

Innovation Management: Strategies, Concepts and Tools for Growth and Profit

By *Shlomo Maital and D V R Seshadri*

Sage Publications, New Delhi, 2012, Pages: 524, Price: ₹750

ISBN: 978-81-321-0722-4 (PB)

The book consists of 14 chapters in all, of which, the first four chapters related to why, what, how, and who of innovation and each of remaining chapters focused on key tools for effective management including price-cost-value, hidden costs-hidden benefits, cost functions, value innovation, HRM-human capital management, economies of scale-economies of scope, learning curves in break-even analysis, markets and demand-driven innovation, risk-benefit analysis and collaborating strategy. As such the focus of the book is on 'Managing' rather than on 'Innovating'. The entire book as a whole and its each chapter are well organized. Each chapter starts with 'Learning Objectives', includes 'Short Case Studies', and 'Action Learning Exercises' and ended with 'Long Case (s)'.

Part I of the book titled 'Strategies and Concepts for Innovation' comprises four chapters (1-4). Why the ability to innovate and innovation management are vital core competencies for every manager? How innovation energizes managers and workers in raising growth / profit and help organizations to survive and thrive? These two fundamental issues were well taken up in the Chapter I. Does vision drives innovation? How to create a powerful vision? Why experiences are a fruitful area for innovation? Where should innovators search for novel ideas and opportunities for innovation? How to optimize the innovation portfolio? These issues have been emphasized in Chapter II. Broadly, the twin questions – how to innovate and how can an innovator improve his / her chances for success? have been attempted to answer in Chapter III. Thinking inside the box, how to foster creativity in organizations, and how to integrate the four voices (self-voice, organization's voice, voice of own products & competitors, products, and customers' voice) in the process of innovating) have been highlighted in the third chapter. In Chapter IV, the following issues have been focused: "individual, team and

organization – all the three innovates”; and “vision, independent thinking, creativity muscles, kaleidoscope thinking, dogged persistence and a number of other factors characterize successful innovators”. What factors characterize successful global innovation teams? This issue has also been well taken up in Chapter IV.

Part II of the book titled ‘Tools for Profit and Growth’ comprises ten chapters (5-14). In Chapter V, a number of aspects concerning ‘price-cost-value’ such as the interaction of the three key variables (price, cost, and value) of business model, Systems thinking, feedback effects, significance of technology and psychology, fundamental lessons on customer value, cost reduction, value creation, price innovation and power of vision have been discussed. The issues like managers’ need for identifying and measuring hidden costs and hidden benefits, their courage for ignoring sunk costs, and their wisdom to know the difference between accounting costs and economic costs and to know how an understanding of all such aspects is appropriate in their decision making processes have been highlighted in Chapter VI. The next chapter of the book pertains to ‘Optimizing and Eliminating Trade-offs’. Why good managers optimize trade-offs, while great ones defy them? How to create winning new products by using trade-off analysis? How to make trade-off decisions in a team? These are the main issues that are described in Chapter VII. The next chapter has been devoted to ‘Cost Functions’ such as need for practicing ‘marginal cost pricing’, activity based management to slash fixed costs, Wal-Mart’s business model in the context of cost reduction etc. The beginning of Chapter IX is with description of inter-linkage of the five key elements of business such as strategy, structure, reward, process and people. The issue “why people are the key element in any business design?” has been focused in this chapter. “If you imagine first, move first, and scale first, you can become the market leader”. This is the tag line of the Chapter X. The next chapter focuses on learning: learning curves as a management tool and how to build a learning organization. Chapter XII described the logical link between markets, demand, value, profit, and wealth creation. In this context, Unique Value Proposition (UVP), Bandwagon Effect and Snob Effect have also been discussed. The thrust areas of next chapter are: turning uncertainty into calculated risks, risk-benefit analysis, scenario analysis, measuring and managing risk and risk premiums, bootstrapping, etc. Applicable knowledge of all these tools acquired through the study of this chapter help managers to turn uncertainties into quantitative risks and manage the risks. The key areas of discussion in the last chapter (titled as ‘Competing by Collaborating’) are: collaborating with colleagues, collaborating with customers and collaborating with the competitors. Learning to practice collaboration strategy enables managers to thrive.

Thus, the second part of the book has broad coverage of various functional areas of management such as basics of economics, cost accounting & management, fundamentals of financial management and marketing management, and the key elements of general business management including human resource management. The integration of

BOOK REVIEWS

scattered concepts in one book helps the readers to learn to practice business management in more effective manner. As such, the book under reference is very good for general management. However, it appears that the book of Shlomo Maital and D V R Seshadri has not been appropriately designed from the view point of how to foster innovations in organizations or how to promote innovative behaviour of the organizational people in organizations. Both the budding managers and entrepreneurs will certainly find the book very good from the view point of developing their managerial capability. People looking for research based concepts of a wide variety concerning fostering incremental / radical innovation in organizations may not find the book under reference quite appropriate and they will require another book(s) to complement and supplement their learning. Price of the book is affordable. The book should be procured in the libraries of business management institutions and corporate houses.

Ravindra Jain

Professor in Business Management

Faculty of Management Studies

Vikram University

Ujjain (M.P.), India

E-mail: jainravindrak@rediffmail.com

Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.