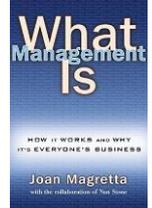




## What management is, by Joan Magretta & Nan Stone (Profile Books, 2002)

### The Need

It is impossible to overemphasize the importance of management. It is rather extremely imperative for managers to know what management is so that they don't ruin their enterprises with a "try-and-error pattern". To understand the nature and function of management, Joan Magretta & Nan Stone takes us through series of instructions on the need for value creation, the execution of business insights and the logic of superior performance. This summary is essential for managers at all levels.



### Learning Outcomes

In this summary, you will learn:

1. What management is, and why it is everyone's business
2. How to develop a business model and build a strategy for it
3. Know what values matter most in inspiring people towards a common goal

### The Book in One Page

- **Management – A Misunderstood Concept**
  - Management is commonly viewed as a craft of supervising others. But management is not just about watching people and ensuring that they do their tasks. It is about creating and increasing good value in the market place. If the function of management is to generate and increase value, who determines what is valuable? Individual customers perceive values differently; what is valuable to one may not be valuable to another.
- **Business Model and Strategy**
  - A business model is a set of assumptions that describes how an organization can generate value. It is a structure of management. A good business model tells a good story. A good story appeals to investors or customers. Managers who will ignore the importance of strategy will do so at their own peril. Strategy is critical to the entire organizational performance. It is all about seeing the bigger picture and laying the structures that will drive a business model forward.
- **Values that matter in Managing people**
  - Warren Buffet observes that the people you hire should have three qualities: integrity, intelligence and energy. He stressed that if they lack the first quality, the other two can as well be undesirable. A good manager values integrity. Management science divides itself into two parts: the science of managing numbers and the science of managing human nature. The later is of equal importance to the first.
- **Key Management Principles**
  - **Have a purpose:** Think clearly about your establishment and define its purpose – its mission. This mission of an organization is what drives everyone to accomplish tasks that are worth any effort. 2) **Have a design:** Arrange your organisation in a structure that will accomplish its purpose. 3) **Execute:** A design is not enough; you must be able to execute it – to get things done.
- **The Future:**
  - A manager must always look at the bigger picture of things; he or she cannot avoid looking at the future. He or she must risk investing without the assurance that the future will come with a reward. Management is innovative rather complacent. Management takes decisions about the future regardless of its uncertainties.