

Brand New: How Entrepreneurs Earned Consumers' Trust from Wedgwood to Dell. By Nancy F. Koehn. Boston: Harvard Business School Press, 2001. 470 pp. Notes, index, illustrations, figures, tables. Cloth, \$39.95. ISBN 1-578-51221-2.

Reviewed by George David Smith

Of all forms of history, biography is the most intimate, accessible, and popular. That is fortunate for the history of entrepreneurship, in which the behavior of individuals, as distinct from organizations, counts for a lot. Yet, individual cases of extraordinary accomplishments are limited in their explanatory value. What makes a great entrepreneur great always seems to lie in something peculiar, a mystery of personality, situation, and timing.

Collective biographies, on the other hand, can suggest patterns—say, of behavior and conditions for success. Several such works have been produced over the years by academics and nonspecialists, alike, but only Nancy Koehn's half-dozen entrepreneurial portraits in *Brand New* are as compelling as those in Jonathan Hughes's evergreen *The Vital Few*, a quirky, opinionated gem of a book that appeared more than thirty-five years ago, and, until now, was the best of the genre.

For Hughes, the problem was one of classification. He fleshed out Joseph Schumpeter's fundamental observations on the economic role of the entrepreneur by examining a spectrum of visionaries, inventors, innovators, financial organizers, even creative bureaucrats. Koehn concerns herself with one type of entrepreneur; her subjects are all masterminds of marketing. Because of that, *Brand New* is more focused and better integrated, both analytically and interpretively. It is more even in quality, written in clear, even, rocklike prose. It is more practical, too, in its effort to generalize about entrepreneurial achievement. In this last respect, *Brand New* succeeds: it can actually be read as history *and* as a how-to book for would-be entrepreneurs in a consumer-driven age.

Koehn is concerned in part with how and when her entrepreneurs emerged. She draws her stories from what she notes are the three great market revolutions of modern history: the Industrial Revolution in late-eighteenth-century England, and, in the United States, the transportation and communications revolution that took place a century later and the rise of the post-World War II consumer society. These were extraordinary times of "accelerating economic [and technological] change [that] presented unusual opportunities for entrepreneurs to create new products and sell them in growing markets" (p. 307). Her cast of characters includes: Josiah Wedgwood (decorative plates and pottery); Henry Heinz (packaged foods); Marshall Field

(department-store retailing); Estée Lauder (cosmetics); Howard Schultz (Starbucks—specialty coffees); and Michael Dell (microcomputers). The stories are thus varied across time and industry, but they all illuminate problems on the consumption side of the economic equation.

This emphasis on consumption is significant. The more common favorites of business historians are those captains of industry who transformed luxuries into commodities (that is, into low-cost/low-price *necessities*) through the administrative and technical organization of mass production. Koehn's entrepreneurs, on the other hand, discovered novelty in common commodities. They were not originators, like Henry Ford, but were, rather, skillful managers of their industries, like Alfred Sloan. All divined the opportunity in hotly competitive markets for product or service "differentiation" and branding. All devised ways to extract higher prices and create new value by elevating mass-produced commodities into more specialized products and services. All developed organizations that did more than just crank the stuff out and/or sell it efficiently. They built companies that were able to adapt and respond to changing consumer preferences, much of which they themselves helped to stimulate and fashion. Their success lay in managing demand, more than in managing supply.

The stories in *Brand New* are lively and wonderfully contextualized. Koehn treats us to good capsule histories of the industries in which her subjects labored and explains the social and demographic changes that presented market opportunities to the alert. She reminds us that the ability to spot opportunity in the market is rare, but rarer still is the ability to capitalize on the vision. "Many were called," she writes, "but few were chosen."

What separated Heinz from other proficient and ambitious packaged food vendors, Field from other department-store pioneers, and so on, was their "deep personal knowledge" of what their customers wanted, which were goods and services that satisfied not just their material needs but their psychic needs as well. Wedgwood, uniquely among potters, grasped the dawning desire of a nascent middle class to emulate aristocratic taste in their tableware. Lauder successfully projected her own desire to make herself over cosmetically onto masses of women. Schultz understood how the European experience of taking more flavorful coffee in a public setting could be gratifying to upwardly mobile Americans. Dell figured out that users of standardized computers might feel better if they could specify the assembly of their hardware and software.

No one-shot wonders, these entrepreneurs! What made each of them great—what they had in common—was not just vision but also an ability to create dynamic and sustainable organizations. In every case, true success came after years of personal and business development (*nota bene*, dot-commers!). Each possessed a critical capacity for learning from mistakes. Each created organizational and technical capabilities to deliver, efficiently, on the promises implied by

“meaningful brands.” Each developed ongoing means for reciprocal communication with customers.

Less explicit are conclusions about what makes such extraordinary people tick. Nonetheless, one can glean from the stories that they were all uncommonly curious, focused, persistent, confident, obsessive about their ideas, and masters of detail. Are such personality traits, perhaps in combination, found in all great entrepreneurs?

It is no criticism to note that Koehn’s self-imposed boundaries leave plenty of big issues for others to explore. Her cases are drawn from the leading-edge capitalist cultures of the United States and Britain—two great, economically liberal republics in history, societies in which entrepreneurship rests on sturdy legal and ideological foundations. Not all regimes are so supportive. The broad impacts of Koehn’s cases are all arguably beneficial, at least benign, and yet we have to remember that entrepreneurial success in business terms does not always translate into broader social welfare. Entrepreneurship, moreover, is sometimes dangerous, often destabilizing, and virtually always threatening to some vested interest. It creates wealth *and* transfers it, along with power.

That said, *Brand New* suggests how collective, comparative biographies can serve as tools for probing the mysteries of entrepreneurship. It will no doubt inspire other useful lines of inquiry.

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