



RECIPES FOR SUCCESS

Wireless Data Services: Technologies, Business Models and Global Markets

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Wireless data services are no longer just a 'Tomorrow's World' possibility, but part of everyday life. The overheated speculation of a decade has given way to more mundane reality.

Nevertheless, some of the reality is startling enough. In Japan, NTT DoCoMo's i-mode service signed up a quarter of the population in just four years. Japanese railway carriages are now largely silent, as commuters look at their mobile screens instead of talking loudly into their cellphones. In the UK alone, some 1.8 billion text messages are sent every month. In the US, Blackberry devices connect executives to their email, wherever they are.

But why has the experience of take-up been so different in different regions, countries and cultures? It seems that what works in one place does not work in another – or at least, not yet. The development of mobile voice has followed roughly the same pattern all over the world. But mobile data is different.

This book examines the development of mobile data on a global scale and, in a field where comments tend to alternate between hype and disillusion, takes a long cool look at what is actually going on – a perspective that is very welcome.

The book is stronger on US and Japanese experience than European. There is little on SMS – the key European success story – or MMS. But the analysis of i-mode is particularly useful, and builds on what has been written by other authors. A consistent story is emerging of why i-mode was successful. Sharma and Nakamura do a useful job of disentangling what is universal from the specific cultural factors of Japan, and from the historical accidents of timing. Was 'the i-mode effect' something that could only work in Japan? No. Is it easy to transplant elsewhere? No, because, just as the original i-mode team did, you have to take account of a wide range of cultural, business and other factors. DoCoMo drafted in external people who were able to challenge the 'telecom mindset' of its own staff. The combination of expertise and experience created a winning formula. But just repeating the Japanese recipe will not work: you have to recreate it for a different business environment and culture.

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The most important factor is that NTT DoCoMo took responsibility for the entire value chain, to the extent of collecting money from users and distributing it to third parties, while only retaining a small commission. Not traditional telco thinking, but DoCoMo were rewarded amply for this foresight.

For Europeans, long mired in the 3G debate, the change of perspective is refreshing. It is clear that, worldwide, the industry is entering a new phase. People are finding real uses for wireless data. For the past decade different parts of the industry – operators, investors, governments, providers of content and value added services – have seemed at war with each other, fighting to demand their share of a cake that no one was sure existed.

Now there are examples from around the world of real services that people are prepared to pay for. The examples here indicate there is not one cake, but several. By luck or judgement, the ingredients have come together at different times and in different places to create something that works. The task for the next decade must be to perfect the recipes, learn what is universal and wrap them worldwide. This can't be done without the different parts of the value chain working together, because each has an essential ingredient to bring, without which the mixture falls flat. The time has come, perhaps, to bury the hatchet and get on with the job.

This is a useful practical cookbook for those who are skilled in the art – or who wish to be. Not all the recipes and advice will be to everyone's taste, but everyone with an interest in this field will find something of value here. Wireless data is here to stay, and this is an invaluable source of basic information. ■

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NEVER TOO LATE

Effective Innovation: The Development of Successful Engineering Technologies

Don Clausing and Victor Fey
Professional Engineering
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Unlike this book, let's start with a definition – 'innovation is the practical exploitation of ideas'. So far, so good. Interestingly, when you look up 'innovation' in the New Oxford Dictionary you find that the example of usage chosen by the editors is a negative one: "The company's failure to diversify and innovate competitively..."

Rightly or wrongly, this strikes me as typically British. Why should a dictionary compiler choose, among thousands of options, a phrase devoid of any connotations of success? The answer has nothing to do with the way citations are collected and everything to do with instinctive national attitudes

towards (I almost wrote 'distaste for') success in industry.

So I opened this book with high hopes. At last, I thought, a step-by-step guide to effective innovation. Armed with this, all we need now is to have engineering taught capably in schools and universities, and a supportive financial and entrepreneurial culture in which people are not afraid to make mistakes, plus a government that understands business and is committed to reducing regulation.

'Effective Innovation' is of real interest, and comes with the excellent reputation of its authors and the publishers. Admittedly it confuses technology development with product innovation, and the reader may well puzzle over whether the difference ought to matter. Clausing and Fey seem to use 'innovation' to apply to the process by which new ideas are generated anywhere in an organisation; and 'invention' to apply to the generation of new products and services which often, but not always, need new technologies in their practical outcomes. I'd rather have seen greater precision in the use of words.

Innovation will fail if the process itself is not healthy. Indeed, one essential component of success is to realise that a process is needed. Some readers will therefore seize upon the role of TRIZ – the Theory of Inventive Problem Solving – in the guided evolution of technology, and indeed the chapter on TRIZ is worth reading. This scientific technique, which aims to formalise the development and application of technology through a set of laws, has its origin in the USSR and began to make an impact in the West in the early 1990s. TRIZ has a persuasive power at intellectual level and has, we are told, influenced designers and inventors in many contexts. By now, 15 years on, we ought to be inundated by products and services created by TRIZ teams; and moreover, since the whole process represents risk minimisation

and cost control as never before, we are no doubt seeing healthier, wealthier engineering companies.

Or are we? Evidence that in the UK we are steadily improving our R&D performance is still hard to come by. We have known about Taguchi methods for producing robust designs and reducing 'noise' for over 30 years, and about technology roadmapping for 15, but most companies are ignorant about these things, and are still structured around functions rather than processes.

Another problem with the approaches outlined in this book, logical though they are, is that the authors appear to leave no role for imagination. We may choose to believe that all that is required is a management structure and a stepwise approach; but I think innovation is less programmatic and certain than that. You need the drive which springs from determination to succeed against the odds, and insights arising from lateral thinking in problem solving. You need to know how to coach and manage multifunctional teams towards successful innovation.

Tom Peters nowadays ruefully remarks that he and many others have been shouting about bankrupt business attitudes and actions for the past 25 years, mostly to no avail; business has paid no attention. "Innovation comes from ... angry and driven people," he argues. Instead, business leaders are mostly myopic and unimaginative. If he's right, what possible difference could TRIZ or Taguchi make?

But let us not carp. It is never too late to start improving. If this book leads some designers and managers, faced with ever more demanding product design challenges, to think differently, so much the better.

**Reviewed by Anthony Bainbridge,
business consultant and chairman of the
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