

FORBES &gt; TECH

# What Did The Innovator's Dilemma Get Wrong?

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Jun 27, 2014, 09:38am EDT

Updated Jun 28, 2014, 10:37am EDT

 This article is more than 10 years old.

Every morning between 6.00 am and 10.00 thousands of people pour into the trains at Cambridge rail station. This is Cambridge, England, seat of perhaps the most prestigious university in the world.

All these people are headed to London, the magnet in the British economy, the place where house prices are rising so fast that developers are now building one-bed apartments up around the rail station at Cambridge so that people can pour into the trains each morning to go to London.

It is a fascinating feature of the modern economy. The 1%, the power of minority and the concentration of economic activity go together in some unfathomable way. London is priced out for many British people, yet London is where the economic action is hottest., the place you have to be.

Even prestigious Cambridge is becoming a giant hopper feeding people to London, London, London.

In the 1960s the American sociologist [C. Wright Mills](#) wrote [Power Elites](#), an analysis of the centralizing force of elites. We are heavily influenced by elites once more, even though we have created a far more accessible public space online.

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The proliferation of content in the past few years means the same is happening in the intellectual sphere. The more that gets published the more we rely on the elites, the more we defer to the elites on issues of substance. In economics, however much democracy the blogging world and post-publication peer review appear to create, august journals like the Harvard Business Review hold an extraordinary amount of power to define how business is perceived and done.

论文出版得越多 就越依赖于精英  
在很多实质问题上就越听从精英

就算是media这种平台民主  
HBR也有很大权力定义人们  
如何看待和发展商业活动

Jill Lepore's recent New Yorker article criticizing the work and impact of innovation guru Clayton Christensen is one of the few times this elite bubble has been pierced.

戳破精英泡泡的案例

Plenty of people have sniped at Christensen's highly influential theory of disruptive innovation down the years but it has taken a fellow Harvard Professor, Lapore, to dismantle it in what Christensen calls a "criminal act of dishonesty."

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It matters not whether you are pro-Lapore or pro-Christensen, but whether you are pro this debate.

This is actually a Harvard kinda thing - it reflects how difficult it is to make a telling criticism of ideas that stem from elite universities, even in our democratized media world.

对来自精英大学的思想进行有  
说服力的批评是多么的困难

The elite construction of what really matters - the messages that get to CEOs - leaves very little opportunity to do real knowledge development in business. As Karl Popper argued 50 years ago knowledge develops

精英们很少有机会在商业中  
进行真正的知识开发

through criticism but we are short of that and one consequence is that many businesses become vendor-dependent for their knowledge about innovation. Time is better spent honing a TED presentation.

依赖供应商来获取有关创新的知识 这种依赖意味着企业没有自己发展和改进创新的能力 而是依赖外部资源

But Lepore has criticized Christensen and the business debate around innovation is the better for it.

The mere suggestion that the vehemence or savagery or even ineptness of that criticism is a "criminal act," to quote Christensen, says a lot about the place that serious public discourse has arrived.

一说批评就急眼了

Lepore's criticisms are journalistic, in the sense that they are not heavily footnoted or citation rich, but hardly criminal. But it seems as though to be critical, rather than insulting or trolling, is to be off limits, at the margin. It transgresses the law of taking a positive approach to life.

In fact we need to applaud Lepore and whatever errors she has made. She has opened up strategy to real debate. She has also challenged the value of the business guru and taken a swipe at the elite nature of business thinking.

This is vitally important in an age where value is created by kids and twenty-somethings with a penchant for platform technology that can disrupt a whole sector.

To summarize the Lepore-Christensen debate, Lepore presents two big arguments:

- Disruption is today's version of the idea of progress – it has become a worldview (way off what Christensen claims)
- Disruption is the low cost poorly received product that can overturn industries (pretty much what Christensen claims)

She writes: "The idea of innovation is the idea of progress stripped of the aspirations of the Enlightenment, scrubbed clean of the horrors of the twentieth century, and relieved of its critics. Disruptive innovation goes

further, holding out the hope of salvation against the very damnation it describes: disrupt, and you will be saved.”

I don't buy this and would be surprised if other people do. And if it is true it is not attributable to Christensen, anyway. It is the latter point that matters - disruptions that go unrecognized until it's too late.

For his part Christensen, [in a BusinessWeek interview](#), says he welcomes a debate to refine the idea of disruptive innovation. Understanding it is a process. But he argues, Lapore has not debated, she has slammed him.

I don't buy that either. Leave aside the poor sociology in Lepore's journalism and there is a core of very important critique.



Massachusetts Hall, Harvard University, Cambridge, Massachusetts, USA. (Photo credit: Wikipedia)

[US Steel](#), a Christensen case study in the Innovator's Dilemma, did not go under when newer players came into the market. Nor did another case, [Seagate](#). They adapted and prospered.

But, Christensen says in BusinessWeek, they were disrupted. They had to change....

Interesting. **If all the innovator's dilemma means is that companies can be disrupted but then adapt successfully, then it is not news or a theory.**

如果创新者窘境仅仅意味着公司会受到市场的影响而被迫改变，并最终成功适应，那么这个理论本身并没有什么新的或独特的价值

What Christensen has laid out clearly over the years is that companies with focus on their core can be usurped by products that initially don't seem to be a threat, or even to be that good. But these products create new markets, larger markets and more interesting markets and that combination leads to the demise of incumbents.

But Lepore shows it doesn't, necessarily.

Lepore being a historian rightly denies that the innovator's dilemma is a theory that explains much else than the instances where it is true. **It is an interesting possibility but one that has been blown up into a law of business.**

在有些情况下不错  
但不适用于所有行业

**The late Steven Klepper tells a much more convincing narrative of decline. In short, he pinpoints in industry after industry how incumbents buy up innovative companies and then bury the talent that goes with them. Meanwhile the company continues to consolidate and grow unencumbered by radical competition, settling into a pattern of behavior alongside other oligopolists that is at best marginally improving.**

市场上的老牌企业通过收购创新公司来巩固自己的地位 然而他们在此过程中往往埋没了这些创新公司的人才 与此同时 这些老牌公司通过垄断地位持续扩张 尽管它们并没有面临来自激烈竞争的威胁 行业的整体表现却最多只能说是略有改善

"In a bunch of the industries I looked at they became so successful and were all US based – autos, types TV receivers – they all followed a similar pattern. After formative periods in the US they all collapsed. All these industries have shown horrible performance in modern times. In fact there is now no indigenous TV receiver company in the USA, and only one tyre domestic producer left, and this is in the context of industries where innovation had set the winners apart."

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Failure of this type, with this pattern, is distinct in the United States. **He also points out that many of the failing companies create "children" companies, or rather dissatisfied employees who have been unable to innovate go elsewhere to do it - often into their own start-up. The incumbent is often challenged by its own former-employees.**



Of course western incumbents have also been challenged by Asian competitors that relied initially on cheaper labor and then on superior organization. This large source of disruption is not really explained by the innovator's dilemma, though there are instances that it might explain.

Klepper, in contrast, also addressed the issue of decision-making in more detail than Christensen does. He uses GM as an example of that and especially the opportunity it had to spread the Toyota production model across America in the 1980s. A superior form of production, proven under GM's management. Why not make broader use it? According to Klepper:

In the 1980s GM and Toyota set up a joint venture NUMMI. Toyota stood to benefit through entry to the US market. GM stood to gain from learning about Japanese productivity.

The production system they set up was unlike anything in the USA and it required labor to be much more flexible. Even the United Auto Workers began to like it. It was very well received in fact. But GM killed it. They never instituted it outside the first plant. They had in their hands the key to the future. But even though the Unions liked it and it introduced flexibility, GM did not want it. It would have required a revolution in the way GM ran its company.

答案与颠覆性创新无关 GM公司只是无法适应丰田模式

The answer has nothing to do with disruptive innovation. The Toyota model was simply a rational innovation that a large company could not accommodate.

The boardrooms of these companies start to freeze over as more and more vested interests make decision making next to impossible, forcing them to eschew rationality. Compare it to BMW where the Quandt family owns enough of the shares to let senior executives manage the company creatively.

董事会股东的利益错综复杂迫使他们回避理性

股权结构阻碍了良好的决策

Klepper's insight was that ownership structure inhibits good decision making. That picture is a good description of Nokia's decline. Did a start-

up selling a neat new device disrupt Nokia? Not at all. A computer company called [Apple](#) did it along with one called Google, and the weapons of choice were, respectively, superior design and open source.

A case study often cited as a classic innovator's dilemma is Kodak. It didn't see digital coming.... But it did. It invented much of it. What's more Kodak invented much of what is now the OLED industry, the flat screen high-luminosity screens that are spreading across smartphones and TV.

Did Samsung, the OLED leader, disrupt Kodak in the way Christensen suggests? Well no. It first made use of Kodak's OLED patents and then engineered a way around as many of them as it could, delaying the launch of OLED screens until many of the Kodak patents had expired.

Jill Lepore's article in the New Yorker in fact does Clayton Christensen a favour. There is a big burden in being the guru in an age of democratized opinion. **Too many people accept theories that really aren't theories. They are descriptions. Even as descriptions they have faults. Not enough people are looking to put them right.**

太多人接受了实际上不是理论的理论 它们是描述 即使作为描述 它们也有缺陷 没有足够的人想要纠正这些错误

There was a time when we were more willing to accept the fallibility that goes with trying to interpret the workings of society and the economy. This debate provides a little of that relief.

There is no real theory of why firms fail or why they succeed. There can be a thousand lists and to-dos but in the end the variables are overwhelming. There are some fine descriptions of the partial picture out there including Klepper's. Christensen's description has the virtue of simplicity, and simple in intellectual terms can also be beautiful. It is also allowed to be wrong.

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