

DEREK PARKER

Risky business: often it's the only sort there is

Rewards can flow from change when the right tools are in place.

Chance & Intent

Edited by David Bodde and Caron St. John
Routledge, A\$79.95

Innovation and an entrepreneurial attitude are necessary for every company, but assessing the risks associated with change is difficult. *Chance & Intent* offers a series of essays looking at the recent thinking in the field and if it does not provide definitive answers, it nevertheless has important ideas for executives and investors.

An early chapter by William Gartner and Jianen Liao analyses the nature of risk-taking, concluding that successful entrepreneurship lies not in the assessment of risk but in the evaluation of potential rewards against possible losses associated with change.

A central problem with business risk assessment is that unexpected events such as a natural disaster can throw plans off track. David Bodde (speaking, interestingly, from a background in engineering) looks at how real options analysis and scenario planning can help innovators manage the big bets that often have to accompany new technology ventures.

Several writers look at how experimentation in a controlled environment can be used to assess risk. The core idea is "fail fast, fail cheap, fail forward".

The final section looks at open innovation systems, which have the potential to offer huge opportunities even while being highly disruptive. Robert Laubacher looks at the "collective intelligence genome", arguing that it is likely to prove as important to innovators in coming decades as venture capital has been in the past few.

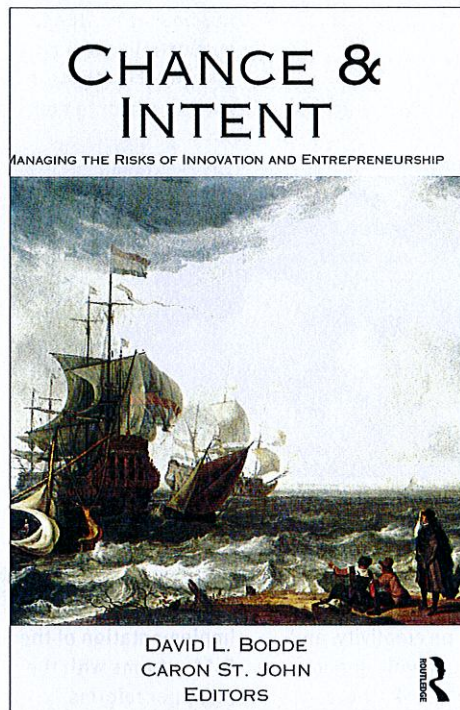
These are interesting, if sometimes complex, concepts. At times the academic origins of the authors is a problem, with real-world applications of the ideas difficult to see. Yet if you want to get ahead of the intellectual curve in the business of understanding risk, this book is worth the effort.

All Above Board

By Julie McLellan

Australian Institute of Company Directors, A\$33

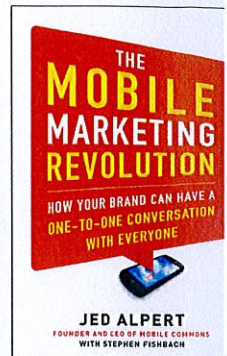
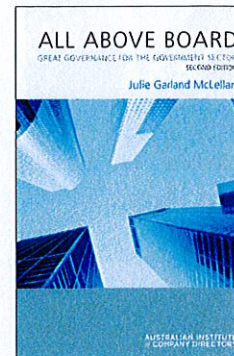
Corporate governance has received a great deal of attention in the past few years, but very little has



“Open innovation systems ... have the potential to offer huge opportunities.”

been written on how it works in the government sector, especially in the Australian context. This book does much to fill the gap, as a guide for any board member who deals with the public sector.

McLellan draws on a wealth of personal experience and acknowledges that the variety of public sector organisations makes analysis difficult, but she provides useful information on key roles, strategy, risk management and financial oversight and ethics. There are crucial differences between public sector boards and



those in the private sector, mainly relating to their obligations to a single shareholder and corporate objectives embedded in legislation. McLellan keeps the emphasis on real-world problems and practical solutions, using a wide range of case studies. There is also an interesting conclusion on likely future developments and a good appendix on governance codes.

The Mobile Marketing Revolution

By Jed Alpert

McGraw-Hill, A\$33.95

Text messaging via mobile phones has become ubiquitous, but the development of its business potential, according to this book, has only just begun. Alpert's enthusiasm for his subject occasionally becomes a little grating, but he has plenty of interesting things to say about using text messages for targeted marketing, customer management, polling, crowd-sourcing and product development.

The trick is to integrate text messaging with other communication methods, especially online avenues. There must also be an awareness of when to pull back to avoid becoming intrusive, structuring communications as conversations rather than mass marketing.

Much of the book deals with the US, the leader in this area, but this is an advantage rather than a problem as it gives a non-American reader the chance to see what is coming down the road. One short message can, if properly used, lead customers to places where deeper relationships can be developed.