Creative destruction and the financial crisis: An interview with Richard Foster

Richard Foster, a McKinsey director from time to time, is a conductor of Creative Destruction. Why Companies That Are Successful in the Business World Are Not Successful as Financial Investors—Such as his book—argues that to improve, companies need to make decisions that maximize value for the shareholders. In his new book, 


The Quarterly: How does your view of creative destruction apply to today's situation?

Richard Foster: Let's start by looking back. In the '50s, we had the "holy grail"-type companies that couldn't possibly lose, and if you want they did. If you look at the data, you will see that the market for these companies was overvalued. The market for these companies was overvalued because the companies were not making enough money to support their valuations.

In the '60s, we had companies that were not making enough money to support their valuations. The market for these companies was overvalued because the companies were not making enough money to support their valuations. The market for these companies was overvalued because the companies were not making enough money to support their valuations. The market for these companies was overvalued because the companies were not making enough money to support their valuations. The market for these companies was overvalued because the companies were not making enough money to support their valuations.

The Quarterly: What happens after the financial crisis is over?

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