

The Most Radical Corporate Idea Is Surprisingly Simple: Freedom – A Review of “Value Creation Insights” and Its Anti-Command-and-Control Thesis

By Demetris P. | February 1st, 2026

There is a certain kind of business book that arrives wearing the costume of urgency – a breathless parade of acronyms, a few dopamine-bright case studies, a promise that your Monday will be different if you underline the right sentence. “Value Creation Insights: A Foundational Understanding of How Firms Build Knowledge and Create Value” wants nothing to do with that genre. Bartley J. Madden is after a slower victory: the rebuilding of the reader’s operating system. His book is not a toolkit so much as a worldview tutorial, an argument that the modern firm has forgotten what it is, and that we – managers, investors, employees, citizens – have collaborated in the forgetting by mistaking measurement for meaning and control for competence.

The phrase “value creation” can feel, in lesser hands, like corporate incense: something waved toward a boardroom to make the air smell serious. Madden treats it as an ethical proposition. Value creation, he insists, is how a society becomes prosperous without having to choose between the caricatures of capitalism and socialism, between a story of ruthless winners and a story of resentful takers. He is at his best when he makes that claim concrete: value creation as the disciplined effort to do work that matters to someone else – the customer, the client, the patient – and to cut the work that does not. “Nonvalue-adding work is waste,” he says, and the bluntness is part of the point. Waste is not only an operational problem; it is a moral one, a theft of time and attention from human lives.

Yet the book’s central wager is even more specific, and more ambitious: knowledge building is the hidden engine of value creation. A firm’s long-run performance is less a story of charismatic leaders or clever financial engineering than of whether an organization can learn quickly, update its assumptions, and translate what it learns into better work, better innovation, better allocation of resources. Madden calls this “knowledge-building proficiency,” and he returns to it with an almost devotional insistence, the way a composer returns to a motif to reveal its variations. This is not accident; he is a “visual thinker,” and the book’s argument is designed to be seen as much as read. Diagrams appear not as decorative summaries but as the author’s native language – a way to show interdependence and feedback rather than merely declare it.

If the book has a single image that acts as its spine, it is the Knowledge-Building Loop: knowledge base, purposes, worldview, perceptions, actions and consequences, feedback – and back again. The loop is, in one sense, an attempt to rescue thinking from automatic pilot. Madden’s most persistent enemy is not malice but complacency: the human tendency to treat inherited assumptions as facts, to see through the narrow window of what has worked before, to protect a worldview the way a bureaucracy protects a budget. He argues that systems thinking – the habit of seeing wholes, recognizing tradeoffs, and anticipating unintended consequences – is a practical antidote. It is also, if you read him closely, a discipline of humility: constructive skepticism about what we think we know.

There is a quiet audacity in the way Madden expands the terrain of a finance-and-valuation mind into something like civic philosophy. He begins with the familiar anxieties of the market – how firms are valued, how capital is allocated, why certain organizations prosper while others decay – and then pushes outward into language, perception, organizational design, even the ethics of medical

regulation. The result feels less like a linear argument than like a guided walk through a landscape of connected systems. That is both the book's signature strength and, at times, its chief irritation. Madden writes with the steady, insistent patience of someone who has been thinking about these questions for fifty years and has little interest in rushing for the sake of charm. The reader is asked not merely to nod along but to adopt an orientation: to ask better questions, to interrogate hidden assumptions, to treat feedback as a gift rather than a threat.

The book's "Pragmatic Theory of the Firm" is Madden's effort to replace what he sees as the impoverished default theory taught in business schools: agency theory's assumption that shareholders are principals, managers are self-interested agents, and the firm exists to maximize returns to one contributor to value creation while treating other contributors as costs to be managed. He is not alone in this critique – the argument has antecedents in everything from Peter Senge's "The Fifth Discipline" to Sumantra Ghoshal's famous lament about "bad management theories" – but Madden's approach is distinctive in its fusion of systems thinking with valuation analysis. He wants a theory that can do two jobs at once: explain how value is created in the messy reality of organizations, and connect that creation to what markets, however imperfectly, price.

What makes the "Pragmatic Theory" feel pragmatic is that it does not pretend complexity can be wished away. Madden returns again and again to interrelationships: work, innovation, and resource allocation as intertwined activities; organizational structure as a determinant of what strategies are even possible; culture not as a poster on a wall but as the informal rules and conversations that shape how people behave when no one is watching. He is particularly sharp on the way command-and-control hierarchies, born in an earlier industrial logic, persist as default even in an era that demands speed, experimentation, and decentralized judgment. The bureaucratic imperative – turf expansion, risk avoidance, the protection of processes for their own sake – is, for Madden, not an organizational quirk but a predictable systems outcome.

In this he is writing squarely into the present, even when he does not name it. You can feel the shadow of our decade's pressures all over his pages: the acceleration of knowledge in the age of AI, the fragility of supply chains, the revolt against meaningless work, the growing suspicion that many institutions have become too slow to deserve their authority. Madden's language is not the flashy techno-optimism of a futurist, but he is attentive to how modern tools – big-data analytics, real-world evidence, biomarkers, and machine-enabled pattern detection – change what is possible. His argument is simple: when the world can learn faster, systems designed to learn slowly become not merely inefficient but dangerous.

Nowhere is this more emotionally charged than in his chapter on the FDA, "Free to Choose Medicine," where Madden applies his systems lens to drug and treatment approval. The chapter's thesis is bracing: a regulatory monopoly designed to ensure safety and efficacy has, over decades, built a process whose primary function is to protect the regulator – to make decisions defensible – rather than to optimize outcomes for patients. Madden does not deny the reality of risk. Instead, he insists that "safe" and "effective" are relative terms, inseparable from a patient's condition and risk preferences, and that the present system hides the true costs of delay – the invisible graveyard of those denied access to promising treatments. The most unsettling claim here is not that regulation can kill; we know this in theory. It is that the harms of overcaution are systematically undercounted because their victims do not get headlines.

Madden proposes “Free to Choose Medicine” as a competitive alternative track – not a replacement for FDA approval but a parallel pathway that allows provisional access after early evidence of safety and efficacy, with real-time reporting of outcomes in a database he calls TEDD, a Tradeoff Evaluation Drug Database. It is an idea that sounds, at first blush, like a libertarian provocation, and Madden is candid about influences in that orbit. But the argument is more intricate than a slogan about freedom. The system he imagines is self-adjusting: patients, advised by doctors, choose whether the evolving evidence justifies the risk; developers have incentives to price lower to gain adoption and generate stronger data; AI-assisted analytics can surface subgroup effects and adverse events faster than homogeneous randomized trials. He is also attentive to the practical barriers: liability, reimbursement, the reluctance of firms to antagonize the regulator whose blessing they ultimately need.

What gives this chapter its force is not only the policy proposal but the way it reveals Madden’s broader theme: systems without feedback become self-protective. Competition, in his view, is a feedback mechanism that disciplines complacency. The FDA chapter echoes the book’s critique of corporate bureaucracy: in both settings, the system evolves to defend its own processes, and the costs of that defense are externalized onto people who are, politically, invisible.

Madden’s faith is not in markets as magic, but in the capacity of well-designed systems to align incentives with learning. It is why he gravitates toward organizations like Nucor and to structures that push decisions closer to local knowledge. He admires what “Humanocracy” admires: the liberation of competence. Yet Madden does not romanticize flatness as a lifestyle brand. He’s interested in structure because structure determines whether knowledge can move – whether learning can translate into action without being strangled by layers of approval.

A telling moment arrives when he discusses how the Balanced Scorecard – Kaplan and Norton’s attempt to move organizations beyond backward-looking financial control – can be enhanced by Madden’s own framework. He likes the Scorecard’s shift from control to strategy and vision, its emphasis on learning and growth, and its warning against optimizing parts at the expense of the whole. But he wants three upgrades: clearer purpose (a four-part purpose that reconciles shareholder and stakeholder debates), explicit attention to organizational structure as intertwined with strategy, and the use of life-cycle track records to understand long-term performance. This is quintessential Madden: take a respected tool, honor what it tried to do, and then insist it cannot do its job unless it embraces the deeper systems reality underneath.

In these sections, Madden’s long career in valuation analysis hums quietly in the background. He is not merely saying “culture matters” – a claim so common it risks becoming a cliché. He wants to show how culture and structure shape measurable performance over time, how intangibles complicate accounting, how simplistic metrics can mislead. His skepticism about single-number solutions – the way economic value-added compresses complex dynamics into a figure that can seduce managers into false clarity – is an extension of his broader suspicion about any model that hides assumptions. If you have ever watched a meeting go sideways because two people are arguing from different definitions of the same word, you will recognize his obsession with language as “perception’s silent partner.” He wants readers to hear the assumptions humming beneath phrases like “maximize shareholder value,” “competitive advantage,” “meeting Wall Street

expectations,” “stakeholder interests.” The book’s most practical gift may be that it turns those phrases back into questions.

All of this could, in another writer’s hands, feel airless. Madden risks that – and sometimes succumbs to it. His style is didactic, generous with quotations and references, heavy with scaffolding. He often writes as if the reader is a serious student, not a casual consumer, and he is willing to slow down to define terms, draw diagrams, walk through implications. The virtue of this approach is clarity; the cost is momentum. In a culture trained by the quick hit, the book’s patience can read as stubbornness. There are passages where the argument feels like it is repeating itself not because repetition is necessary for comprehension but because the author is determined to circle the same lighthouse until you concede it is the only safe shore.

And yet, the very quality that can make the prose feel measured also makes the book unusually trustworthy. Madden is not trying to sell you on his charisma. He is trying to make you see. The book’s recurrent move is to invite the reader into a posture: look at the system from a larger perspective; examine tradeoffs; ask what feedback loops exist and what they incentivize; notice where a monopoly – corporate or regulatory – can protect itself from consequences; notice where the absence of feedback allows costs to grow quietly, year after year, until they feel like gravity.

The final chapter, “Living the Life of a Value Creator,” is where Madden’s philosophy becomes personal and, unexpectedly, tender. He recounts his decision not to pursue a PhD because he needed to earn income, and how that choice led him into a hybrid academic career as an independent researcher – free from teaching loads and tenure incentives – able to “sail where the wind blew.” The line is modest but revealing: for Madden, freedom is not merely a policy preference; it is the condition for intellectual discovery. In quoting Russell Ackoff on the disaggregation of life into work, play, learning, and inspiration, Madden aligns himself with a tradition that sees organizations not as machines but as places where human capacities can be expanded or diminished. His ideal firm is not one that pushes people to do more, but one that gives them the opportunity to be more – experts, innovators, owners of their work.

The appendix, a commencement address, sharpens this into advice: choose organizations that will improve your problem-solving skills; be wary of bureaucracies with pyramid control; seek cultures of mentoring and experimentation; read what CEOs say about purpose; look for environments that question assumptions and adapt early. These are not revolutionary tips, but Madden’s framing makes them feel like a moral strategy for a career, a way to avoid becoming trapped in systems that grind down curiosity and reward compliance. His admiration for leaders like Nucor’s Ken Iverson – who expected half of investments in new ideas to fail, and saw management’s job as freeing employees to determine what they can do – reveals the book’s underlying ethos: freedom is not indulgence; it is an operational requirement for learning.

If Madden sometimes sounds like a man building a cathedral out of concepts, it is because he believes the stakes are architectural. The book is, in its own way, a response to our moment’s creeping sense that institutions – corporations, regulators, even educational systems – are failing to keep pace with reality. When medical innovation accelerates but drug approval remains rooted in older assumptions, when large firms cling to layers of control even as markets demand speed, when accounting systems lag behind intangible value, when management education teaches elegant

models that distort human motivations, the result is not merely inefficiency. It is a kind of collective mis-seeing. Madden's project is to correct the vision.

To read "Value Creation Insights" is to feel, repeatedly, the pressure of a mind trained to ask: What is the purpose of this system? What are its feedback loops? What incentives does it create? What costs does it hide? Who benefits from its current design? Where has the worldview become obsolete? If you let those questions take root, you may find them following you out of the book and into the world. You will hear them when a company announces a restructuring that adds layers while calling it agility. You will hear them when headlines debate drug pricing without asking what regulatory costs have made inevitable. You will hear them when a leader demands metrics without understanding what those metrics incentivize. You will hear them when AI arrives as both opportunity and threat, and the real question becomes not whether technology is powerful but whether our systems of learning are.

In the end, Madden's book is not a perfect work of literature, nor does it aspire to be. Its pleasures are the pleasures of intellectual construction: the satisfaction of a framework that connects disparate domains, the relief of language that tries to be precise, the moral steadiness of a writer who believes that value creation and human dignity belong in the same paragraph. It is also, at times, a demanding book – one that assumes the reader is willing to slow down, to look at diagrams, to live inside a concept long enough for it to change shape in the mind.

But when it succeeds, it offers something rare in contemporary business writing: a blueprint for seriousness. Madden is asking for a higher standard of thinking, not only in boardrooms and agencies, but in the way we each choose where to give our attention. The book's most radical suggestion may be its simplest: that freedom, skepticism, and learning are not soft ideals but the hard infrastructure of a prosperous society. That is why, despite its occasional heaviness and repetition, it earns its praise – and why I would place it at 86 out of 100: a substantial, worldview-altering work, more foundational than fashionable, and likely to be more useful a decade from now than many books currently shouting for our eyes.