

Book Review

Companies that Changed the World from East India to Google

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Author : Jonathan Mantle

Publisher : Quercus Publishing Plc, London

There has been intermittent sprout in the number of books published which try to bring out innovators, the innovations in products, business practices adapted by different organisations that have made their mark in the minds of the readers. The readers may be general public, management practitioners or academicians. To name a few such books '**The Toyota Way 14 Management Principles from the World's Greatest Manufacturer**' (Jeffrey K Liker, 2004), '**The world is flat**' (Thomas Friedman, 2007), '**The Google Story**' (David A. Vise and Mark Malseed, 2008), and '**The companies that changed the world**' (Jonathan Mantle, 2008). In his book 'The world is flat' Thomas Friedman discusses innovations in business practices and technologies that have made the world 'flat' indicating that there no longer exist any verticals.

The book under review lists 50 companies that the author feels have changed the world. The author has included the chosen 50 companies of the long list that he had in his mind. He acknowledges that each company has changed and reflected change in the world of its time from their success and failure and all in far reaching and often unexpected ways. All began with a revolutionary new product or concept and were successful in bringing it to market.

The author justifies his selection of the companies because of their geographical spread. He adds to the rationale of selection by stating that invention such as wheel (invented in Mesopotamia 4000 BC), The Pharaoh corporation (infrastructure Egypt 300 BC), NASA (space travel & corporation USA 1958) and Der Mauer (Berlin wall) AG (infrastructure Germany 1961-89) although these inventions have really changed the world, if they were companies they would had been included in the book.

The companies he believes are formed with an interest to serve the public good. He further adds that the corporations that arose from 19th century were as a result of integration of mass production and mass distribution. These corporations were transformed by inventions even if they did not invent it themselves but they capitalised on the inventions made.

He quotes James Elroy Flecker who has said "go a little further....beyond the last blue mountain" is what makes

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entrepreneurs. These entrepreneurs have created the companies of great size and almost run an empire.

The book begins with the Honorable East India Company established in 1600 AD in England and that ruled India for centuries. It was first ever joint stock company with 125 shareholders and capital of £ 72,000. The company's contribution to the trade, administration and infrastructure towards the development of India has been mentioned by the author and he concludes that although the Government of India policies after the independence were more focused on agri development and refraining from foreign investments in the country. He believes that India will become an economic power with economic growth rate of 9% with all thanks to infrastructure (Roadway, Railways, administrative procedures) laid down by the East India Company. It may be interesting to know that East India Company which finally dissolved on Jan 1, 1874 is now being headed by Mr. Sanjiv Mehta who has opened stores in US, Europe and is planning to start operation back in India soon new avatar a luxury goods brand.

The other notable companies listed by the author from the year 1600 to 1998 include Amsterdam Exchange Bank which was the first bank clearing house in the 17th century. Singer known for its sewing machines patented in 1851. Dupont today is longest lived corporation in America with 60,000 employees around the world and annual sales of \$ 30 billion. It was founded in 1802 by Pierre Samuel du Pont de Nemours, a French Refugee. In 2005 Business Week named Dupont as first among the top green companies, all attributed to the vision of its founder "Better things for better livings.....from chemistry".

The striking feature of the carefully selected companies is that, the companies that were established in the 1600 were into trading, banking and finance. Those established in the 1800s, were a mix of manufacturing: (DuPont, Singer, Levi Strauss, Standard Oil, Bell Telephone Company, Eastman Kodak, Coca Cola, Johnson and Johnson IBM) and services (Western Union, Reuters). An interesting entry in this period is the 'Manchester United FC' the famous Football team. 'Today Man U' is a £ 1 billion business with core business is football, merchandising and television revenues. This era had witnessed diseases, epidemics and the entire human race was at the mercy of the unknown microbes, however only one pharmaceutical company finds a mention in the book (Johnson and Johnson) in the era.

In the first part of the 20th Century, as the effect of the industrial revolution, the large number of companies mentioned, belonged to the manufacturing sector, and each much beyond mere brands,

they are giants of today. Wonderbra (Canada 1939), Searle(USA 1961), find place in the book for their revolutionary products. These organisations had an uphill task for their products to be acceptable by then conservative society. The Allen Lane Penguin too stated with disappointments, but it was the sheer faith of the owners in their idea, that today we cannot even think of buying/carrying hard cover books.

The second quarter of the 20th (1925-1950) is dominated by automobile giants (Toyota, Volkswagenwerk) hardly any services organisation finds a mention.

The last quarter of the 20th predominantly was ruled by the companies that have changed our way of living. Most of them are mostly services or IT related Microsoft, Apple, Body shop, CNN, eBay, Al Jazeera, and of course Google. The significance of the a tunnel under the British Channel may not be appreciated by others in rest of the world, but its inclusion in the book can be appreciated, as the two countries that were enemies from the medieval times, are connected, because of the engineering marvel. It is also admirable to note that the author has given a place to Al Jazeera one of the controversial television networks,

whose views may not be welcomed by the western world.

The author may have to come out with the second edition. In that edition, he will be forced to include companies from the BRIC (Brazil, Russia, India, China) nations. With the Asian 'Tigers' 'Dragons' and the 'Jumbos', on prowl , he cannot afford not noticing Tata Steel, Infosys , Bharti AirTel, Tata Motors and Reliance Industries. The market capitalization of these companies far exceeds the annual budgets of some African / Asian nations. About 47 Indian companies headed by the corporate giant Reliance Industries are listed among the biggest 2,000 companies of the world by the Forbes, US Magazine. The new entrants in this list are Hero Honda Motors, Indian Bank, Sun Pharma and Jindal Steel and Power Ltd. The Indian Companies have made their significant presence in the world business scenario. The author has taken a note of the economic activity in India and China, therefore has opined that if India and China succeed in changing the world in 21st century they will do it by adopting lean production, invention and serendipity and distribution and not by merely coupling with the American model established in the 19th and 20th centuries.