BOOK REVIEWS

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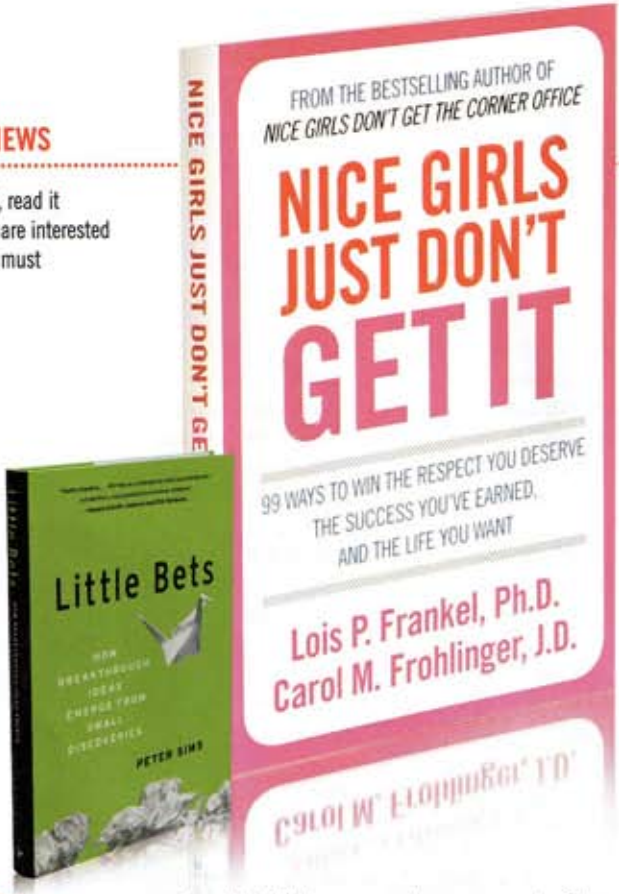

LITTLE BETS: How breakthrough ideas emerge from small discoveries
Peter Sims
Free Press
Random House
$52.95

Readability ●●
Usefulness ●◖

WHAT DO Steve Jobs, Beethoven, comedian Chris Rock and Thomas Edison all have in common? According to author and business consultant Peter Sims, they all follow a "little bets" approach to innovation: they don't start with an ingenious idea, they discover it through an iterative process of small, affordable actions that eventually unlock the big idea.

Sims heralds the origins of Google as a poster child of this approach. Google didn't start out as the world's largest search engine. When Larry Page and Sergey Brin were both PhD computer sciences students at Stanford, they were asked to improve online library searches. Once they figured out the algorithm, they used it to develop the infamous PageRank system that became the basis for Google – a side-experiment led to a breakthrough business.

The book journeys through a diverse range of examples from the worlds of business, arts and warfare to identify the key ingredients individuals and companies need to master the little bets approach, including:

- **Failing forward:** Setbacks, errors and losses are part of the innovation process and will deliver value, as long as we systematically learn from the effort. As Edison famously said: "If I find 10,000 ways something won't work, I haven't failed ... every wrong attempt discarded is just one more step forward."
- **Bigger isn't better:** "People routinely bet big on ideas that aren't solving the right problems," Sims writes.
- **Rapid beta:** Get an idea out there as quickly as possible, discover its flaws, make rapid changes and don't stop iteratively experimenting until you hit on something that clicks with your audience.
- **Comfortable being uncomfortable:** Innovation is messy, jammed full of challenges and unknowns. Companies need to get the culture right to ensure their people are comfortable in the grey area, instead of feeling insecure about being prematurely judged. For example, Pixar, the leading animation studio, relies on a process called "plussing" where "and" replaces "but". The point is to build upon and improve ideas without using judgmental language, Sims explains.

Little Bets is an entertaining and easy read, but it is also a smorgasbord of well-known existing innovation theory and struggles to find a coherent and fresh point of view.

Rachel Botsman