

Book Review for 04/27/03 by Max Schreiber

Title: "What Management Is"

Author: Joan Magretta

Copyright: 2002

Publisher: The Free Press

Price: \$17.50

Length: 244 pages

Reading time: 6-8 hours

Reading rating: 10 (1 = very difficult; 10 = very easy)

Overall rating: 4 (1 = average; 4 = outstanding)

The title is not very sexy, but what's inside is. This is a slight volume which promises to clarify only "the basic principles of management simply." And, the author does deliver.

"Management is about building organizations that work," Magretta says. "The idea is to make money by creating something that customers value." To demonstrate and reinforce her point, the author relies on numerous case studies in this volume. She applies only the enduring management principles across a number of for-profit organizations including Dell, McDonalds, Ebay and American Express. But, she also argues that the time-tested concepts are equally applicable for non-profits and develops cases for Elderhostel, the NYPD, as well as health and education endeavors.

Magretta is a former editor at the Harvard Business Review, a publication known for its ability to connect academic concepts to the real world. Her current exposition is very much in that vein, making it readily accessible not only to experienced managers, but also to any groups who must produce something collectively.

"What Management Is" provides a refreshingly direct non-traditional overview of general management theory and practice. Divided into two parts, the text reminds us that businesses do yet succeed despite the bubbles, hype and fads that come and go. In a remarkably clear fashion, the first part presents the "design concepts," beginning with value creation. The second portion lays out the task of getting from the plan to its execution.

This is not a "how-to" or a "12-step" program. Rather, we are given a primer containing the fundamental lessons about developing a business model, selecting a strategy, organizing the resources, motivating people, and gauging how well the organization is performing.

Given the recent debacles with Enron, WorldCom, and Anderson, Magretta's book is quite timely in that it reminds us that fundamentals never go out of style. And where does an organization look for its fundamentals. Why, in management, of course.

Magretta's contentions that technology gets too much credit for a company's success and that management is the most important 20th century invention might ruffle a few feathers; but these are not focal points in her effort. Her purpose is to shift the focus away from managers to the task of management itself. "What Management Is" is a call to return to the basics - not the latest management fad.

The author practices what she preaches. "What Management Is" creates value. It's a most enjoyable read and should become a "must-read."

Dr. Max Schreiber is an associate professor of Management and International Business in the College of Business at Western Carolina University. E-business and forensic economics are his research interests.