Enabling Next Level of Economic Reasoning

Project NEMO ... ... with its INSEDE ...

... and the Business Engineering Systems ...

Reality of Business has changed – new models/maps needed

- structuring
- quantifying
- ... enhanced reasoning

New Economy ...

... eliminating systemic limits and gives way for sustainable solutions.

Clever solutions waiting outside old box thinking

- Macroeconomic and financial foundations of economics
- Legal and institutional foundations of economics
- Entrepreneurial, organizational, and management bases of economics

The Chairs shall focus on topics related to economics and financial markets. Particular emphasis will be placed on funding and establishing chairs in interdisciplinary and innovative areas of research that promise important scientific insights. Chairs that examine the following themes in an integrated and interdisciplinary manner will be considered:

(i) the macroeconomic and financial foundations of economics,
(ii) the legal and institutional foundations, and
(iii) the entrepreneurial, organizational, and management bases of economic life.

The graph below and the subsequent detailed description illustrate important potential topics that may be covered by the planned chairs.
Project NEMO (New/Next Economic Model)
The combination of both worlds

Development of Business Theory
(S-Curve of Product Development)

Rational MindSet I
Classic:
- Tangible Assets
- Monetary Value Metric

Rational MindSet II
Additional:
- Intangible Assets
- Subjective Value Metric

1782
Anna Goeldin
Last witch beheaded
(Switzerland)

Adam Smith
Moral
Sentiments
1759
Wealth of Nations
1776

Gauss
Marx
Keynes
Schumpeter
Mises
Towne
Taylor

1750  1800  1850  1900  1950  2000  2050

16 Bit
32 Bit
64 Bit
8 Bit
4 Bit
MS-DOS

Additional:
- Intangible Assets
- Subjective Value Metric

The combination of both worlds
The theories are the ones who consciously and unconsciously in many cases allow and restrict the decisions and actions. Really new sustainable solutions only arise if current theories are expanded.
Reality of Business has changed – new models/maps needed

New Economy

- a) structuring
- b) quantifying
  
  ... enhanced reasoning

Business Engineering Systems

- Identity & Strategy
- Innovations-management
- Resource management
  - Tangibles, Intangibles
  - People, Finance
- Informations-management
- Value management
  - Risk, Options
  - objective, subjective

New Economy ...
Four main components
Structure – Measures/Metrics – Orientation – Relation

1. Structuring the Elements of a Corporation
Three levels: Offerings, Processes, Prerequisites
- Type of Business
  - Products / Goods
  - Services
  - Rights / Licences
- Processes
  - Management – Offerings – Background
  - Services – Marketing & Sales
  - Production – Research & Development
  - Procuring – Fabrication & Procuring
  - Quality – Environment
  - Personnel – Services
- Primary Resources
  - Products
  - Business Means
  - Documents
  - Know-How
  - Rights
  - Finance

2. Quantifying means (numbers and indicators)
- from P&L account to the P&L profile
- numbering system for tangible and intangible values

3. Development of Enterprise (Strategies, options....)
- Market-oriented (outside-in) and offerings-oriented (inside-out)
  - "Outside-In" Complying need of customers/markets efficiently
  - "Inside-Out" Solving customer’s needs/ Making markets for existing potential

4. Closed Loop Business Relations
- planning, design, optimize Value Adding Net [VAN], beyond borders
- from the supplier of the supplier to the customer of the customer

1. Level: Systems
2. Level: Type of Business
3. Level: Primary Resources

before optimizing
after optimizing
Clever solutions waiting outside **old red box-thinking**

1. Start with classic **Business Administration**.
2. **Break up its limits**, include intangible assets and subjective value metric.
3. Look for already existing intangible assets and solutions.
4. Use it for complementary strategy to solve people’s real problems.
Debug and re-invent Economics – Intellectual Capital is a good start
[based on human’s real needs & potential, integrate intangibles (knowledge...) and postulate adequate metric]

Physicists and engineers have already developed several times in the last 300 years, qualitative and quantitative models with which intangible realities can be explained.

Offerings for human’s real needs

Intellectual Capital

Creating & Measuring

Fundamentals

How-to’s for Strategies, Functions (Marketing, R&D, Procurement, HR, Logistics, Finance...)

Markets, processes...

Resources, potentials...

land – labor – capital
tangible & intangible

Incremental innovation
Disruptive innovation

Behaviour Eco. Focus 1
Integrated IC Focus 2

Physicists and engineers have already developed several times in the last 300 years, qualitative and quantitative models with which intangible realities can be explained.

Real World

Virtual World

Economy

Economics

Scientific approach, teachings, rules, tools...
Further information (stay tuned)

Timeline of Business Engineering Systems
(with links to original papers and other papers)

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