

Karlgaard, Rich – The Soft Edge

Jossey-Bass, 2014, [Business] Grade ★★ ★

The first word that strikes me when I think of *The Soft Edge* is Infotainment. Rich Karlgaard, entrepreneur, columnist and publisher of Forbes magazine is a genuinely skilled writer and this book is a pleasure to read. The set up is a string of coherent short stories on different topics that add up to an interesting book on applied management. I read the book like a novel in a single day.

The soft edge is the third leg in a triangle, where the two first are the strategic base (the fundamentals, e.g. Porters five forces) and the hard edge (precise execution, e.g. supply chain management). The soft edge is about values—the values that are most important for enduring success. According to Karlgaard, these legs balance up together to a unity for long-term lasting success.

“The soft edge is the most misunderstood side of business. It also tends to be neglected and underfunded in too many companies. Several reasons explain this: One, soft edge is harder to measure. Two, because it is tough to measure, it’s more difficult to attach a ROI (return on investment) figure to any investments made in it. Three, most CEOs and board chairmen are not comfortable talking in the language of the soft edge.” Many of us agree to the triangle concept and the relative neglect of values—the main thing that sets this book apart are the five pillars Karlgaard considers most important within the soft edge leg: Trust, Smarts, Teams, Taste and Story.

I have read quite a lot of books on values, but some of the topics actually surprised me. Or rather, the importance the author put on some of them surprised me. Karlgaard devotes one chapter to each of these pillars. The messages center around a collection of observations and anecdotes based on a few companies (always market leaders within their industry) and what we can learn from them, almost like an entry-level *Good to Great* (Jim Collins). But these books differ substantially on the

empirical side—Karlgaard takes the subjective, qualitative road. It is impossible not to notice his passion for the subject though, which makes the presentation truly entertaining. He grounds his points of view on plenty of meetings with currently successful companies and decision makers. Some of the companies were new to me, e.g. Specialized (performance increasing bicycles), and quite intriguing to learn from.

Many of Karlgaard’s observations are insightful and clever. I could give you many illustrations of this but I don’t want to destroy your reading experience so I’ll just mention two. I had never before thought of the connection between genuine trust (internal and external) and innovation or productivity. Nor had I understood before that a usually boring “Vision” might be very elevating when it’s presented as a true story.

I learned in the beginning of the book that we, the author and I, share some favorite books on strategy and management, e.g. Christensen’s *The Innovators Dilemma*. The soft edge is a worthwhile read—I believe I will remember some of the suggestive anecdotes for a long time and also the importance of storytelling—but this book is not at the same level as some of Karlgaard’s favorites. And maybe that is asking for too much. As mentioned, Karlgaard is a very competent storyteller himself and sometimes I feel that he somewhat dresses the bride with new labels on common subjects within strategy/management. With some distance, the book is not as innovative as it first seems in my view.

However, I do sincerely respect Rich Karlgaard. He also gets convincing acclaims for the book from icons like Gary Hamel. Few have written a book on values with a foreword by Tom Peters and an afterword by Clay Christensen. This might be the perfect book when crossing the Atlantic.

Michael Persson, October 20, 2014