

BOOK REVIEW

Scott D. Antony (2012). *The Little Black Book of Innovation: How It Works, How To Do It* (Boston: Harvard Business Review Press), pp. 283, (h/b), US\$ 25.00, ISBN 978-1-4221-7172-1.

This is the fourth book by Scott D. Antony from the Harvard Business Review Press and the second that I have had the privilege to review. For those who are encountering Scott's work for the first time, it is important to remember that he is an important contributor to the discourse of disruptive innovation. Scott's interest in this topic is related to a formative encounter with Professor Clayton M. Christensen at the Harvard Business School (HBS) in a course entitled 'Building and Sustaining a Successful Enterprise.' Scott is presently the Managing Director of the Singapore office of Innosight Asia-Pacific, a consulting firm that was founded by Christensen. This firm recruits in large numbers from HBS. Not surprisingly, Christensen's course that is mentioned above is both a training ground and the source of recruitment for Innosight's consultants on disruptive innovation. Since not all readers of this review will be familiar with Christensen's work, it is important to differentiate between conventional theories of innovation within the literature of strategy and the approach that the theory of disruptive innovation has made its own.

The conventional forms of innovation are preoccupied with developing a product or a service that is substantially better than what is already available (on the assumption that a better product will win a bigger slice of market share). The term 'better' here can be understood as offering more product features in a hypothetical widget than the competition at more or less the same price. Disruptive innovation however is not an attempt to compete with well-established players or even an attempt to make a better product. It is instead aimed at making a product that is more accessible in terms of product features and is meant to be much more affordable. In order to do this, product designers are forced to rethink the product across every single attribute. Anything that the customer doesn't really need, or use in practice, is dropped until a minimalist product is generated. This form of innovation is aimed at increasing the levels of consumption rather than the levels of attributes in the product. It targets those sections of the market that are willing to consume but did not have a product that could be consumed. This is especially the case with first time buyers who are not preoccupied with 'bigger and better' but will settle for what is just about enough to get the job done. This is an important insight in the work of Christensen and his associates. Customers do not buy a product because they want to own the product per se, but because they have a job to do. Buying a product then is akin to hiring a product to get the job done.

It is therefore a good idea while designing a product to focus on those attributes that are absolutely necessary to get the job done. This approach not only makes it easier to get market share for a new product, but to also grow steadily without a direct confrontation with the bigger players who dominate the upper niches of the market. It is also commonly observed that when disruptors enter the market, the more established players will prefer to move upwards where the margins are more to their liking rather than slug it out at the lower reaches of the market. This is broadly speaking the competitive scenario that plays out in the case examples that Christensen, his associates, and students are most likely to be confronted with in their case studies on disruptive innovation.

In other words, there is an important strategic difference between competing with ‘competitors’ and competing with ‘non-consumption.’ Strategic theory is about the former; disruptive theory is about the latter. We can - armed with this analytic distinction – read the history of strategic theory and find any number of instances of disruptive innovation *avant la lettre*. We can move backward in time to situate the modalities of disruptive innovation in a number of markets. We can also move forward as Scott does in this book to help readers understand how they can also master the skills of disruptive innovation. In order to make these modalities accessible to firms that have heard of disruptive innovation but have not made any attempt to disrupt their product line, Scott spells out the details of a training program that can be attempted by any firm. The main goal of this program is not to create any particular product, but to create a mind-set that will make it possible to appreciate what is really at stake in the discourse of disruptive innovation. Scott is haunted by the idea that most business books remain unread; he therefore writes in a style that is not only eminently readable but summarizes the main contributions, ideas, sources, and theorists of consequence within the discourse of disruptive innovation. Scott’s wager is that if the reader is willing to read at least one book on any aspect of disruptive innovation, that will suffice to get him started on the path of disruptive innovation. So he not only lists the most important theorists of disruptive innovation, but also the most important book that they have written to get the reader started. Needless to say, this will also help strategy faculty to teach a course on disruptive innovation. The masters of disruptive innovation include Clayton Christensen, Steve Blank, Peter Drucker, Thomas Alva Edison, Richard Foster, Vijay Govindarajan, Bill James, A.G. Lafley, Roger Martin, Michael Mauboussin, Rita McGrath, and Joseph Schumpeter. This is a heady combination of academics, consultants, CEOs, and thought leaders. Scott provides the discursive paths necessary for those who would like to follow the trail of any of these disruptive innovators. What all these people have in common is that they subscribe to the ‘innovation imperative.’ They are constantly on the lookout for opportunities to innovate and teach others to innovate. One of the more endearing aspects of this book pertains to the reading, thinking, and

socializing habits that Scott believes will increase the reader's ability to innovate. It is possible then to acquaint a large number of readers with how to practice disruptive innovation step-by-step.

Scott's book is designed as a 'do-it-yourself' training manual of disruptive innovation. It will also be of interest to general readers who would like to use it as an introduction to a topic that they may be previously acquainted with. The format of the book is designed to make it possible for the reader to internalize it in small chunks, one day at a time, with brief assignments that will help the readers to check their own levels of understanding until they complete the workshops in 28 days. The aim is to reorient the reader during this period so that he is able to think spontaneously like a disruptive innovator and to do so with the confidence that comes from being acquainted with his own strategic intent. This is all the more important since there are any number of business books selling their own recipes for success. One of the areas that will require further study though is how disruptive innovation relates to the literature of strategic management. The basic assumption in courses on strategy is on 'how to compete' successfully rather than on 'how to innovate' successfully. The redefinition of strategy in some business schools under the aegis of 'strategy as innovation' has led to a situation where readers may not be clear on when they should compete, and when they should innovate, and on whether theories of competition are applicable in the contexts of disruptive innovation. It is also not clear to them whether there is a competitive advantage in being a compulsive innovator as opposed to being an astute competitor. What is required then is to analyze more broadly the differences between a world-view that assumes that the economic pie is shrinking (especially during a recession) and a world-view that assumes that disruptive innovation – if adequately fostered – will effortlessly expand the economic pie (irrespective of the state of the economy).

The socio-economic anxieties generated by disruptive innovation then are related to the fact that those who have bought into a limited economic pie assumption under-state the scope of innovation and those that have bought into an expansive model of innovation over-state the scope of innovation. These differences are related to the fact that the traditional critique of capitalism has not yet incorporated the role played by entrepreneurs in economic growth and development. It is therefore important from an ideological point of view for disruptive innovators to engage more frequently with the notion of 'creative destruction' that is associated with theories of Joseph Schumpeter and Richard Foster. That then is the theoretical move which will make it possible to bring theories of disruptive innovation into the mainstream of strategic theory and help students of management overcome the endemic conflict in the literature between 'strategy as competition' and 'strategy as innovation.' Scott's book is an important gesture in precisely that direction. I would recommend this book highly

for courses in strategy and innovation. It should also be mandatory reading for consultants who routinely encounter the conflict between ‘strategy as competition’ and ‘strategy as innovation’ when they try to help their clients. What this book will hopefully lead to is a resolution in strategic theory itself on this endemic conflict and a greater clarity going forward on how these schools of strategy relate to and inform each other.

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