

BOOK REVIEWS

A guide to open innovation and crowdsourcing, edited by Paul Sloane, London, Kogan Page, 2011, 217 pp., £19.95, ISBN 9780749463076

Inside real innovation – how the right approach can move ideas from R&D to market – and get the economy moving, by Eugene Fitzgerald, Andreas Wankerl and Carl Schramm, Singapore, World Scientific, 2010, 245 pp., £20, ISBN 97898143 27985

Entrepreneurship, innovation and technological change, by Zoltan Acs and David Audretsch, Boston MA, Now Publishers, 2005, £23.95, ISBN 1-933019182

It's almost exactly 10 years since Henry Chesbrough gave a catchy name to describe accelerating developments along some well-established innovation trajectories. 'Open innovation' characterized well the emerging challenges and opportunities in a world where growth in knowledge production and its global distribution meant that even the largest organization had to own up to the fact that 'not all the smart guys work for us'. It shifted our attention from knowledge production to knowledge flow, and to the challenge of how to enable and encourage movement of knowledge across organizational boundaries in an increasingly networked world. In doing so, it opened up both enormous opportunities – for example, small firms need no longer own all the resources they need for innovation as long as they can learn to connect to the knowledge-rich outside world – but also serious challenges, such as the effective management of intellectual property in a world where knowledge (especially in digital form) is increasingly mobile and hard to control.

During the past 10 years, we've seen an explosion of discussion around the topic, ranging from (relatively little) serious academic research and insight to high volumes of opinion, prescription and hype. The emerging theme in this brave new world is one of learning new tricks around making connections – finding new network partners, forming workable relationships with them [including dealing with the slippery question of intellectual property rights (IPR)] and getting them to perform. The shift is one of levels of both operation and analysis and moves us from the twentieth century world, where the discourse was around the firm and its relationships, to the twenty-first, where the emphasis is on the network and on system-level management.

This is a world which Roy Rothwell (one of the pioneering writers on innovation management) foresaw in a 1992 paper in which he characterized different generations of innovation management thinking (Rothwell, 1992). These ran from simplistic linear models of technology push and market pull, through increasingly coupled versions to the dominant late-twentieth century view of a multi-player game; his vision of 'fifth generation' innovation involved a global network,

massively enabled by developments in information and communications technology and operating as a system of innovation. Pretty much a first draft of the map of where we currently find ourselves.

If Roy gave us an early map, Paul Sloane's edited collection offers a very readable set of postcards from the brave new world of open innovation. Edited books often suffer from being simply a catch-all repository for ideas which vaguely belong together. They also run the risk of reflecting the views of somewhat obscure writers without any clear perspective or special insight. This one manages to deal with both problems rather well. First it provides a helpful overview of the key themes – opportunities and challenges – in the open innovation space. It draws on plenty of case examples (and not just the usual suspects of Procter and Gamble or Goldcorp) and tries to link them to established innovation theory (a little) and management practice (a lot). Rather than presenting open innovation as a radically new departure, it underlines the idea of dynamic capability – of adapting and reconfiguring innovation management routines to take account of shifts in the environment. Sometimes there is a need to learn new tricks – such as mastering the opportunities offered by interactive web communications to extend richness and reach in innovation activities – but often the need is to adapt and tune proven routines. Examples of key issues are the IPR challenge, the need for new metrics in the open innovation space, and the need for choice of strategies in deploying such approaches as crowdsourcing. Above all, the examples support the need for a contingency approach – open innovation is not a universal solution, but rather a powerful approach which requires adapting and configuring for particular local circumstances.

The second strength of the book is the cast of writers – a lengthy list because each contribution is short and mostly to the point. There are established academics (including Henry Chesbrough and Frank Piller), seasoned bloggers and commentators (Stefan Lindgaard and David Simoes-Brown), and a host of consultants and practitioners offering helpful frameworks and tools drawn from direct experience rather than watching from the sidelines. The result is a surprisingly rich collection which works well as a guidebook to those thinking of travelling in open innovation country. It is relatively light on theory, but helpfully frames several questions on which more systematic research might do well to focus.

If Sloane's book offers a useful set of postcards from the edge of twenty-first century innovation, *Inside Real Innovation* seems to be a relic of an earlier time. It offers a perspective on innovation management drawn from careful study of how it really takes place, and developing a model framework which practitioners can use. This is a laudable aim, but the reality is that the picture is very dated – a highly prescriptive view based largely on (considerable) personal experience of the authors in what are largely product innovation contexts. The model developed is clear enough and embraces many of the lessons at the core of effective innovation management – particularly the need to see and manage innovation as a process rather than an event. The case material describing how this process actually plays out is the most interesting part of the book, reminding me at times of the 'innovation journey' approach pioneered by Andrew Van de Ven and colleagues (Van de Ven, 1999). But there are other elements – for example, reinventing and rehearsing a framework around incremental and radical innovation and trying to fit new terms (such as 'fundamental innovation') around well-understood concepts – which seem to indicate an isolation from much of what has been written about innovation management in recent years.

The book moves towards a discussion of innovation systems and the need to understand the particular players and their interactions. It begins to look at pieces of the national innovation system in the US and how different pieces – for example, the university and education sub-systems – could be more effectively linked. The book is nicely written and coherently argued, but offers little new data to support its opinions and lacks connection to what is a well-established field of study in innovation policy (Lundvall, 1990; Freeman and Soete, 1997). Perhaps my biggest disappointment was the lack of recognition of the challenging new dynamics of a fifth generation innovation world of the kind mapped by Sloane and colleagues. The world in which *Inside Real Innovation* plays out seems a lifetime ago. There are some interesting ideas, but they feel like deckchair rearrangement on a Titanic lookalike. The surrounding sea is packed with icebergs – emerging markets, global knowledge trading, massive digitalization changing the locus of innovation and the role of users – but the captain and crew seem not to have noticed them.

A contrast in style, perspective and approach is offered by Acs and Audretsch in their (very slim) volume, *Entrepreneurship, Innovation and Technological Change*. A reprint of an earlier (2005) paper from two well-established scholars who work extensively in the SME space, this offers a well-argued proposition which sees entrepreneurship as essentially linked to the creation of new enterprises. Their view is that what differentiates entrepreneurship from innovation is the organizational context – a debatable point, given the increasing number of studies of corporate entrepreneurship, internal incubation, and so on. They develop their thesis through a well-considered analysis of several core data sets (such as those created by the Science Policy Research Unit at the University of Sussex and the US Small Business Administration) and an examination of the role played by context – geographical, organizational, industrial and entrepreneurial – in shaping entrepreneurial activity. The book is a good example of a well-developed paper, built on the literature and synthesizing ideas from a wide range of sources, which attempts to illuminate a key question. Whilst the answer the authors offer may not be entirely convincing, it would certainly offer a nice starting challenge in a seminar group. The ways in which they lay out the argument and the data on which they draw are a helpful contrast to the largely autobiographical reflections of Fitzgerald *et al.*

References

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