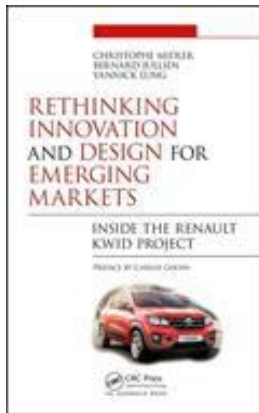


PM WORLD BOOK REVIEW



Book Title: ***Rethinking Innovation and Design For Emerging Markets: Inside the Renault Kwid Project***
Author: **Christophe Midler, Bernard Jullien, Yannick Lung**
Publisher: Auerbach Publications
List Price: \$59.95 Format: Hard cover, 164 pages
Publication Date: May 15, **2017** ISBN: 978-1-138-03720-5
Reviewer: **Stephen Fierbaugh, PMP**
Review Date: 10/2017

Introduction

Coming up with new methods of design and manufacture to reach the “next billion” has wide application across a variety of consumer products. Too often, Emerging Markets just get the hand-me downs, rejects, or old tooling from North America or Europe. To truly reach the emerging markets will require creativity on an industrial scale.

Rethinking Innovation and Design for Emerging Markets is a case study of the inexpensive Renault Kwid automobile, successfully developed in and for the Indian market.

Overview of Book’s Structure

The first half of the book is a conventional case study of the Kwid project. Because I knew little of automotive industrial design, this part of the book was very informative. The Renault and Nissan alliance created a project to build a vehicle tailored for the Indian market. It had a target price of one-half of the price of most small vehicles in the market.

The second half of the book is an exploration of the “fractal innovation” strategy pursued by the project team. It is heavily documented with references to prior studies and academic papers.

This book is an English translation from the French, *Innover à l'envers, repenser la stratégie et la conception dans un monde frugal* (Dunod, 2017, EAN13: 9782100759880). That occasionally gives rise to awkward turns of phrase such as, “...inspired by the Indian success of the Duster, which had just been launched in India.” (p12)

About half of the charts in the book are Powerpoint slides whose readability suffers from their resizing and lack of color. This is especially noticeable in the first half of the book.

Highlights

The Kwid retails in India for about \$3500, and is far nicer than anything similarly priced. In order to achieve astonishing target price goals, a fundamental paradigm shift had to occur in the way that Renault designs and develops automobiles.

The first change is that most vehicles are developed at headquarters design centers featuring an long development cycle and a cast of hundreds, if not thousands, of skilled engineers, then are frozen and transferred to a manufacturing team to develop unchanged. The Kwid team worked as a much smaller independent team with authority to challenge any corporate regulations.

Based in India, the team was able to practice *fractal innovation* and *frugal engineering*. Fractal innovation means reconsidering every cost and engineering structure at every level, both large and small; nothing was considered sacred or off-the-table. Frugal engineering means designing to cost rather than the other way around. The team considered the tiniest changes to reduce costs, involved engineering early, and kept simplifying designs much later than typical in the manufacturing cycle.

Highlights: What I liked!

The authors have clearly poured a tremendous amount of effort into researching the book. It is exhaustively footnoted and the bibliography runs to eight pages, with several more devoted to documenting interviews.

As the authors laid out the challenges of producing an inexpensive car in India, I wondered why Renault didn't just partner with Bajaj. Then I turned the page and they explained why they considered partnering with Bajaj and ultimately rejected it for sound practical reasons.

While they did not emphasize it, they also did not hide the issues Renault and Nissan had in working together. For example, after ten years of alliance, their IT systems were still incompatible and the project was reduced to sharing component information on a (very) large Excel spreadsheet. (p138) Who hasn't been there?!

Who might benefit from the Book?

Anyone who is considering marketing products to the Emerging World will find this book helpful. It demonstrates that important steps such as moving key decisions closer to the emerging consumer are not just for NGOs, but equally valid critical success criteria for large scale industrial endeavors.

It can also help ensure that products are fit for actual conditions, rather than just regurgitated from North America or Europe. The Kwid is successful enough that it is being marketed in other BRICs and considered for Europe.

Conclusion

India, China, and Africa each have over a billion people, and their spending power is slowly increasing. As long as these markets stay stable politically and economically, they will play an increasing role in the world's economy.

Traditionally, they have been sources of raw materials, but more and more in the future, the companies which will dominate are the ones which can effectively design, manufacture, and market to these new consumers.

For more about this book, go to: <https://www.crcpress.com/Rethinking-Innovation-and-Design-for-Emerging-Markets-Inside-the-Renault/Midler-Jullien-Lung/p/book/9781138037205>

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Stephen Fierbaugh has a MA in Intercultural Studies with a focus on ICT and is a Project Management Professional (PMP). He leads global teams and projects facing challenging partnerships and cross-cultural or remote participation.

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