The wide lens: a new strategy for innovation, by Ron Adner, New York, Penguin, 2012, 278 pp., $29.95, ISBN: 978-0-670-92168-3

Ron Adner has written a path breaking text on the dynamics and management of innovation systems that is easily accessible to the reader and of interest to innovation scholars and practitioners alike. In nine very concise chapters, Adner integrates different perspectives on business ecosystems with in-depth empirical studies on a number of dynamic sectors, such as the tire, publishing and telecommunications industries. These studies have been undertaken over a 10-year period and some results have already been published in a number of leading journals in the area of strategy and innovation, such as *Management Science*, *Industrial and Corporate Change* and *Strategic Management Journal.* For the interested reader, these articles are worth reading as they complement propositions and arguments put forward in the book (Adner and Levinthal, 2001; Adner and Kapoor, 2010; Adner and Snow, 2010).

In his introductory chapter, 'When things go wrong when you do everything right', Adner uses Michelin's PAX system to demonstrate the problems encountered in innovation projects if managers use the traditional lens on strategy and innovation management. Michelin's revolutionary PAX system (a technology that would allow a flat tire to run flat without sacrificing performance) did not lead to a market breakthrough because of Michelin's traditional view of innovation. Adner shows that the company underestimated the problem of co-adoption posed by service stations (which had to provide maintenance services for PAX tires). In the following two chapters on co-innovation and co-adoption chain risks, Adner develops his 'wide lens' approach to innovation to focus on aspects of the innovation process related to complementors, typically overlooked. In addition to the traditional execution risks in innovation (i.e. management risks related to the timing and expected specifications of a product), he proposes that these two additional risks are becoming increasingly important for complex innovation. He defines co-innovation risks as the extent to which the success of commercialization of an innovation depends on other innovations, and co-adoption chain risks as the extent to which partners are needed to adopt an innovation before end consumers are able to adopt it.

If innovators want to take these additional risks into account, Adner postulates that they need other tools to examine the ecosystem of the company. In 'Mapping the ecosystem' (Chapter 4), he introduces the 'generic value blueprint', a concept that allows the observer to characterize and link actors in an ecosystem. In reconstructing the history of the e-reader, he characterizes publishers as vital actors in the ecosystem fostering the success of Amazon's Kindle and leading to the (initial) failure of Sony's E-Reader (despite its apparent superiority). Adner defines two major strategies for companies, depending on their role in the ecosystem: leadership (companies taking high risk, high initial investment and expecting high profits in the long term); and followership (firms encountering low risks and initial investment, but also low profits). A strategic tool to analyze the role of the company in an ecosystem is Adner's 'leadership prism', which enables managers to evaluate the relative benefits and costs for different actors in their particular ecosystem. In using the example of electronic health records, Adner shows that, on their own, the actors in the ecosystem have insufficient incentives to introduce such a complex technology, and that there is a role for an aggregator to facilitate the introduction of the technology. In 'The right place and the right time' (Chapter 6), Adner develops the

core of his argument in showing that there are different challenges for innovators depending on: (a) the complexity in the execution of the project, and (b) the extent to which complementors are vital for innovation. Adner looks to the lithography industry and shows that it paid Apple to delay the launch of the iPod until October 2001. Apple waited three years until two co-innovations – MP3s and broadband – were solidly in place.

In 'Changing the game' (Chapter 7), Adner puts his new insights to work and shows how they allow ecosystems to be redesigned. In focusing on the electric vehicle ecosystem, he shows that traditional views on innovation can be traced back to the emergence of the first electric car, produced by the American Electric Vehicle Company in 1908. Since that time, similar challenges have again and again confronted the automobile industry – the premium price for these cars, their limited driving range, their charging infrastructure as well as some hidden problems, such as the resale value of the electric battery, the limited savings per kilometer and, most importantly, the capacity of the electric grid. On the basis of his value blueprint, Adner argues that it is possible to separate, re-combine and re-locate elements in the ecosystem while adding value and maybe subtracting certain unwanted elements to create a new value proposition for customers. In describing the case of Better Place, a start-up company established in 2007, he demonstrates how this redesigning of the ecosystem can work. The business model of Better Place is based on solving the economic problem of premium price and low resale value of the battery by looking to a different ownership model for the car. The car is owned as usual, but the battery is owned by Better Place. In exchange for a kilometer-based monthly fee, Better Place provides spots for charging at home and at the workplace of the driver. The company provides all the infrastructure and includes all the electricity for charging of the battery. The Better Place approach is revolutionary and Adner argues that 'the Better Place offer will surely not appeal to everyone' (p.188).

In 'Sequencing success' (Chapter 8), Adner provides new insights into the dynamics of ecosystems by showing that three basic principles should guide their development: minimum viable footprint, staged expansion and ecosystem carryover. Here his insights into real options thinking are a valuable addition to the readings in the book (Adner and Levinthal, 2004). He examines product development at Apple over the past 10 years (music players, smartphones and digital tablets) to explain how the company reconfigured the ecosystem in these very distinct markets. He considers the source of Apple's incredible success to be 'the way it has applied the principle of ecosystem carryover to leverage elements and constellations from its old ecosystem to jump-start its construction of new ecosystems' (p.195). In the final chapter of the book, Adner characterizes concisely the elements of his wide lens toolbox.

The value of this book is not only in its conceptual novelty and empirical depth of analysis, but also in its uniqueness in providing a thorough and – at the same time – very specific approach in the area of ecosystems. Moore's original article on ecosystems was published long ago (Moore, 1993), yet no consensus has developed in the literature on how to approach these ecosystems, or what their elements, dynamics, etc. are. Adner has been able to systematize this literature by focusing on innovation. However, this novelty comes at a cost. A link to the ecosystem literature on dominator advantages (Iansiti and Levien, 2004) would have provided better insights into strategies that dominant firms follow in ecosystems. In particular, the

failure of Better Place in May 2013 can be explained better by strategies of such dominant firms as Renault. Adner is surely aware of this literature (Adner and Snow, 2010) and it would be interesting to observe how these strategies might be included in his wide lens paradigm. As his book is challenging a number of core assumptions of innovation theory with respect to supply-side technological change, it will be interesting to observe how his approach can address radical (as opposed to incremental) technological change. In the case of the Electric Vehicle Ecosystem, the challenge might be to detect small improvements within the car industry in parallel with radical changes coming from outside the traditional automobile ecosystem. In general, this book is definitely a page turner for dedicated innovation scholars. In addition, it can be used for classroom teaching at the masters level if students are prepared to delve into the underlying empirical studies of Adner and his collaborators.

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