

College of Business Book Review by Vittal Anantatmula

Title: “The World Is Flat: A brief history of the twenty-first century”

Author: Thomas L. Friedman

Publisher: Farrar, Strauss, and Giroux, New York

Length: 488 pages

Price: \$27.50

Reading time: 10-12 hours

Reading rating: 9 (1 = very difficult; 10 = very easy)

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

Thomas L. Friedman, the award winning New York Times columnist, in his book “The World is Flat” provides an interesting perspective of the world. I believe that globalization, increasing international competition and a free market philosophy are driving forces that are changing the complexity of the business competition. Furthermore, they are promoting advances in information and communication technologies. The author sets the stage to this idea by categorizing the globalization process into three eras. The first era was from 1492 when Columbus began his journey to 1800, which was focused on countries joining the global trade. The second era lasted from 1800 to 2000 and during this period, multinational companies and their business activities shrunk the world further. The third era, which started in 2000, is fueled by individuals and groups collaborating globally with the use of technology thereby making it virtually flat.

The word flat is used to suggest the transformation of top-down structures into horizontal and collaborative ones. Using discussions about several technology-aided trends like call centers and other services from India, manufacturing in China, and similar examples in the USA, the author contends that real information revolution is about to begin.

The book provides a detailed account of ten forces that flattened the world. The first three forces — the collapse of Soviet Empire, which liberated people and countries to join the globalization; the Netscape going public and consequent installation of fiber-optic network across continents, which led to world-wide online collaboration using Internet; and work flow phase of software applications that facilitated interactions of PC applications around the world — have triggered the process of flattening the world. These forces have led to, in author’s words, an unprecedented new level of people-to-people communications in addition to communications of web-based application-to-applications. Consequently, a new global platform for multiple forms of collaboration was developed, which became the foundation for the new era.

The author argues that the remaining forces represent the new forms of collaboration in supporting the new global platform discussed above. For example, open-sourcing, a concept developed by self-organized collaborative communities – which started with free software development and successful in producing products like Apache server and Linux operating system – is adopted for other applications such as Wikipedia, a collaborative encyclopedia. Likewise, outsourcing to India, a new form of collaboration has grown exponentially benefiting the countries involved and the customers as well. And offshoring to China and other countries, in addition to extending the collaboration to new territories, has generated revenues for the US companies and freed up capital for research and development.

Another significant force of collaboration is sophisticated and technology-driven supply-chain system. The author mentions about Wal-Mart and its role in promoting efficiency and integrating companies around the world. UPS and Fed-Ex and the like, which provide logistics to supply chain systems, are identified as another force called insourcing. Perhaps, you may not know that a non-functioning laptop that you return to Toshiba via UPS is actually repaired by UPS and returned back to you, which the author calls as insourcing. The remaining forces that flattened the world are: in-forming that includes Google, Yahoo, and other search engines; and the steroids, which refers to digital, mobile, personal, and virtual gadgets.

These ten flattening forces converged together to create a new forum, which pursued more horizontal ways of doing business and was joined by several billions of people from countries like China, India, and East Europe.

The author believes that the flattening of the world cannot be stopped. America, which believes in free trade, has to constantly upgrade skills. The flat world presents new opportunities, new challenges, and new dangers. In the second half of the book, the author provides a detailed account of America's current concerns and suggests that Americans should work harder, smarter, and stay ahead of the competition. The book is well-researched and a must read!

Vittal Anantatmula is an assistant professor of management in the College of Business at Western Carolina University. He is a certified Project Management Professional and Certified Cost Engineer. As a consultant, he worked with the World Bank, Arthur Andersen, and other international consulting firms. For previously reviewed books visit our Web site at www.wcu.edu/cob/bookreviews.