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Book Reviews

Book Review Editor: Teresa Jurgens-Kowal, NPDP

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Serial Innovators: Firms that Change the World

Claudio Feser. Hoboken, NJ: John Wiley & Sons, 2011. xvi + 202 pages. US$34.95.

Man is an innovating animal. Coming to live in groups for man is an inborn trait. Ample historical evidence exists for man's innovative accomplishments in the civilizations over the ages. Why then must innovation be a serious cause of concern in his industrial endeavors in the later years? Why, which happens to be instinctive in the personal domains, should become so troublesome to bring about for the organized groups? There ought to be some very typical reasons. Claudio Feser's *Serial Innovators* takes up some such questions to give us a direction in comprehending the issues rooted deeper in the context.

Today's situation cannot be more alarming or urgent. Research studies on survival rate of organizations provide ample cause for worry: organizations have very low average life expectancy, of about 15 odd years. "In fact, only 14 of the top 50 companies in 1960 (28%) retained their status and remained among the top 50 U.S. firms in 2010. Thirteen companies (26%) that were on the 1960 list have been outgrown and surpassed by firms that were smaller or did not exist in 1960, and are therefore no longer on the top 50 list in 2010. Twenty-three companies (46%) listed in 1960 no longer exist" (p. 12). From here, Feser takes us through the influencing constructs from behavioral economics, psychology, cognitive neuroscience, network theory, anthropology, organizational science, sociology, and strategy, in order, toward providing "some" insights, ideas, suggestions, and perspectives on the organizational personality of a serial innovator that continuously reinvents itself, changes industry, and remains in the business of business.

Organization life cycle studies tell us that firms are born, grow, mature, and eventually get sick and die, maybe like biological organisms. But, when the aging is arrested, when the life cycle is renewed (on another *S*-curve), they thrive. *Serial Innovators* makes its main contribution here to suggest how it may be done and why it has a point. Its auxiliary contributions include extension of the arguments beyond just business, to also other types of long-lasting institutions, like "families, academic, and religious institutions, that have lasted for centuries and fundamentally influenced the development of humanity." The author's thesis interestingly unfolds in the book through the fictitious (but quite engaging) story of one Carl Berger, the fictitious new president of a fictitious problem company, American Health Devices, Inc. (AHD).

Contrary to the evolutionary perspective that "the ultimate objective of a company should be to survive and replicate, or grow," Feser takes a view that "companies are not biological cells whose sole purpose is to survive and replicate (or grow)." "Organizations consist of human beings . . . who naturally long to make a difference in their lives" (p. 142). Organizations do age and die when they develop rigidities they cannot overcome. These rigidities, whether individual or organizational, are both man-made. They originate in two areas: in the human brain and in the organizational constructs composed of human beings. In order to understand its context, the book first reviews three factors, namely, mental biases, lack of (task specific) self-confidence and inflexible brain conditions, respectively from behavioral economics, psychology, and cognitive neuroscience that reduce the ability of individuals to adapt to changing situations and pose as rigidities adversely affecting the ability of organizations to address the challenges they are facing. Following next are the understanding and mellowing of inhibiting organizational rigidities caused by dense bureaucracy, low sense of purpose, dysfunctional culture, mindless *incentivization* of tasks, and capabilities as a constraint.

Reviews of various academic fields in the book show that informed and thoughtful managerial interventions can interrupt, or at least slow down, the process of aging

and decaying of firms. Seven interventions find particular relevance:

1. Cultivating a firm's members' desire to make a difference,
2. Building a team of learners at the top,
3. Framing the vision and strategy positively,
4. Building on self-managed performance cells,
5. Promoting the firm's members' drive to perform and grow,
6. Investing in capabilities to quickly develop new assets and skills, and
7. Cultivating a culture that fosters execution and promotes challenge.

Firms that adapt and thrive in dynamic markets resist the aging process: they are serial innovators as acts of human creation; they continuously reinvent themselves; they change their industries. Serial innovators are created by company leaders. Creating serial innovators is also creating a leadership legacy, according to the author, which he distinguishes from the established view of what one wishes to be remembered for after one's departure, on two different dimensions: "First, developing a legacy is building an organization that builds human passion, self-confidence, values, and capabilities. Second, developing a legacy is building an organization that has a positive impact on society" (p. 163). The author substantiates his argument by examples of two firms, Ford and Apple.

Serial innovators live long. *Serial Innovators* is also likely to live longer and remain relevant in the reckoning. It is well-known that any war is won (lost) twice, once in the mind and second in the field. This book can help you likewise win your company's existential wars in your endeavors. The story line of the book is artfully woven; every chapter provides a cue to the next in a plausible progression. Feser's characterization of Carl, the CEO of AHD, is very engaging. There may be a little bit of Carl in every manager's life. As if I was reading a thriller, I must admit, I got so immersed, almost to the extent of getting carried away by its developments, that I was finding it quite difficult to maintain the clinical detachment of a reviewer while putting together my responses here.

Nevertheless, before I close, I must bring to the fore certain opportunities for improvements in the book which appear important. First, grammatical incongruence (as in p. 11), which may of course be simple typographical errors, should be weeded out thoroughly from the entire text with care. Second, instead of nonvalue-adding repetition of same paragraphs twice in two places (as of p. 82 in p. 146, and of p. 152 in p. 155), other ways of cross-referencing could be considered. Third, while summarizing multiple issues of the same previous research on a given theme in consecutive paragraphs (as in pp. 40–41 for Bandura, 1977, in p. 114 for Harder, 1999, etc.), it may be superfluous to cite the same author repeatedly at the end of each of those paragraphs. Fourth, the index is found incomplete on authors, as sampled for Bandura or Beinhocker. The index may be safely done away with without any loss of attractiveness, or maybe a subject index will only suffice, if at all required.

However, the impact of these observations on the overall charm and utility of the propositions are very little. These might get noticed only per chance but maybe nice to repair in the next version. In sum, reading Feser's *Serial Innovators* has been for me both an emotionally and intellectually enriching experience. This book can be, without any reservation, recommended for the practitioners and academics alike.

S. S. Pal
Amity University Business School

Jumping the S-Curve

Paul Nunes and Tim Breene. Boston, MA: Harvard Business Review Press, 2011. 270 + v pages. US$29.95.

Jumping the S-Curve is a great, easy-to-read book that almost feels like another sequel to Clayton Christensen's *The Innovator's Dilemma* (1997).

Paul Nunes and Tim Breene of Accenture compile learnings from more than 800 companies, of which less than 10% were considered "high performers" via a range of financial, growth, profitability, and longevity metrics. High performers were selected relative to peer groups since industry metrics might have skewed the data. Chapter 1, High Performers, lays out how the authors selected characteristics of top quality firms as well as a road map to the rest of the book.

Part one describes the characteristics of a top performing company in terms of market insights, business competence, and talent management. Chapter 2 describes a "BEMI," or big enough market insight. Interestingly, "big enough" resounds of Christensen's work (1997) demonstrating that "big" for a small venture can be much smaller than the required hurdle for a larger company. In fact, one of the trends the authors show is that as the hurdle rate grows for a company with accelerating revenues, average and low performers fail to innovate for the

next generation of products. Incremental improvements allow these companies to attain only short-term cost reductions.

Scaling of new opportunities into new markets is described in chapter 3 where high performers were found to move into new markets only after demonstrating a successful business model. Often entrepreneurial firms go through a trial-and-error phase to find which elements of the business model derive success. If the firm attempts to replicate products or technologies into new markets without a clear understanding of what made them successful, the firm is doomed to average performance, or worse.

For those with a special interest in teamwork and leadership, chapter 4 offers great insights into retaining top technical talent. Nunes and Breene define "serious talent" as those employees with the right skills and the right attitude, those "for whom work is not a job but rather a source of personal pride" (p. 78). If a firm fails to retain serious talent, less skilled employees will pick up their work, leading to a decline in the organization's overall technical competence and decreased quality. When customers notice the declines in product or service quality, the firm begins slipping into a downward spiral.

Chapters 5 through 8 comprise part two of *Jumping the S-Curve* and focus on maintaining continuous innovation. The concept of "hidden S-curves" is introduced in chapter 5, where the authors propose that market relevance, distinctive capabilities, and talent development each follow the same pattern over time as does the company's financial performance, yet will have a shorter cycle time. Thus, as the financial performance of a firm, measured by sales revenue for example, is still accelerating, the three "hidden" S-curves have already peaked and are flattening out.

Chapter 6, Edge-Centric Strategies, describes top-performing companies as those that being searching for the next BEMI as financial performance is ramping up. Strategies from a customer engagement can offer these market insights better than the annual budget planning activity that most average and low performing companies conduct.

The second hidden S-curve is described in chapter 7 where top performers begin refreshing their senior management teams before financial measures level out. Surprisingly, only 11 out of 120 teams even know who is or is not a member of the team (p. 172). CEOs of top performing teams groom successors to initiate change based on the future direction of the firm rather than operational excellence alone.

Finally, chapter 8, Hothouses of Talent, presents examples and recommendations from top-performing companies on retaining the serious talent described earlier in chapter 4.

Companies that maintain the highest performance invest more in both recruiting and training employees. Cultural fit is evaluated during the interview process, and a commitment to training is maintained even through economic downturns or cyclical lows. "Time to think" at companies like 3M and Genetech have led to some of the most successful products at these firms (Post-It notes and Avastin, an anticancer drug, p. 183).

The authors conclude *Jumping the S-Curve* with a set of challenges for the future in chapter 9, Sharp Curves Ahead. Some of these are opportunities most companies already recognize: cloud computing, digital marketing, and business analytics. Others are open problems waiting for stellar innovations: infrastructure, sustainability, and a global talent shortage.

Jumping the S-Curve presents a nice overview of top performing companies and reminds product development practitioners of the keys to success in marketing, technology, and teams. Especially recommended for senior management who are currently riding the S-curve of financial growth, this book can help firms plan for a more innovative future.

Reference

Christensen, C. M. (1997). *The innovator's dilemma: When new technologies cause great firms to fail*. Boston, MA: Harvard Business School Press.

Teresa Jurgens-Kowal, NPDP
Global NP Solutions, LLC

The History of Project Management

Mark Kozak-Holland. Oshawa, Ontario, Canada: Multi-Media Publications Inc., 2011. 528 pages. US$59.95.

This signature book documents what many in project management may have either recognized, or felt intuitively, really happened as the profession developed from its earliest times. Project management is nothing new; it has been around for thousands of years in some form or other. This author, Mark Kozak-Holland, now makes this history real for everyone working on projects of all kinds. Kozak-Holland says that one of his reasons for writing the

book is because "People entering the field are looking at the past to better understand the background to project management today" (p. 20). He portends that few of the basics have changed since early times and clearly shows that the factors defined as processes and knowledge needed in today's projects were relevant throughout history and just as necessary. As support for this claim, he says that "Project management is one of the fastest growing professions worldwide in the 21st Century," (p.19) and ". . . it has never been more important than now based on how pervasive it is, and how much of the world's economy depends on it" (p. 523). With over 500 pages of text, this book documents 25 significant projects and information about what the author calls notable projects from his research of project history. He defines a significant project as, ". . . one that is successful beyond all expectations, a ground breaker, a catalyst for change, and will have other projects following in its footsteps . . . discernible as a project with a clear objective, . . . predefined by a degree of planning, . . . led by a recognized leader (project manager) . . . completed in a specific time frame, . . . faced with many challenges along the way" (p. 45).

He begins his defense of this definition with one of the earliest projects of ancient Egypt, the Giza pyramid, completed more than 2500 years B.C. and ends with San Francisco's Golden Gate Bridge completed in 1937. At the end of each time period discussed, the author relates the material presented to the nine knowledge areas and five process groups. Each of the book's 15 chapters includes endnotes that identify where the author derived his information plus references to source materials. Six appendices provide supporting details including a mapping of each project discussed to the nine knowledge areas.

Beginning with a brief background about project management, including its evolution through early civilizations and their use of knowledge and technology up to modern times, the author defines the terms used, the chosen timelines involved, and the methods used to identify which projects were chosen for inclusion in the book. He focused on three general areas of significant projects: the construction of structures and buildings; transportation including roads, bridges, canals, and railroads; and expeditions in terms of voyages, journeys, and explorations. Appearing in all of these examples, details about the basic project management essentials can be recognized in today's projects. He calls these essentials core concepts, which include governance, planning and execution, measurement, finance, knowledge and technology with skilled people to apply them, and communication. The structure of the book covers certain time periods presented in chronological order beginning in 2550 B.C. Some of these periods cover thousands of years, some many centuries, with the final periods from the 15th to the 20th century's each a century long.

Discussion of each period includes a brief review of the history, trends, changes, and their impacts during that period, and major events occurring that set the stage for the types and complexity of projects undertaken during that time. The author concludes each period's discussion with details about the projects of that period in the format of the five process groups of Initiating, Planning, Executing, Monitoring and Controlling, and Closing that helps the reader understand each project's development from the conception and planning stage, including its finance and support, to its conclusion. Execution of the work involved in each project is a story in itself that covers both the advancements used and problems encountered, and how these projects were monitored and controlled during the span of time of the work and brought to a successful closing, and ends with a summary and conclusions drawn from the project. Key lessons of the projects described in the book are posed using the framework of the nine knowledge management areas promulgated previously. A final section of each time period provides some tips for educators to use with students in classroom discussions.

The book is made interesting by expanding beyond just a description of the projects chosen, but also explaining the technology available during the period that allowed the projects to be undertaken at all. Use of new materials and the development of simple tools along with geometry allowed for undertaking projects such as the great pyramid of Giza in Egypt and Stonehenge in England. These were followed by the foundation of Rome and developments in the Fertile Crescent area. The author provides vivid description about how and why, over time, many of the significant projects could be completed in years rather than decades. The Greek Parthenon took only 9 years; the Roman Coliseum was completed in 10; the later building of cathedrals such as Notre Dame in Paris took nearly a century to complete due to many of the same problems encountered in projects of today. In the 17th, 18th, 19th, and 20th centuries of course, more information are available about projects, and many significant ones were able to be undertaken because of the scientific revolutions of the times leading to modern engineering techniques that could be applied to projects. For example, the development of steam power provided the industrial revolution with the means to expand production beyond what men and animals, and wind and waterpower, had earlier depended upon. From the first iron bridges to the first railways, improved transportation supported sig-

nificant projects including the transatlantic cable, the Suez and Panama Canals, and the Hoover Dam, each of which is described with their challenges and successes (the Hoover Dam finished more than 2 years ahead of schedule).

This book is a major influential undertaking, documenting the history of significant projects and the growth of sophistication in project management methods and technology used in accomplishing them. An annoyance for the reader may be several typographical errors in the text that should have been identified and corrected through copyediting. And, although the author includes a brief narrative summary of the projects in chapter 15, it would be useful to the reader to have an additional table of the 25 significant projects making up the book with brief information about each of them. However, the reader will find the compilation of historical projects in the book fascinating if they have even the slightest interest in some of the pertinent information about how these great accomplishments were achieved. The comprehensive overview of techniques used in project management over the centuries provides factual details about each project with clear evidence of the project management methods in use during the time the project was completed. Early projects relied on quite primitive tools that were used in unique and innovative ways and, as newer tools appeared, they were quickly applied to projects. Also, the key lessons section at the end of each period's discussion clearly ties the work and methodology used in each project to the specific project management processes involved in its accomplishment. The identification of new technology developments and their application during each of the periods covered is another intriguing aspect of the book. This book is a major accomplishment for the author and for his chronicling of the historical significance of project management through the ages to its use in modern times.

Gerald Mulenburg, PMP
National Aeronautics and Space Administration, Retired