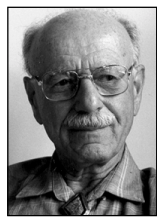


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## Metamorphosis of Business Models

Andrew Vazsonyi, Feature Editor



### Andrew Vazsonyi

is an internationally recognized author, researcher and educator. He is the author of over 70 technical articles, and seven textbooks, in English, German, Spanish, French, Russian, Japanese and Hungarian. Dr. Vazsonyi re-

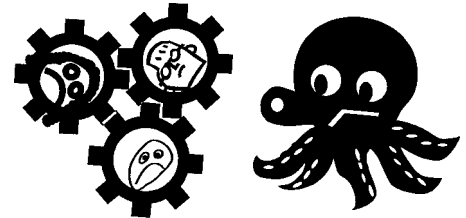
ceived a Ph.D. from the University of Budapest. He is currently an emeritus professor at San Francisco University and has 20 years of teaching experience. Prior to becoming an educator, he served for 25 years in industrial positions. These days he focuses on books and articles that apply Microsoft Excel and VBA to production and operations management.

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The first milestone in the “scientific management” of business was the publication by Frederick Winslow Taylor of *The Principles of Scientific Management* (1911). Taylor (1856-1915), an industrial engineer employed at the Midvale Steel Company, believed that all possible brain work should be banished from the shop. He created detailed systems to gain maximum efficiency at the lowest cost from both workers and machines. These systems relied on the measurement of industrial productivity and on time/motion studies. The goal of his scientific management was to determine the best method for performing a task in the least amount of time.

In the second half of the 20th century, following changes in the physical sciences as quantum mechanics was introduced, the limitations in Taylor’s mechanistic point-of-view were uncovered. The Newtonian outlook was supplanted by Darwin’s evolutionary view: “Forget the mechanical, embrace the biological—Business is alive!” Now scholars began to model business more like a biological entity than a mechanical clock. While the important concepts of economizing, efficiency, trade, technology, and division of labor weren’t abandoned, the means to reach the end were changed. Central planning, com-



Old: Mechanical

New: Genetic

mand-and-control outlook, fixed job descriptions and assembly lines were torn apart after it was acknowledged that employees were gifted and endowed with the instinct to innovate, collaborate, and economize. Thus, in many places, the workplace and marketplace has been steadily transformed and a new global order has been created without central control and with a distribution of economic power and decision making.

But fundamental paradoxes have also emerged. While it has been recognized that mental models and metaphors shape the economic culture of institutions as fundamental guiding forces, it’s also been acknowledged that the implementation of the new humanistic (as opposed to mechanistic) view cannot be accomplished without the extension of human information and data-processing capability of powerful computer networks. ■

### Future DSI Annual & Regional Annual Meetings

#### NATIONAL ANNUAL MEETINGS

November 17-20, 2001

The San Francisco Marriott, San Francisco, California

November 23-26, 2002

The San Diego Marriott Hotel and Marina, San Diego, California

November 22-25, 2003

The Marriott Wardman Park Hotel in Washington, D.C.

November 20-23, 2004

The Boston Marriott Copley Place Hotel, Boston, Massachusetts

#### REGIONAL ANNUAL MEETINGS

##### Midwest

April 25-27, 2002

The Hilton Milwaukee City Center Milwaukee, Wisconsin

##### Northeast

March 20-22, 2002

Caribe Hilton Hotel and Casino San Juan, Puerto Rico

##### Southeast

February 20-22, 2002

The Westin Hilton Head Resort Hilton Head, South Carolina

##### Southwest

March 6-9, 2002

Adam’s Mark Hotel, St. Louis, Missouri

March 5-8, 2003

Hyatt Regency Hotel, Houston, Texas

##### Western

April 2-6, 2002

The MGM Grand Las Vegas, Nevada