

Book details

Govindarajan, V., Trimble, C., & Nooyi, I. K. (2012). *Reverse Innovation: Create Far From Home. Win Everywhere, Boston*. ISBN : 978-1422157640

Reviewer

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Synopsis and evaluation

As the world's economic center of gravity continues to shift, the existing gap between developed and developing economies are reducing. This book provides enticing data about quick growth of developing economies as compared to developed ones. This is a well-timed and relevant book concisely expressing the phenomenon of 'reverse innovation' and growth opportunities in the developing world. The book offers a strong case for companies to learn how to operate on different axis in order to fully seize the opportunities in growing markets and rethink their dominant organizational logic. It can be inferred that emerging economies are not only the growth markets of the next century, but they will also be a great source of idea generation. This book is a compilation of twelve chapters with thorough overview of theories, concepts and challenges concerning reverse innovation in the first part (first four chapters) while the second part (next eight) details few cases supporting the concepts discussed in the earlier chapters.

The chapter starts by uncovering the story of Gatoride that originated in emerging economy and made its way to developed markets. Reverse innovation developed in emerging market was tweaked to fit the needs of developed markets and hence "reversing" the tradition path of innovation. It is compared to a strategy known as glocalization making a perfect sense and no more considered as non-optional. According to author, "It is impossible to fully capture the growth opportunities in the developing world without developing new solutions from scratch. Reverse innovation is clean-slate innovation " (p. 30). Chapter two addresses five gaps namely Performance gap, the Infrastructure gap, the Sustainability gap, the Regulatory gap and the Preference gap, which essentially provide insights on reverse innovation opportunities. It diverts focus on providing solutions for prevailing gaps that separates rich and poor nations. It is apparent that innovators would win in the long run, therefore developing strategies to take advantage of potential emerging market is the key to success. Chapter three provides insight on the five levels of dated thinking that inhibits reverse innovation. The chapter appeals "More people, power, and money to where the growth is -the developing world" (p. 48). Chapter four brings detailed insights on developing 'local growth teams' or LGTs to manage reverse innovation initiatives. LGTs would conduct clean slate assessment, solutions and organizational design to resolve business criticalities.

The second half of the book offers indepth case studies of Logitech, Procter & gamble, EMC Corporation , Deere & Company, GE healthcare and PepsiCo. The emphasis is on demonstrating reverse innovations that were adopted in the developing world first. Few example: P&G developed a globally successful tampon called Naturella in Mexico after discovering why its American product was losing market share to rivals there. **PepsiCo** drew upon local teams and global resources to develop Aliva, a new savory cracker created by Indians for the Indian market, but with high global potential. These cases are reflections on creating a reverse innovation mind-set throughout the organization for urgent imperative of achieving more growth from emerging markets and untapped

segments. The logic and business practices adopted by companies become surmountable to thrive in tomorrow's global marketplace.

In Author's own words

Reverse innovation is an emergent field with more innovations not only cropping up but being acceptable and successful around the world. The book is beyond innovation. The key takeaways are the nine rules guiding reverse innovation efforts, three each in the categories of strategy, global organization, and project organization. It fosters change in organizational mindset and project management approach to succeed. It insists to go for reverse innovation encouraging entrepreneurship in developing economies and acceptance of the same in developed economies. It is an important book that helps management to get insights on reverse innovation as a phenomenon and further strategies to unlock a world of business opportunity. The book is a must read for businesses not only in the developed world but also in the developing world.

Reviewer details

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