based Argument.” (2012)
- Menon, Anoop R. “Subjective Strategic Forecasting: An Associative Model Of How We Look Into The Future.” (2012)
- Menon, Anoop R., and Dennis A. Yao. “Strategy Dynamics, Repositioning Costs, and Competitive Interactions.” (2012)
- Gavetti, Giovanni M., and Anoop R. Menon. “Strategic Leaps through Re-Categorization.” (2011)

### Works In Progress

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- Gavetti, Giovanni M., and Anoop R. Menon. “Persuasion in Strategy.”
- Menon, Anoop R. “What Comes to Mind: A Neurally Inspired Model of Associative Information Processing.”
- Menon, Anoop R., and Dennis A. Yao. “Strategic Interaction under Behavioral Constraints.”

- Menon, Anoop R., and Dennis A. Yao. "Competition Among Non-Profits."
- Menon, Anoop R., and Haris Tabakovic. "Strategic Implications of Information Processing Constraints of Firms."

### **Book Chapter**

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- Menon, Anoop R., and Dennis A. Yao. "Product Market Strategy." In the Palgrave Encyclopedia of Strategic Management, edited by David Teece and Mie Augier. (forthcoming)

### **Course Development Materials**

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- Gavetti, Giovanni M., Anoop R. Menon, and Katherine Dowd. "Charlie Merrill and the Financial Supermarket Strategy." Harvard Business School Case (2011) 711-518.

### **Awards**

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2012	Wyss Award for Excellence in Doctoral Research, Harvard Business School
2009	Grade of "Excellent" on the Harvard Business School Doctoral Qualifying Examination; Fields: Strategy, Cognitive Foundations, Corporate Finance
2008	High Pass on the Harvard Business School Doctoral General Examination
2007	Addison Brown Scholarship (highest academic standing in graduating class at graduation), Amherst College
2007	James R. Nelson Memorial Award for Economics, Amherst College
2006	Phi Beta Kappa membership in junior year (the top 1% of the class), Amherst College
2006	Economics Department Junior Class Prize, Amherst College

### **Fellowships**

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2007- 2013	Harvard Business School Doctoral Fellowship
2008	Roswell Dwight Hitchcock Memorial Fellowship for research in Strategy
2007	C. Scott Porter Memorial Fellowship for research in Economic Analysis
2006	Junior Year Economics Research Fellowship, Amherst College

## Invited Conferences and Consortia

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2012	Academy of Management (AOM) Business Policy and Strategy (BPS) Dissertation Consortium, Boston, USA
2012	Mack Center Emerging Scholars Workshop: Evolutionary Perspectives on Strategic Management, The Wharton School, Philadelphia, USA
2011	Consortium for Competitiveness and Cooperation (CCC) Colloquium for Doctoral Student Research, MIT Sloan School of Management, Boston, USA
2010	Strategic Management Society Doctoral Consortium, Rome, Italy
2009	The 1 <sup>st</sup> Medici Summer School in Management Studies, Florence, Italy

## Teaching Experience

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2012	Harvard Business School Teaching Assistant and Coordinator for Foundations of Strategy (Doctoral course)
2006	Amherst College Teaching Assistant for Macroeconomics
2006	Amherst College Teaching Assistant for Microeconomics

## References:

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Professor Giovanni Gavetti (Co-Chair)  
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## Appendix:

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### Abstracts of Working Papers:

#### **Menon, Anoop R. (Job Market Paper) “The Impact of Prior Performance on Strategic Choice: An Emotion-Based Argument.” (2012)**

**Abstract:** This paper explores the impact of the prior performance of a firm on the distance of its strategic search and choices. Specifically, it focuses on the emotional impact of prior performance and how it influences the strategic decision making process. It identifies a few robust mechanisms from cognitive psychology, cognitive neuroscience and behavioral economics relating to the impact of emotions on cognitive functioning, and then integrates and applies them to the question of how prior performance impacts the distance of strategic search and choice. Through this, two hypotheses are generated that are different from some of the received wisdom on the question. Larger increases in prior performance are predicted to lead to more distant search and choices (and vice versa) while higher levels of volatility in the prior performance are predicted lead to less distant (i.e. local) search and choices (and vice versa). The hypotheses are applied to a very specific strategic context, namely the decision of firms to undertake M&As, generating testable empirical predictions. A large panel dataset that tracks the top 10,000 firms worldwide over 44 quarters from 2001 to 2011 is used for the empirical tests. Strong support is found for the predictions in the data. A more “direct” test of the emotion-based mechanism is also attempted by using measures of investor sentiment, and these tests also support the predictions.

#### **Menon, Anoop R. “Subjective Strategic Forecasting: An Associative Model Of How We Look Into The Future.” (2012)**

**Abstract:** This paper explores the process by which decision makers make subjective forecasts, that is, forecasts that are based on subjective estimates and “gut feeling” as opposed to a rational decision calculus. It develops a parsimonious model of this process that is fundamentally based on the associative nature of information processing in the mind. A few seemingly counter-intuitive properties of the model are explored, and it is used to account for a few well-documented biases. Finally, the model is applied to strategic forecasting, focusing specifically on a few implications of the model to features that are especially relevant for strategic situations. The model predicts that subjective strategic forecasts will tend to underestimate and even ignore the impact of change. These forecasts will tend to underestimate or ignore the responses of other actors (like competitors), especially if those responses are different from the historical ones. Furthermore, it predicts that deliberating more over decisions need not reduce these biases, and can in fact amplify them under certain conditions. The paper also explores conditions under which these biases will be exacerbated.

#### **Menon, Anoop R., and Dennis A. Yao. “Strategy Dynamics, Repositioning Costs, and Competitive Interactions.” (2012)**

**Abstract:** In this paper we propose an approach to the modeling of strategic interaction that incorporates the costs to firms of changing their strategies. These costs, which we term repositioning costs, have been identified in the organization and strategy literatures as critical aspects of strategic change, but have been largely ignored in game-theoretic treatments at the grand strategy level. Including such costs changes the nature of strategic dynamics and the implications of strategic interaction for strategic choice. Because we believe that the existence of costs to change strategies are the defining feature of what constitutes a strategic choice, we argue that all models of strategic interaction at the level of grand strategy should include such costs. In order to demonstrate the fertility of this approach, the paper incorporates repositioning costs into two simple examples of inter-firm competitive interactions and demonstrates how the inclusion of this feature changes the nature and outcome of the games. One example incorporates the notion from strategic management that repositioning cost depends on the “distance” of the repositioning while the other example incorporates the notion that repositioning cost increases with the length of time that a firm has been executing its current strategy. Both examples illustrate that repositioning costs change the strategic dynamics relative to the situation where there are no repositioning costs.

#### **Gavetti, Giovanni M., and Anoop R. Menon. “Strategic Leaps through Re-Categorization.” (2011)**

**Abstract:** In this paper we study creativity in strategy formulation. We use constructs from cognitive psychology, cognitive neuroscience and linguistics on categorization to model cognitive long jumps in strategy formulation. One such long jump is

used as our motivating example—the “financial supermarkets” strategy created by Charles Merrill in 1940 which led to the dramatic rise of Merrill Lynch. By studying this case in detail using historical data and applying to it insights from the work on categorization, we obtain a better understanding of how Merrill might have thought about and arrived at his novel strategy. We then develop a formal model of this process and use it to generate generalizable propositions about performing cognitive long jumps.

### **Descriptions of Works in Progress:**

#### **Gavetti, Giovanni M., and Anoop R. Menon. “Persuasion in Strategy.”**

Given a strategy that departs from the cognitive status-quo, how does the strategic leader persuade other constituents, both internal and external to the firm, to adopt it and value it appropriately? This paper explores this phenomenon of persuasion in strategy. It further develops the formal model of categorization developed in the previous paper and uses it to explore the cognitive mechanisms underlying the process of persuasion, particularly applied to the persuasion context of a strategic leader. The model generates generalizable propositions about which persuasion techniques are likely to be effective under what conditions. It also proposes a novel persuasion technique that is argued to be particularly powerful in a set of situations that are especially relevant to strategic change – highly emotional contexts that are also highly causally ambiguous.

#### **Menon, Anoop R. “What Comes to Mind: A Neurally Inspired Model of Associative Information Processing.”**

This paper uses the associative nature of information processing in the human mind to get at three core questions of procedural rationality: “How do individuals come up with options in a choice situation?”, “How do they know what will result from choosing these options?”, and “How do they arrive at the values that they attach to each of these consequences?”. It develops a formal model of associative information processing which incorporates notions of emotionality and value (utility). This model is applied to a decision making context in order to investigate how option sets are generated, and how the consequences of the options are envisioned and valued. Features of the model that cause these processes of option generation and valuation to deviate from the assumptions of classical rationality and Bayesian probability are explored.

#### **Menon, Anoop R., and Dennis A. Yao. “Strategic Interaction under Behavioral Constraints.”**

In this paper we explore how imposing realistic constraints on the cognitive and information processing capabilities of strategic actors changes the results of a game theoretic treatment of strategic interactions. We identify a few fundamental ways in which actual inter-firm strategic interactions differ from the strong assumptions of classical game theory, and incorporate these differences into a game theoretic framework. Through this we find that the standard game theoretic toolkit might be under-equipped to handle certain strategic situations. Instead we propose some novel modifications that help address this issue. The paper attempts to make game theory more applicable to business strategy.

#### **Menon, Anoop R., and Dennis A. Yao. “Competition Among Non-Profits.”**

In this paper we investigate the strategic interactions among non-profit organizations. We develop a formal model that focuses on the fundamental strategic differences between non-profit and for-profit organizations, and use it to derive testable predictions about strategic behavior among non-profit firms. We also aim to test these predictions empirically. Towards this end, we have acquired a large panel dataset containing financial information on a large number of non-profit organizations in the United States in the 1989-2008 time period.

#### **Menon, Anoop R., and Haris Tabakovic. “Strategic Implications of Information Processing Constraints of Firms.”**

In this paper, we explore the implications of firm-level information acquisition and processing constraints on the performance and strategies of firms. While these constraints and their crucial significance for firm performance and strategy have been noted before, the rapid increase in information density facing modern firms makes them ever more significant. We build on previous traditions and develop a simulation model that captures a few of these constraints, and then use it to explore how variations in certain parameters of the model, that correspond to certain strategic scenarios, interact with these constraints and affect firm performance. We will also explore how the firm can respond to these changes in a dynamic system, and how these adaptations can have some interesting implications for the firm’s future strategic direction.