

A Book Review

by Robert Goldscheider



Edison in the Boardroom — How Leading Companies Realize Value From Their Intellectual Assets

By Julie L. Davis and
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The vigor, creativity and general success of global business since the end of World War II has been chronicled by a series of insightful authors. But these leading writers did not merely record the developments they witnessed. Their commentaries about innovative events also served to publicize their underlying ideas and thereby accelerated the adoption of these same ideas by readers all over the world who were eager to learn.

In this tradition, one must be aware of the extensive writings of Peter Drucker, who has become generally recognized as the sage of management consulting, and whose strategies led to the reorganization of General Motors, and countless other large and small companies. Mr. Drucker focused on the real essence of each business as the starting point of his analyses. W. Edwards Demming, who was widely appreciated in Japan before being given his deserved recognition in the United States, was another basic source of ideas that revolutionized production quality and inventory control. Alvin Toffler quantified the changing environment of the advanced industrial age from *Future Shock* to *The Third Wave*.

More recently, in the same tradition, we have been stimulated by important management insights such as *In Search of Excellence*, by Thomas Peters and Robert Waterman, *Re-Engineering the Corporation* by Michael Hammer and James Champy and *Rembrandts in the Attic* by Kevin Volleto and David Kline.

The listed works have been some of the most important highlights of my evolving knowledge in the field of technology management. Because of the global flood of further developments, now “turbo charged” by the

internet, new books about management issues regularly appear, and I try to read as many of them as a busy life permits. Against this background, I have been delighted to add *Edison in the Boardroom* to my pantheon of significant contributions. It reports about a variety of relevant conditions facing contemporary management and provides worthwhile strategies to deal with them.

The book is based on the thesis that intellectual property in the hands of an enterprise, now widely recognized as its most valuable assets, may be treated at five different levels. These are defined as “defensive, cost control, profit center, integrated and visionary.” The respective states may be summarized as follows:

- at the defensive level, the “enterprise” stakes its claim to its intellectual assets and thereby builds a shield against litigation. Here IP is generally viewed as a legal asset;
- at the cost control level, the company focuses on the expenses of filing and maintaining its IP portfolio, strategies which can save substantial sums of money. Again, IP is considered to be essentially a legal asset;
- at the profit center level, a major shift occurs because the IP portfolio is considered to be a business asset which can generate important additional revenue from licensing, while continuing to trim costs;
- at the integrated level, the IP is deemed to be “embedded” in the company’s day-to-day operations; the emphasis is not a complete process being implemented by the enterprise, of which the IP is treated as an important segment;
- at the visionary level, which is said to be rarely attained, the company appreciates that its IP has become “deeply ingrained” in its culture and, with this understanding, seeks to identify future trends and consumer preferences.

The different levels are treated in the book in an evolutionary order, from the most basic to the very sophisticated. Each level generally discusses what companies at that stage are trying to accomplish, describes best practices to be employed at the level, with pertinent illustrations of actual corporate experiences, and then provides commentaries which constitute the conclusions of the authors.

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Review of *Edison in the Boardroom*

When reading the book I had the simultaneous sensations that I was being exposed to circumstances which I regularly encounter while also gaining new insights about ways to deal with each of such situations. I agree with the theories of the authors and find the practices they propose to be pragmatic and effective.

The fact that the authors treat the policies for the management of intellectual property as a continuum is also valuable. I am currently advising a diversified company about strategies for the protection and promotion of its technologies in the hands of separate company business centers that should respectively focus

on different levels treated in the book. This has enabled me to justify the variations in advance being given to the respective business centers, and also provides perspectives against which they can envisage advancements to “high stages.”

This is a fine contribution to the literature of licensing by two youthful yet experienced practitioners. *Edison in the Boardroom* is in the tradition of the truly important works in the field in that it perceives phenomena and suggests solutions to problems. In view of the dynamism of the subject matter, it is hoped that the authors will continue to provide wisdom in this area.