

BOOK REVIEW

Systemic Approaches to Strategic Management: Examples from the Automotive Industry

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Systemic Approaches to Strategic Management: Examples from the Automotive Industry

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INTRODUCTION

The Authors and the Publisher have set a very ambitious goal: to provide information about the theoretical questions of strategic management and their practical use on the examples of automotive industry. Several books and studies have been published in the field of strategic management, but the uniqueness of this book lies in its practical approach, i.e. the general statements and theories of strategy and strategic management are combined with a very strong engineering approach.

This character of the book may be very important for readers with engineering profession, and will help them to understand the key tasks and concepts of strategic management more easily. Based on its topic, goals and structure the book may be well used in higher education, trainings and for practical users as well. The chapters may be well understood either separately or in the whole, and it is suggested for professionals of the automotive industry and other engineering/mechanical fields, and managers or business economists as well.

ORGANIZATION OF THE BOOK

The book is well edited, its structure is well formed, and the language and style of the different chapters is unified that makes the book clearly understandable. In some chapters, the different methods are given in detailed form, which need strong mathematical and engineering knowledge, but the essence of the book is clearly explained through the examples.

The book includes 14 chapters on 424 pages, written by 12 authors representing Romania, Poland and Slovakia. The authors provided their studies with an international approach, which may predestinate the book for a wide international attention. The authors of the book have processed a wide range of international literature sources, the references are given at the end of each chapter and they are summarized again at the end of the book.

DETAILED DESCRIPTION

Chapter 1 introduces the basics of systems theory, its use in companies and organizations, its management issues and the role of information in systems management. The information flow between the different parts of the system and between the outer environment (macro and micro-environment) of organizations is a key element of management processes. The author of the chapter uses well-visualized figures and flow charts describing the features information flow in systems.

Chapter 2 deals with risk in systems management and in the decision-making process. The author focused on the managers' attitudes towards risks and their role in risk assumption. The 2nd part of the chapter focuses on industrial risks with an engineering approach.

Chapter 3 analyses the companies with a system approach, introducing organizational structures and the operation of companies. The chapter focuses on theory in general and the specialties of industrial companies are not emphasized markedly.

In Chapter 4, the environment (external and internal) of companies is discussed. For external environment, the main focus is given on industrial analysis, based on Porter's five forces model, which provides practical guide and tips for company managers. The second part of the chapter deals with the internal environment and provides suggestions for supporting the decision making process.

Chapter 5 provides a summary of the companies' activities under current economic conditions, focusing on globalization process and its impacts. The content of the chapter reflects systemic approach and also introduces the stages, tools and tasks during the internationalization process of companies. The reviewer suggests minor corrections in Fig. 4 (p. 88) because of unclear lines.

Chapter 6 is a description of general organizational forms. The chapter is mostly descriptive, it can be used for general educational purposes, and it does not give additional information about automotive industry.

Chapter 7 is a general theoretical discussion of corporate strategies, which may be an important issue for beginners or students. The chapter is very comprehensive, its length is 47 pages. For educational purposes or as a handbook for future managers in the automotive industry, the main issues should be better emphasized (e.g. with sub-chapters). The quality of Figure 9 (p. 159.), Figure 10 (p. 160) and Figure 12 (p. 164) should be improved or re-edited because of unclear lines.

Chapter 8 summarizes different opinions about contemporary management topics of different authors: some examples on European concepts and a very detailed description of Japanese concepts with examples from the automotive industry of Japan. This is a very valuable part of the whole book, which provides a strong knowledge both for students and for professionals working at the automotive industry. According to the reviewer's opinion, the text should be divided

into more subchapters to be better readable and understandable. Some parts of the chapter have already been mentioned in Chapter 5, namely, the first, second, third and fourth waves of development – see pp. 72-75 and pp. 206-208. These contents should be harmonized. Chapter 8 also summarizes the steps of strategic planning process with well-visualized figures and introduces the optimization process of company strategy with mathematical explanations.

Chapter 9 deals with the different communicational tasks of industrial companies starting with a theoretical introduction. Formal and informal flows are well described. Fig. 2 of p. 224 should be re-edited, because its quality seems to be poor in the pdf format. Besides communication issues, the chapter discusses the elaboration of strategies in details, which may be well used in education (e.g. Porter's five forces model, portfolio analyses). In Fig. 6 (p. 230) there are misspellings the correct words are: DILEMMAS and MILK COWS. I suggest mentioning the other, widely used names of the BCG matrix (stars, question marks, cash cows, dogs.) I also observed that similar texts may be found in book entitled *Current Communication Difficulties* (eds. Smarandache, Vladutescu, Tenescu, 2014) on p. 246, which should be added to references. The 9th chapter closes with a case study from Romania.

Chapter 10 describes the theoretical background of production strategies in manufacturing companies with several practical examples from different sectors. The decision making process is well described and visualized; the algorithms and the practical examples are clear and descriptive, particularly for engineers. Fig. 5 (p. 256) should be corrected, because it contains texts in Romanian language. Correction is needed on p. 265: the page ends with "follow-" the end of the word "ers" is on p. 269, after a 4 pages long algorithm.

Chapter 11 summarizes the role and importance of improving quality of production, from the basics of quality management to practical solutions. The algorithms and examples may help in the educational and training process of engineers because of their mathematical explanations.

Chapter 12 is about budgeting of the strategic processes, which summarizes the role of budgeting from the very beginning, thus, it is a valuable part of the book for educational purposes. The figures and tables are clear, understandable and quite practical, it may help for managers with engineering profession to understand and apply this knowledge in the financial processes.

Chapter 13 describes budgeting methods used in industrial production. Table 1 needs some corrections (based on the pdf version) in the 2nd column of the table the units t/month is given in two rows, therefore the numbers in 3rd 4th etc. columns are not clear, i.e. 2nd column should be wider.

Chapter 14 summarizes the logistics and commercial strategies of industrial companies. The role and place of logistic system is well described, the interdependence and the complexity of these systems are well summarized. It would be worth to re-edit Fig. 4 (p. 403) and Fig. 7 (p. 421) to improve their quality.

SUMMARY

As a summary, I highly recommend this publication, which has high quality scientific, educational and practical aspects. The organization of the book is clear and easy to follow, the chapters cover all aspects of management questions of companies. The practical examples, the theoretical approach and the strong mathematical bases of the book may be successfully used in education and training of management subjects for engineers, but some parts of the book may be well used in the education of management and business administration courses as well.

Anna Dunay, PhD, is associate professor at Szent István University, Gödöllő, Hungary. Her main research fields are management and competitiveness of Small and Medium Enterprises, lifecycle analysis of enterprises, competitiveness of the agricultural sector and the food chain, business planning, strategic planning and the evolution and implementation of the Common Agricultural Policy. With 17 years of teaching experiences, she takes part in the education of general management subjects, both in Hungarian and English languages. She is the author of two books, 12 book chapters and the editor of 3 books, mostly in English language, author of 14 journal articles, and has more than 30 conference papers. Her number of independent citations is more than 70. She works in the organizing committee of several international conferences, and the member of the editorial board of two scientific journals.