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Henk Volberda, Frans van den Bosch, and Kevin Heij: Reinventing Business Models: How Firms Cope with Disruption. Oxford: Oxford University Press, 2018. 304 pp. \$42.95, paper.

Reinventing Business Models begins with a story that students of disruptive innovation will probably have heard before. Kodak, the iconic Rochester-based photographic film company, had developed an electronic still camera as early as 1975 but never seriously pursued a business in digital photography until it was almost too late. Wary of undermining its lucrative film business, the firm gave digital a wide berth for decades. By 2012 the company was on the verge of insolvency. Kodak's efforts to protect the sale of film—its business model—had prompted it to ignore digital while upstarts native to digital photography gained market share and technological advantage in the emerging space.

The other half of the vignette, less familiar but more pertinent to what Volberda, van den Bosch, and Heij aim to get across, is the parallel story of the Japanese film giant Fuji. Fuji experimented aggressively with its business model during the same period (when profits from domestic film sales were still powering its R&D expenditures) by competing on price in the overseas film sector while diverting technical resources away from analog-camera film toward new ventures in cosmetics, medicines, and printing that often made use of the same underlying chemical and imaging technologies. Both firms pursued technological experimentation in their R&D divisions, but Fuji also engaged in *business-model innovation*, seeking ways to become less structurally dependent on the sale of film over time. The point of the Kodak/Fuji vignette, and the authors' central message, is that the competitive advantage afforded by a successful business model will not last forever. No matter how a company has achieved competitive advantage today, responding to the ever-changing competitive environment will require reinventing its business model to stay ahead of the curve. The question for managers, then, is how precisely to do so without destabilizing the firm in its current form.

Reinventing Business Models is neither an academic treatise on conducting business-model research nor a breezy practitioner guide to business-model innovation, though it contains elements of both. The book is the outcome of a large-scale research project on business-model innovation in the Netherlands, a multi-method study that began with a survey of 590+ Dutch companies of all sizes and in all sectors of the economy. Firms were asked about their current business model, sector competitiveness, and strategic plans for the near and distant future given industry headwinds and perceived technological threats. Twelve firms identified during the survey process became the subjects of rich qualitative case studies. During analysis of the survey and qualitative findings, the authors called on respondents for follow-up panel discussions

of pervasive themes and for refinement of the managerial perspective into a list of business-model innovation do's and don'ts. The result is an accessible, practitioner-friendly book that sheds new light on key issues in the often-messy process of business-model innovation.

The theoretical heart of the book consists of two distinctions that jointly yield a typology of business-model innovation. The first is the distinction between replication and renewal—between leveraging and perfecting an existing business model (exploit) and seeking a new business model (explore). The second distinction is between strategy-driven and customer-driven change. Strategy-driven change seeks to better align the firm's capacities with the future direction of the industry (improve/dominate); customer-driven change seeks alignment with expansion to new customer segments (connect). The resultant two-by-two yields four strategies: (1) exploit and improve, (2) exploit and connect, (3) explore and connect, and (4) explore and dominate.

All four modes can produce results, and in-depth case-based explorations of business-model innovation at DSM, Apple, Google, the Port of Rotterdam Authority, Royal IHC, General Motors, IKEA, McDonald's, Vopak, NXP, and Randstad provide both positive and negative examples. The actionable insights for practitioners are rooted in the authors' "levers" for change (technological, management, organizational, co-creation with external partners) and when to deploy each one, but this framework should also be of interest to scholars of business models, innovation strategy, and disruptive innovation. The terms *replication* and *renewal* are not meant to precisely mirror *sustaining innovation* and *disruptive innovation*, but scholars of corporate innovation and organizational ambidexterity will recognize them as parallels in the context of running a firm that must compete with itself. The classic advice for incumbents facing disruption is to create a separate business unit, silo it off from the parent company, and force it to stand on its own two feet promptly while feeding consumer and market insights back to a strategy-minded leadership capable of incorporating such insights into long-term strategy. Nothing presented here contradicts this advice, but the devil is in the details.

Balancing the long- and short-term interests of all parties while confronting a disruptive threat is a tall order, as anyone who has worked at a large company during a business transformation can attest. It is here in the details of the different transformation trajectories that the book's firm grounding in the practitioner perspective really delivers. Some of the most interesting new insights, for practitioners and scholars alike, emerge from the careful parsing of the DSM, NXP, Royal IHC, and Port of Rotterdam Authority examples. Along the way, the authors draw from existing theory, pointing out that prior work is surprisingly light on the topic of management, specifically the questions of *who should do what and when* that practitioners are likely to be most interested in. Replicating an existing business model for a new set of customers (exploit and connect) entails a different set of challenges and different levers than an organization-wide transformation (explore and dominate). Will the organization require new leadership at the top to complete the transformation? Should internal teams charged with competing against the firm's main offerings be co-located or kept at an arm's length? Extrapolating from their case studies and survey data, the authors use the later chapters of the book to build out their frameworks and offer prescriptive advice on everything from the role of top management and

the right level of involvement to the right levers to use in a given quadrant of the model.

Readers familiar with the scholarly domain of business-model innovation will appreciate this book's elegant synthesis of cases and existing research perspectives; those less familiar will find it a good point of entry. The size and scope of the task that the authors have set themselves, and their admirable determination to address a broader audience, occasionally produce organizational quirks and repetition. On the whole, however, the book hits its mark as an academic-press text accessible to a wider readership in management. The authors do a particularly nice job of appealing to readers on both sides of the Atlantic by highlighting less-well-known Dutch companies alongside better-known North American and European multinationals routinely featured in the business press. The result is a mix of novelty and familiarity that confirms the pervasiveness of the business-model innovation challenge across regions and industries.

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