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.

**Jumping the S-Curve**


*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


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