

Book review

Edited by G. Friedrich
Springer International Publishing
2019
x + 54pp.
(eBk.), \$54.99,
ISBN: 978-3-030-03116-9
Review DOI
10.1108/JTF-09-2019-091

The recent digital transformation phenomena and the new breed of workforce in the marketplace require organisations to change the style in which a business operates (Matzler *et al.*, 2018). The intense competitions among businesses have literally forced organisations to implement change management by considering the full value chain, in tandem with the market change (Sony, 2018). An organisation that does not embrace or keep up with technology would remain uncompetitive even if its competitors stay status quo. Despite only four chapters, Friedrich's book *Managing Future Enterprise* is focussed on the essence of "human" to create values for business viability in the future. The chapters are discussed within the themes of: challenges in modern management; values creation as value creation; and value adding networks.

Chapter 1 highlights the emergence of modern economic thinking concept, which many enterprises having difficulty to adopt and adapt. Profitability, scarcity, competition and growth form the common priorities in managing organisations. Profits are only possible when rewards gained are higher than the amount invested. Friedrich described Uber, a ride-hailing service provider, as an example of modern management implementation that is able to disrupt a very traditional industry – the taxi industry. While the taxi industry remains how it was for many years and reluctant to change, Uber has revolutionised the public transportation sector by creating values that customers appreciate. Organisations who overly engrossed in looking after its daily operations tend to ignore the fact that competition or other disruption may be creeping up on them. The book explains the

situation by two common traps: human psychology; and economic focus on yield. The chapter concluded with a strong message where organisations must be constantly creating something that is niche (or of value), otherwise be prepared to be erased.

Chapter 2 defines "enterprise" as a group of people working together to achieve a common goal that otherwise cannot be achieved by an individual. The chapter discusses the success factors of an enterprise by creation of a high performance team. Instead of the traditional management focus on profitability, Friedrich brings in the "human" element into the formula of enterprise: H_3O (Humans with Humans for Humans in Need of Organisation). In fact, the success equation further evolves to H_3OsB (sB = substantive benefit proposition) and onwards H_3OsB^4 . The social capital of a company (i.e. trust, loyalty and cooperation) is the main factor to cultivate loyalty and commitment amongst employees. The social capital elements are best to develop into three different levels: factual (fairness, dependability, appreciation, respect), social (responsibility, trust, commitment) and organisational (openness, consistency, transparency). Cultivating high performance teams can be done through the power of global ethic values. The significance of values becomes evident in an environment where companies are required to be more flexible and to enhance its uniqueness. Organisations with high performance teams tend to benefit from the positive effects that the teams produce. The chapter concurs by comparing new elements of old and new thinking to business success.

Chapter 3 discusses value creation towards future business viability. Friedrich suggested three key questions in nurturing viable business ideas: What is our true passion? Where can we be the best? What benefit are we creating? Additionally, business models and value proposition can be further refined by putting it through the values pyramid. There are two principal questions to address

Managing Future Enterprise: Staying Ahead of the Curve with Symbiotic Value Networks

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in forming value creating networks: Who is the active contributor and who is outside of it? How and with which means can added value be created in such value creation networks to reinforce the entire network? Besides the new value(s), the organisations also require a new culture of leadership that enhances teamwork and empowerment. Friedrich offers the Values Driver Cockpit framework to end the chapter.

Overall the book provides interesting views on sustainable business through value-driven culture and viable business models that align with the current market needs and trends. As Friedrich summarised in Chapter 4, organisations are built on cooperative systems, where people are the driver to enterprise success. Businesses should not be managed solely for profits, but to create value propositions that are viable for its people to execute and for its customers to appreciate. The success formula to value creation and business viability highly relies on the process involves in making an impact on all levels of the system and the eco-system surrounding the enterprise. In the current disruptive business environment, it is important to have a business idea that is not just viable but purposeful for the customers.

Thus, it is essential for the management to be able to personify their business and connect it with the customers as if the business is a human (Wong, 2018).

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