

Table of Contents

Preface	V
Table of Contents.....	IX
Figures.....	XIII
1 Introduction.....	1
1.1 How to use this book.....	3
1.2 What to expect	5
2 Business process modeling.....	11
2.1 Choose a structure	13
2.2 Select a language	19
2.2.1 SADT	20
2.2.2 ARIS.....	27
2.3 Use of brown papers.....	30
3 Balanced scorecard	35
3.1 The general problem.....	35
3.2 An example of BSC	40
4 Controlling process.....	49
4.1 The four basic steps.....	49
4.2 Frequency of controlling	53
4.3 Problems and shortcomings	54
4.4 Examples	56
Case: Aluminum tube welding	56
Case: Management consulting	58
Case: R&D Controlling.....	59
5 Organization.....	63
5.1 Define roles and responsibilities.....	64
5.2 Defining an organization	72
5.2.1 Basic organizational forms	73
5.2.2 To engineer an organization	79
Case: University controlling.....	86
Case: Purchasing.....	88

5.2.3	Personal conflicts	91
5.3	How to staff an organization.....	94
5.3.1	The bottom up approach.....	95
5.3.2	The benchmark approach.....	96
5.3.3	The feedback circuit approach.....	96
5.4	Find an optimal span of control	98
5.4.1	Definitions and formulas.....	98
5.4.2	Getting the optimum.....	100
5.5	Using reengineering	105
5.5.1	Hammer's approach.....	106
Case: Bills payable department.....	108	
5.5.2	A non-business example.....	112
5.5.3	Applying reengineering	114
5.6	Buzzword process organization.....	117
5.7	Myths of self-organization	120
6	Quantitative tools	125
6.1	Dealing with numbers and errors.....	126
6.1.1	How to define measures.....	126
Case: Person's weight.....	129	
Case: Number of vendors	130	
6.1.2	Taking into account the margin of error	131
Case: Calculation of automotive parts	133	
6.2	Applying semi-quantitative methods	135
6.3	Preparing activity-based costing.....	141
6.3.1	Theory of ABC	142
6.3.2	A simplified version.....	146
Case: ABC at aluminum tube welding	147	
6.3.3	Reasons not to choose ABC	150
6.4	Using target costing	153
6.4.1	The basic idea.....	154
6.4.2	An example	157
6.5	Commenting on chaos.....	163
6.5.1	Chaos in science.....	163
6.5.2	Chaos in the business world	168
Example: Warehouse locations	171	

6.5.3	Dealing with chaos.....	174
	Example: Chaotic project	179
6.5.4	Conserved quantities	184
7	Operations management.....	189
7.1	Plan and forecast the business.....	189
	Example: Reasonable planning period	193
	Example: Quality of planning	195
7.2	Using benchmarks	197
7.2.1	Definition of benchmarking.....	197
7.2.2	Mistakes to avoid.....	201
7.3	Learning curves	204
7.3.1	Theory of learning curves	205
7.3.2	Controlling with learning curves	207
7.4	Soft skills.....	210
7.4.1	Defining goals	211
7.4.2	How to give and receive feedback	217
7.4.3	Managing meetings.....	220
7.4.4	Leading and managing.....	226
8	Appendices	235
8.1	Appendix SC.....	235
8.2	Number of vendors.....	240
8.3	Errors	241
8.4	Comment on nonlinear ABC	243
8.5	Logistic map and Liapunov exponent	245
8.6	Numerical solution of transcendental equations.....	248
	Index.....	253