

College of Business Book Review by Steve W. Henson

Title: “Making Innovation Work”

Authors: Tony Davila, Marc J. Epstein, and Robert Shelton

Publisher: Wharton School Publishing

Length: 334 pages

Price: \$29.99 list

Reading time: 8 hours

Reading rating: 7 (1 = very difficult; 10 = very easy)

Overall rating: 9 (1 = average; 4 = outstanding)

“Making Innovation Work” subtitled, “How to Manage It, Measure It, and Profit From It”, provides the first indication that this is a different approach to managing innovation. The authors don’t dwell on mysterious creative processes or wallow in cultural descriptions of creative organizations. Instead, they approach innovation in the same way we should approach any business problem, by systematically developing theoretical and empirical support for their positions.

This approach is quite different than readers will find in popular business non-fiction. For example, the authors provide nineteen pages of citations from business books and journals, representing about 500 different sources from a broad range of business disciplines. This doesn’t make the material less readable, though it does require more commitment from readers.

Davila, Epstein and Shelton’s present and develop three primary themes. First, innovation is a management process that requires specific tools, rules, and discipline. Second, innovation requires measurement and incentives to be consistently effective. Third, business model innovation can be as important in redefining industries as technological innovation.

Taken together, these three themes provide a logical approach to managing innovation. Like any other process, goals and measures must be specific, incentives must exist for employees of an organization to seek innovation, and the business aspects of innovation should be weighed as carefully as technological aspects are.

The interplay between innovative business models and technological innovation is perhaps the most interesting theme. In an early chapter, the authors describe Apple Computer’s development of iTunes and the iPod. While both of these products have elements of technological innovation, the business model innovation complemented the technological innovation in ways that allowed Apple to reestablish itself as a major player in the PC industry.

Google is another excellent example of an organization that has combined technological innovation with business model innovation. Oddly, much of Google’s success is because of its adherence to one of the oldest business models and selling advertising to companies

targeting a network of viewers. Google's technological abilities have allowed them to establish a new position in an old business model.

"Making Innovation Work" represents the best of business publications. The authors have spent their careers researching innovation and developing general principles that help explain its success and failure. They use these general business principles to help the reader understand specific successes and failures and, hopefully, to apply those principles in their own situations.

Written for senior managers, this book should receive much wider readership. Innovation is the lifeblood of organizations, large and small. Innovation, according to the authors, is not magical or mystical. It is a fundamental business process that should be managed with the same scientific rigor as any other process.

Steve W. Henson is an associate professor of marketing in the College of Business at Western Carolina University. Steve's industry experience includes five years in banking and financing with GE Capital, plus ten years at Ciba Vision Care. Steve Was founder of the highly successful executive education program at the University of New Orleans and served as its Director for five years. He has been at Western Carolina University for four years. For previously reviewed books, visit our Web site at www.wcu.edu/cob.