
From: Nathan Myhrvold [REDACTED]
Sent: Saturday, June 21, 2014 3:43 PM
To: jeffrey E.
Subject: FW: Innovation article in the new yorker

From: Nathan Myhrvold
Sent: Saturday, June 21, 2014 8:41 AM
To: Bill Gates ([REDACTED]); Larry Cohen ([REDACTED]); Casey Tegreene; 'Lowell Wood'; Edward Jung; [REDACTED]; Cam Myhrvold [REDACTED]; Ricky Wood; Yuki Ishikawa; Peter Detkin; Greg Gorder; Adriane Brown; Russ Stein; David Kris; Scott Heimendinger; Chris Alliegro; Maurizio Vecchione
Subject: Innovation article in the new yorker

In 1997 Clayton Christensen came out with a book called the "The Innovator's Dilemma". It told a compelling story of how new technology could be disruptive to existing markets and competitors. The book became wildly popular within the tech industry. Everybody wanted their new technology to be viewed as "disruptive", and advocates started seeing "disruptive" threats everywhere. At Microsoft there was a constant stream of discussion about which projects were disruptive and which were not, or which companies were going to disrupt us, and who we could disrupt. In the years since 1997 this book and the vocabulary it introduced have been part of the holy writ of Silicon Valley.

At the time I thought that the book had some value, but was dismayed at the extremes to which it was adopted. This sort of business book is rarely what science would call a theory – i.e. something with predictive value. Instead they tend to provide some nouns and verbs that one could use as a language to discuss a situation or company. The difference is crucial – an after the fact the story isn't much use to guiding decisions. The stock and trade of most business theorists is that they tell very compelling stories which then tempt people into using them like theories – to guide decisions. Indeed that is why people buy business books, and pay speaking fees to the author. A vocabulary for story telling isn't the same as a predictive theory. /p>

Here is an illustration of the difference that happened to me in Africa on safari. A huge elephant charged the open vehicle I was in. In previous cases the guide had honked the horn, or even put the vehicle in reverse and driven away. This time the guide was calm, and made no effort to do anything. The elephant stopped about 10 feet from us (way too close for the lens I had on the camera), trumpeted loudly and stomped off. The guide said "you can always tell a bluff charge". I asked how – what were the signs that let him know that this would be OK? He smiled and said "they stop".

Unfortunately a lot of popular business books have that property – they provide a language for telling stories after the fact. Unlike my elephant story they are not as transparent about the lack of predictive power; they provide elaborate descriptions that are full of pseudo-causation but without the rigor that would let them really be predictive theories.

Anyway, Jill Lepore has a long article in the current issue of the New Yorker that takes apart Christensen's books and argues that it was essentially all made up. The examples that he uses were cherry picked to make his point. Worse, if you look closely at the examples many of them could be used to prove the opposite point. I think that it a great article, I just wish it had been published in 1998 rather than 2014. Then again, Lepore is a historian, so I suppose their sense of urgency isn't the same as mine.

http://www.newyorker.com/reporting/2014/06/23/140623fa_fact_lepore?currentPage=1
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Of course taking his examples apart doesn't mean that Christensen is utterly wrong about everything. There can be some value to a descriptive language. Over time, further work can elaborate on the language to make it into a predictive theory. Medical science is a good example of that. It was once a catalog of names for conditions and ailments without much idea of the causation. Today that is still true for a distressing number of conditions, but others have been fully figured out. Malaria was once thought to be due to fumes emanating from swamps (malaria means "bad air" in Italian). We now know all about the disease and can cure it completely (at least in places with an adequate health care system). Meanwhile the condition that Dr Alois Alzheimer first described in 1906 is in flux. We know a lot more about it than he did, but its precise cause and treatments still eludes us.

In addition to taking Christensen apart, I was amused by the part of the article that says that the word "innovation" once had a largely negative context.

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