Book Reviews

Courtney Price, *Health Care Innovation and Venture Trends*, Albany: Delmar Publishers, Inc., 1992, ISBN 0-8273-4964-5.

This unique book fills a niche in the entrepreneurship literature, especially in the textbook literature, because it focuses on the health care industry. Uniqueness, however, is not this volume's primary source of excellence. Looking ahead to "... waves on the horizon that will guide the health care industry to a new future," Courtney Price addresses the major issues that confront the health care industry. Price distinguishes both the threats to the health care industry and the investment opportunities they provide as well.

In the United States, with its new political administration, the environment could turn tough. Government controls on doctors, hospitals and pharmaceutical firms, focus on innovation in the health care industry. Thus, it is appropriate and even critical for those who help shape the infrastructure — doctors, nurses, laboratory researchers and scientists along with other key, health care professionals, administrators and policy-makers, to pay close attention to political events. Managed competitiveness in the health care industry is a major theme of the Clinton administration. Insights about medical economics are in short supply because the nature of the entire system may be facing change in the United States and other places. Price's book helps supply us with those insights.

This volume is based on a survey that was administered to health care administrators, following a 1985 teleconference entitled "The New Hospital Entrepreneurs." The survey, a nationwide, intrapreneurial questionnaire, was sent to 6,000 CEOs whose hospitals are members of the American Hospital Association. In 1987, respondents were resurveyed, along with members of the Health Care Forum, the Medical Management Group Association and other recognized, innovative health-care leaders. The emerging themes, based on five years of research, provide the core database for this volume.

The book is divided into four major sections. Altogether the book presents a "kaleidoscope of pieces" that all into place. The first section presents the keys to innovative venturing and looks toward the future as one of an "era of radical transformation" shaped by the following list of diverse factors: regulation; decreasing reimbursements; continuing health care costs; accelerated competition; tighter profit margins; decreasing inpatient census; increasing excess capacity; evergrowing consumer expectations; and professional and technical labor shortages. Gracefully dotted with empirically-based conclusions, Price's narrative asserts that, "The keys to [success] in the 21st century health care kaleidoscope survival game include [awareness] of several change dimensions: The health care industry is changing faster than ever; enterprise and innovation is a management necessity; learning the key strategies of entrepreneurship is critical to venture success; health care ventures are relatively inexperienced at the venturing game; strategic appropriateness of a venture is an important trend; and opportunities for new health care products and services will multiply aggressively." This section concludes with a discussion of corporate entrepreneurship as applied to the health care industry.

The second part of this elucidating volume presents Price's research findings. Specifically, Price reviews the leaders in the health care industry, forecasts the health care ventures most likely to succeed and describes the patterns observed when analyzing the success routes and launches of more than 200 ventures. Price identifies major project areas that dominate the health care venture arena, stating that the "... largest single category is community access to in-house services followed by ambulatory health care centers, and ... management support services."

Price concludes that leadership is the difference between success or failure in health care venturing.

In the third section of the book, Price discusses how to identify new business opportunities. She offers a range of creative assessment tools in this application of medical economics. A health care opportunity audit is one of the many creative tools described. The tools help solve the problem of how to generate new product and service ideas. This section concludes with a discussion of the legal issues surrounding with venturing.

Implementation steps for health care venturing are reviewed in the last section of this volume. These include putting the innovation plan in place, descriptive models for innovative venturing, implementing the business plan, and managing and compensating the venture team. The final section also predicts future trends. Here, Price states that, "The next wave of health care entrepreneurial ventures will learn from the painful experiences of their predecessors. Health care innovators and intrapreneurs will learn the discipline of entrepreneurship."

As a Practical contribution to a growing field, this well-written and carefully researched volume provides a unique introduction to innovation in a traditional, American industry.

It is my hope that Price will follow this volume with a look at the issue of health care venturing in the international arena, especially on a comparative basis. Such an investigation of alternative, international models would assist policy-makers in the United Stares. This topic is noticeably absent here. Relating the issue more broadly to the field of medical economics from a national and International policy perspective would surely be useful.

Finally, any subsequent revision of this volume can be enhanced by adding case studies for analysis. What is included, however, will be welcomed by all professions that help shape the infrastructure of innovation in the health care industry. Academicians teaching health care management and also professors of entrepreneurial studies will find this volume a dependable, scholarly guide that students will welcome.

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Donald Chisholm, *Coordination Without Hierarchy: Informal Structures in Multiorganizational Systems*, Berkeley: University of California Press, 1989, ISBN 0-520-06368-6.

This study addresses the informal features of organizations that are relevant to the problem of coordination and suggests "a practical solution and a foundation for a generalizable theory of coordination by informal mechanisms" (xi). By observing and analyzing the behavior of decision makers in the public transit systems of the San Francisco Bay Area and Washington, D.C., areas, respectively, this study generates conclusions about coordination in multiorganizational systems. The evidence collected supports that view that behavior within and among organizations is determined by the informal aspects or the organization, itself.

Coordination-by-informal-mechanisms (CBIM) is of interest to students of small business economics because it helps us illuminate features of organizations that are especially essential for the success of small business. These features are individual initiative, flexibility and adaptation to unanticipated circumstances, and the formation of a network of informal channels to acquire accurate information. CBIM enables small business to develop and maintain a culture that promotes these features and warns it against the tendency, as small business expands, to develop formal, rigid organizational structures.

In Chapter 1, the author presents the problems that need to be tackled by any transit system; namely, (1) the lack of coordination among the network of services and facilities; (2) the significant gaps in the transit network and (3) the competing interests of independent jurisdictions that frustrate coordination and diffuse responsibility.

Economists sometimes claim that, unless public transportation is regulated and priced in accordance with efficiency criteria, the alternative is centralization and monopoly. The author, however, finds evidence that disputes that claim. For example, "one of the principal mechanisms for coordinating transit activities in the San Francisco Bay area fails to appear on any organization chart or newspaper accounts of transit events. For example, it has no board of directors, no employees of its own, and cannot raise taxes" (11). The