

What is business?



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Common concepts

To become rich

To have power

To become famous

Have an easy life

Create a legacy

To be decision maker

Not to have a boss

Common realities

To become rich

Statistically probably won't happen

To have power

Taxman has the power

To become famous

Statistically probably won't happen but if you manage to be famous you will be a target (beggars, thieves, mafia, scam artists, charities,...)

Have an easy life

Will never happen. Two certainties in life: death & taxes)

Create a legacy

They probably won't want it or they will run it into the ground.

To be decision maker

Even when sleeping

Not to have a boss

Your suppliers, customers, staff & capital are your bosses. The government is also your boss and you can't even count on them.

Three basic routes

1. To be in power

Previously the most dangerous, but still the most profitable way of "earning" money & other benefits.



2. To become a protégé

One who is protected or trained or whose career is furthered by a person of power, prominence or influence. (To be in somebody's pocket. A lot of people are in the state's pocket).



3. To battle into the free market

Produce what the world needs, but it might cost you your soul. Be prepared to do things you might not be comfortable with.



What is business?

Is your nation open to the BR3?

By investigating the source of wealth of others

Takers (Moochers): Our richest men are: generals, politicians, journalists, lawyers and/or Gangsters. (Russia under CR, Africa, S. America)

Givers (Atlases): Our richest men are: inventors, creators and producers. (USA few decades ago, Switzerland, UK centuries ago)

Decision time

Right place
Right time
and if you are still here

Ancient Greek's advice



Heracles came upon a fork in the path he was taking in the forest. One way led to happiness and bliss, whilst the other led to suffering and toil. He chose the latter and became the Hero we know today.

Those who took the easy way fell into obscurity.



Decision time

Profits

What does not kill you,
only makes you stronger

Win or lose, you will be:
stronger, wiser, more agile, more experienced,
have a greater understanding and be able
to learn from your own mistakes.....

It is worth it!

If I find 10,000 ways something won't work, I haven't failed. It means that I am closer to the solution.

Thomas Alva Edison

There is not a management course which can teach us more than setting up even the smallest hot dog stand.

Anna Balawejder

Decision time

Who do you think you are?

1. More intelligent
2. Wiser than others
3. Able to resolve any problem
4. Braver
5. Better educated
6. Able to see opportunities
7. Full of clever ideas

Who you really are?

Statistically:

1. There are lots of people more intelligent than you
2. There are wiser people (*with age comes wisdom*)
3. I have seen problems you cannot even imagine
4. Brave or stupid?
5. Educated in what? How can you be educated in life?
6. Along with 10% of the population.
7. Ideas are great in words, hazy on paper and, usually, ridiculous in real life.

**You don't know everything!
Do not overestimate yourself!**

Real business world

1. Freedom of choice, but you are on a lead.
2. Constant adjustment
3. Constant improvement
4. Continual planning & calculations
5. Customers want everything for nothing and money back
6. Individuals are clever but the population is stupid
7. Do not pay for advice, do not trust two-faced experts
8. You have to speculate to accumulate
9. Competition, both external and internal
10. Lots of meetings
11. The perfect team is impossible to find
12. Unpredictable problems - disturbances
13. Excellence is expected with no reward
14. No matter how you feel, smile (*Golden words of Mike Pulford*)

What awaits you?

Life & business

1. The self-organization - how not to be overwhelmed by lots of affairs?
2. How to create advertisement policy – one of the the essential of business?
3. Virus in the company - an antagonistic opposition in the board torpedoes your every move - what to do?
4. Creation of a dynamic and creative team – does not mean management of a passive "always yes sayers".
5. Destructive conflicts inside the company - the conflicts, which are much more dangerous than the external ones.
6. Making your team perform better and more efficiently, it is a really tough task.
7. Change management – also one of the most difficult managerial tasks (pursuing)
8. Bullying - when one destroys the other, analysis, detection, cure...

What awaits you?

Thomas Alva Edison (1847-1931)

Thomas Alva Edison was an American **inventor, scientist and businessman**



who developed many devices that greatly influenced life around the world, including the phonograph, the motion picture camera, and a long-lasting, practical electric light bulb.

He is considered as one of the first inventors to apply the principles of mass production and large teamwork to the process of invention, and is often credited with the creation of the first industrial research laboratory.

Autodidact - self-taught

Genius is one percent inspiration, ninety-nine percent perspiration.

What awaits you?

My advice

1. Be sure that your products/services have a use
2. Be the best or be original. Usually one starts by being the cheapest
3. Create your own formula
4. Constantly research
5. Solid skeleton – own methods, own thinking, own way of doing things (Do you remember Edison?)
6. Constant adaptation to the environment or extinction (pursuing)
7. Keep learning in all areas of life (psychology, theory of game, right economics,...)
8. Always have a lifeboat (financial and/or emotional)
9. Plan for everything and be efficient in their execution (pursuing)
10. Keep creating (it needs free time)
11. Supercompensation = effort + rest



What do you need?

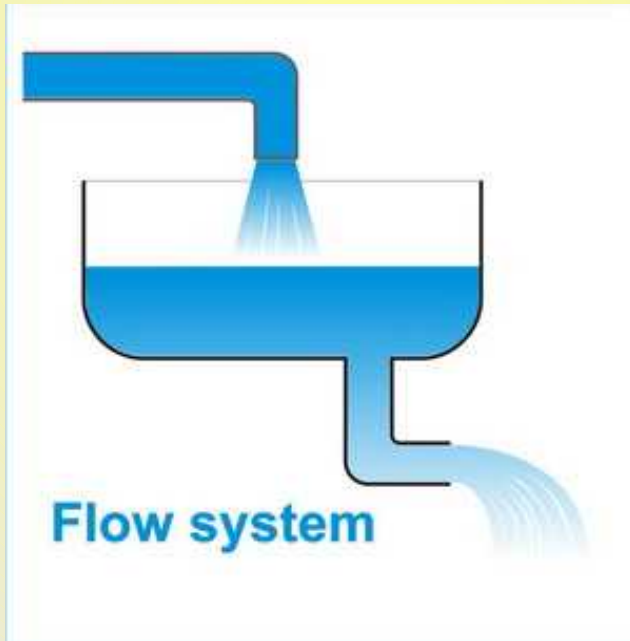
Common thinking:

Credit & external marketing

In reality:

- Idea & creative thinking
- Stubbornness (like a mule)
- Devotion (more to the company than to the family)
- Count mainly on yourself
- Be aware, the buck stops with you (all the company mistakes are your fault)
- Agility (both in thinking and reaction)
- Sophisticated balancing abilities
- Physics of human beings

Systemic thinking



Wisdom of building self-controlled systems

Wisdom of balancing the profits & losses flows



Have you ever heard about cash-flow?

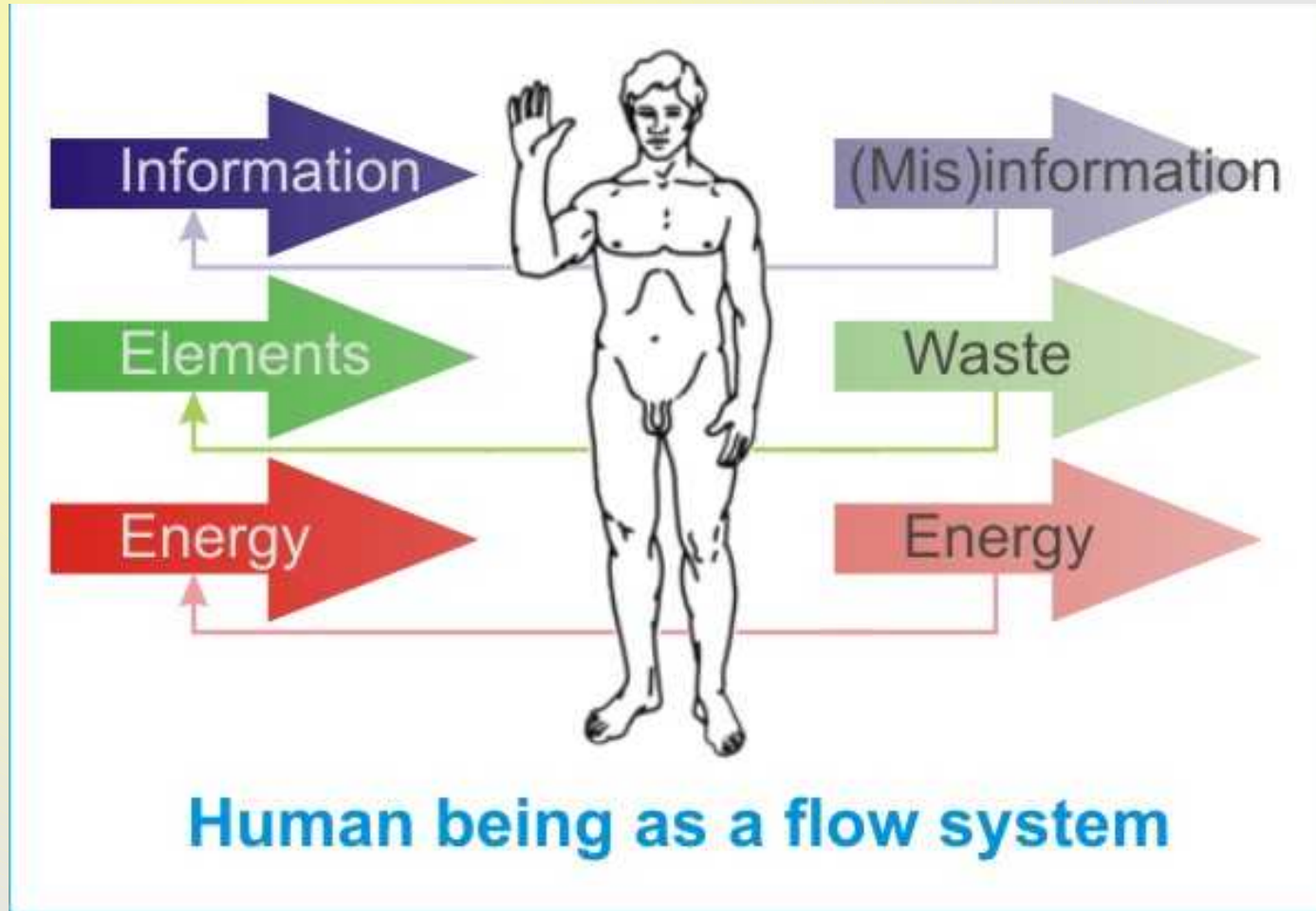
Physics of human beings



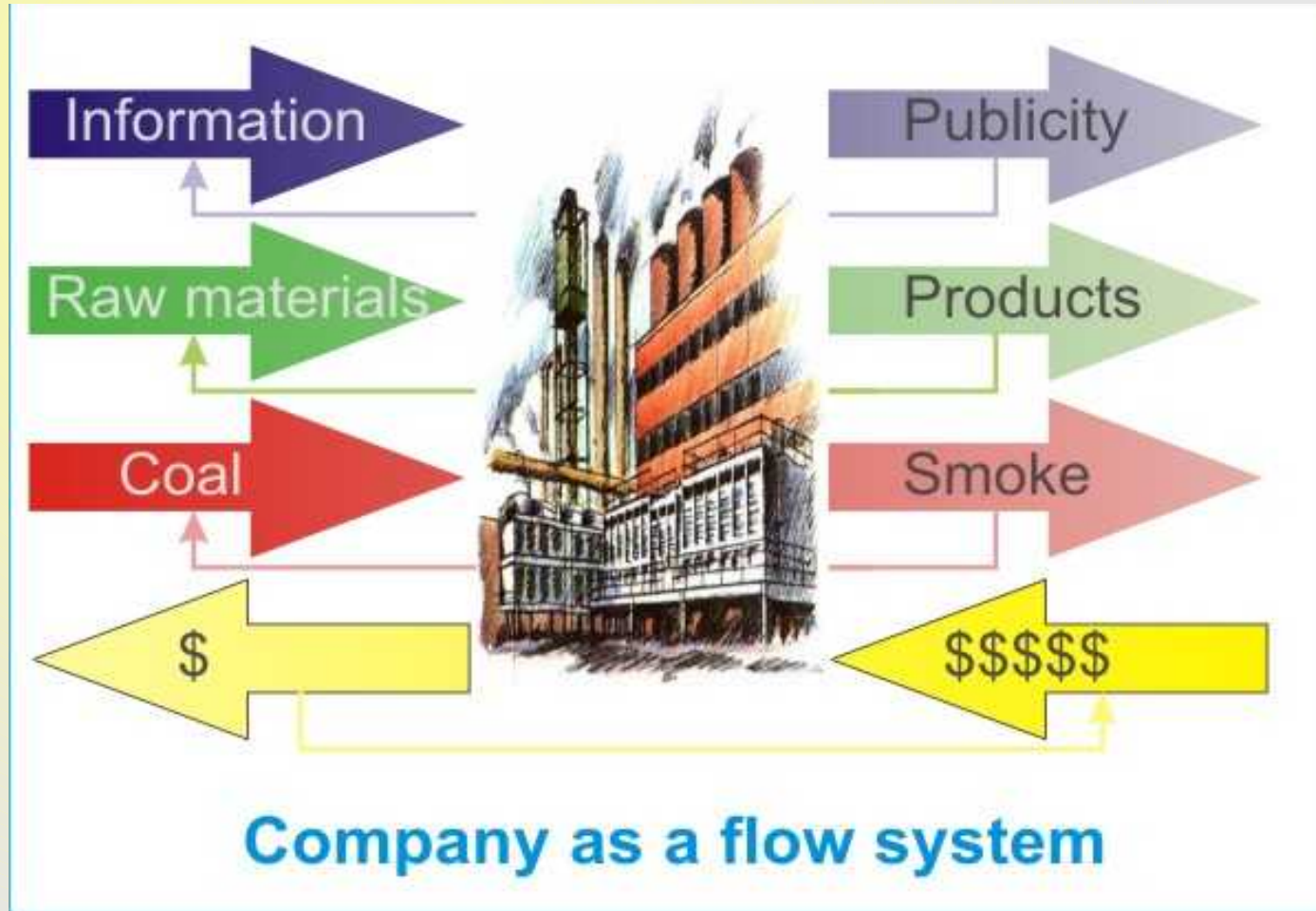
Actively absorbing systems

Not only do we actively absorb material objects, food, information and energy, but we also expel them

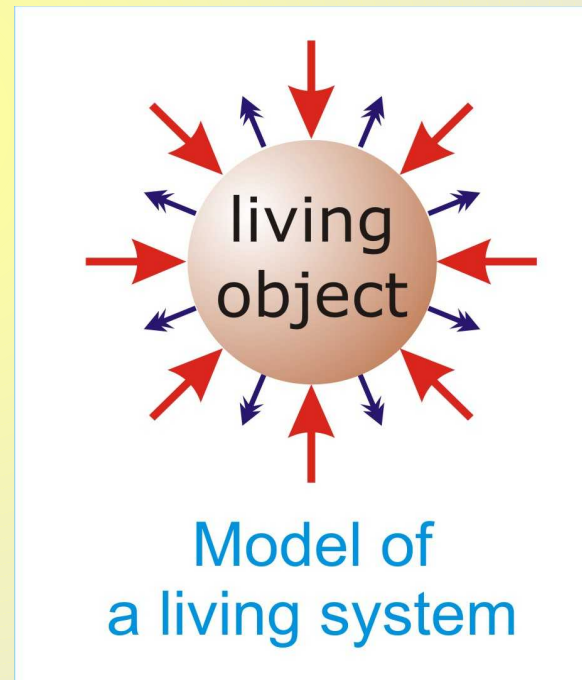
HB as an active flow system



Company as a flow system



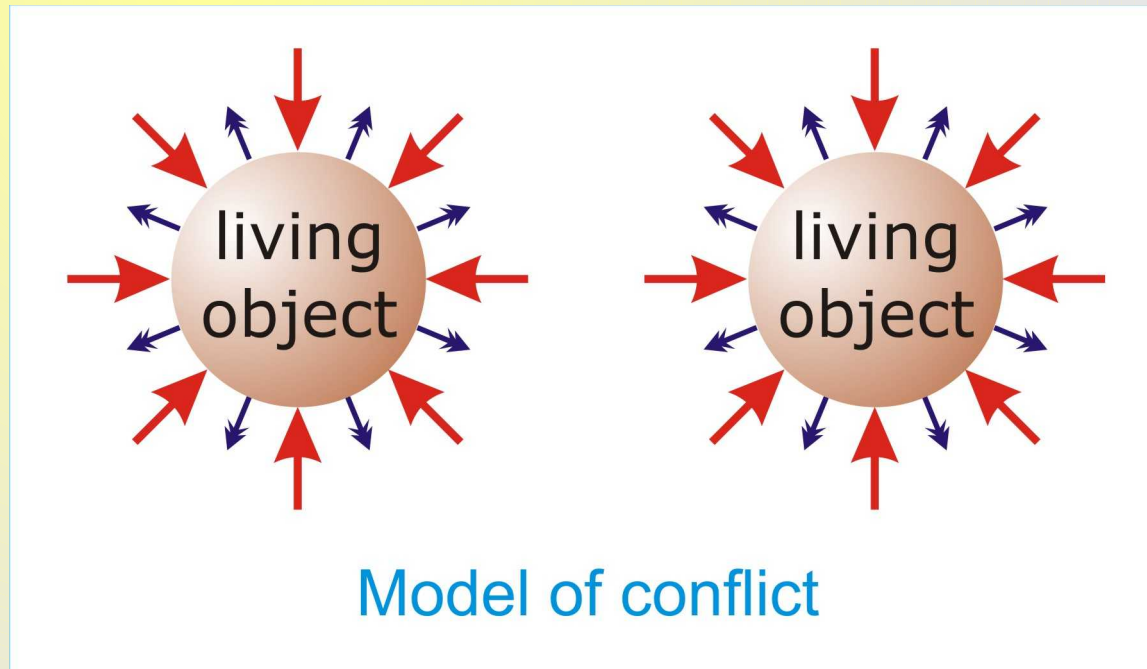
Basic model of a living object



A living object has two characteristics:

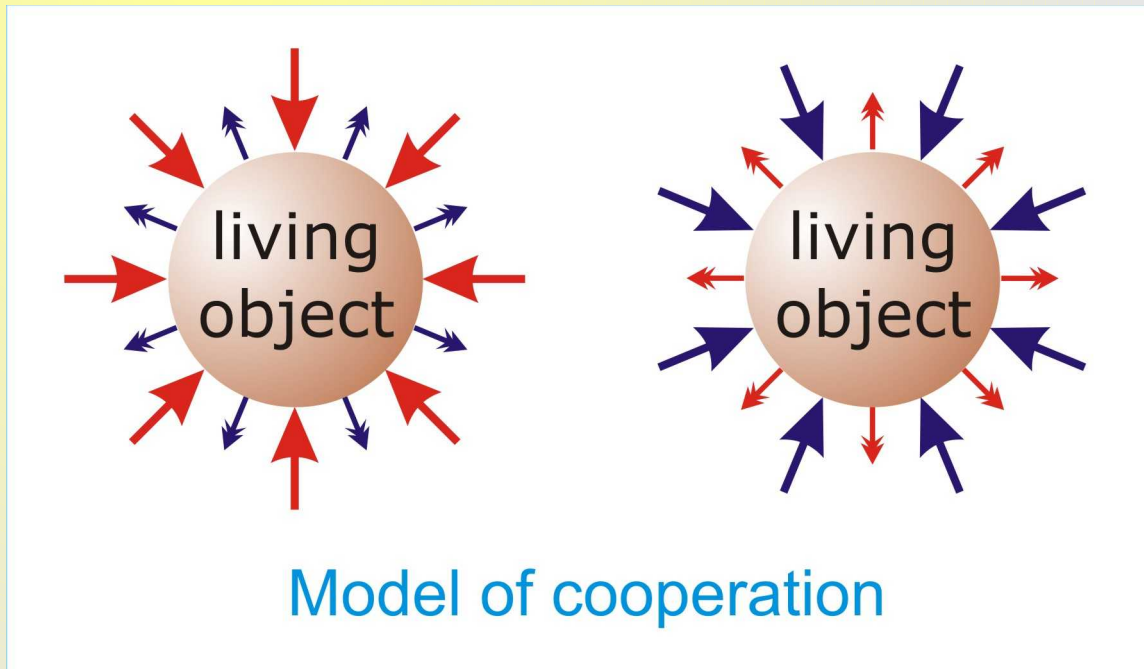
- 1. It is a flow system actively absorbing resources*
- 2. It multiplies*

General model of conflict



The theory of game deals with conflict...

General model of cooperation



... and cooperation

Game in a mathematical sense

A game is a set of many subtle and complicated operations, performed by one object (or a group of objects), to reach (or do) something whilst, another object (or another group of objects) tries to prevent the operations being successful.



A game is not only ball-chasing

Mathematical game theory

Mathematical theory of game is the scientific discipline that studies the conflict of interest.

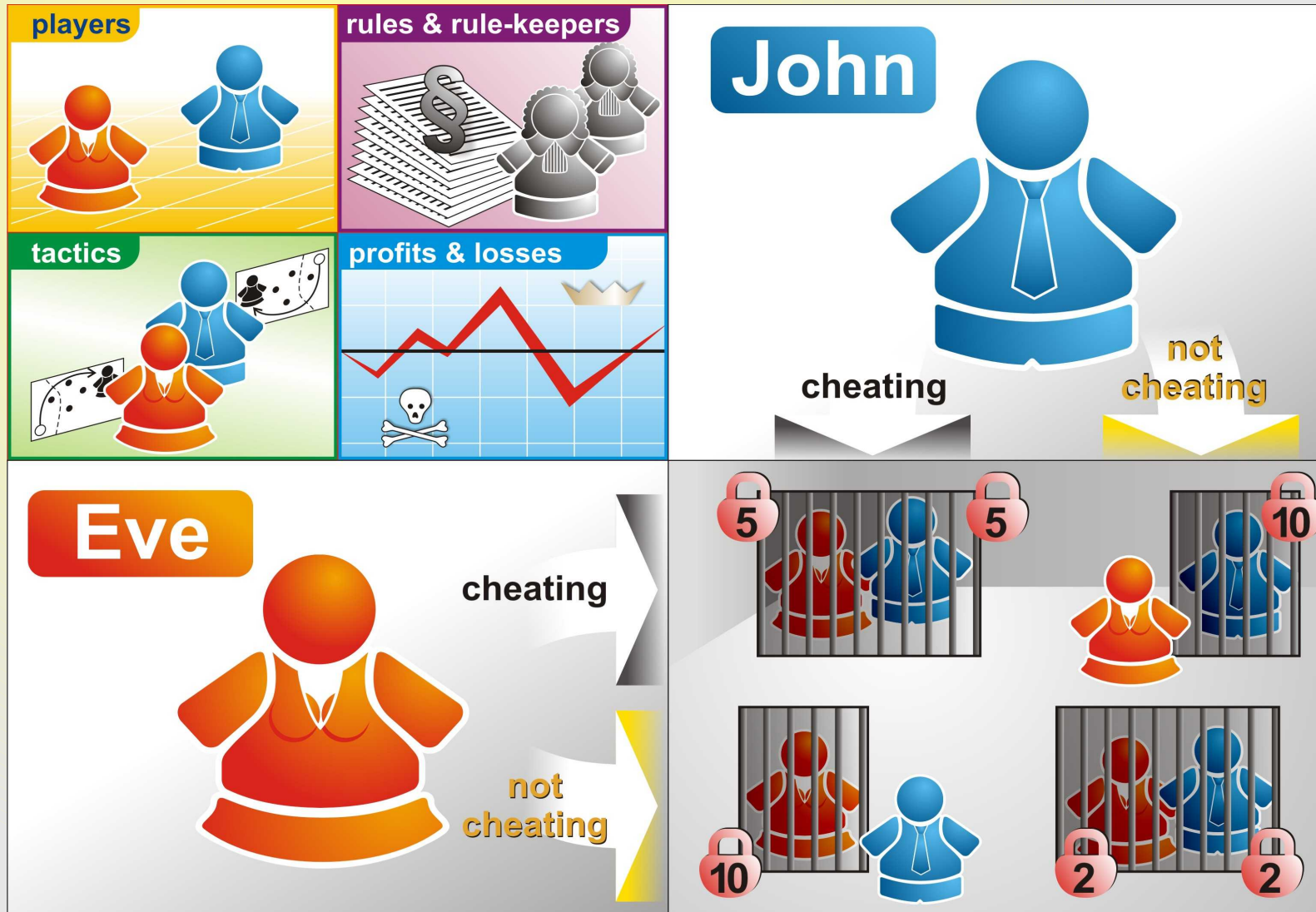
This theory is precisely defined in terms such as:

Player - *any object optimizing absorption of resources;*

Strategy - *a set of algorithms, plans, calculation methods, decision-making methods, manufacturing methods, criteria of optimization, resources, structures, configurations, "luck", policies and rules used to develop more refined actions aimed at achieving a goal;*

*and **tactics** – mode of operation within a strategy.*

Mathematical game theory



Life is a competition for resources

Mathematical game theory

Detailed studies in the field of game theory has led to the discovery of the characteristic features of each game, including the view that, from the standpoint of this theory, life is nothing but a game for resources.

The first group of characteristic elements that are typical situations of conflict of interest, described as dilemmas. These include, among others:

*dilemma between I / group,
prisoners dilemma,
iterated prisoners dilemma,
the dilemma of short-and long-term objectives,
producer/consumer dilemma,...*

Producer/consumer dilemma

Product

PRODUCER THINKING

Nearly made 99%

Producer view is linear:
he sees the work he put
into the 99%

**SOMETHING DOESN'T
MEAN NOTHING**



CONSUMER THINKING

NOTHING is made,
1% is missing

Consumer view is nonlinear:
he is interested only in a fully
working product. 100% or nothing

**EVERYTHING
OR NOTHING**

Linear, non-linear

Mathematical game theory

The second group are characteristic tactics:

von Neumann tactics - cheating in such a way as to instill in to the opponent the belief that they are not being cheated;

von Krezuss tactics - cheating in such a way as to instill in to the opponent the belief that his allies are his deadly enemies;

von Sociall tactics - cheating in such a way as to instill in to the opponent the belief that his enemies are his faithful allies;



Integral thinking

We think in a reductionist way

Integral thinking is the ability of simultaneous:

*reductionist thinking,
systemic thinking
and game thinking.*

New way of thinking

How to learn integral thinking?

Applied integral thinking consists of:
logic, generalizations and seeing how
little wheels control big machines

Leonardo da Vinci (1452-1519)

Nicolas Copernicus (1473-1543)

Galileo (1564-1642)

Gustave le Bon (1841-1931)

Ludvig von Bertalanffy (1901-1972)

Ross Ashby (1903-1972)

Ludwig von Mises (1881-1973)

Success or failure?

It's your choice

Last word

Always look at the bright side of life

&

read books!

What kind of books?

- *Cybernetics and game theory*
- *Right economics*
- *Memoirs & diaries*
- *Good history books*

- *Atlas shrugged (Ayn Rand)*
- *Human action (L. von Mises)*
- *The prince (N. Machiavelli)*
- *Cybernetics & character (M. Mazur)*
- *MAO (Jung Chang)*
- *Psychology of the crowd (G. le Bon)*
- *Great French Revolution (Pierre Gaxotte)*
- *Physics of life (J. Freeslow)*

Next last word!

www.physicsoflife.pl

Information about the book

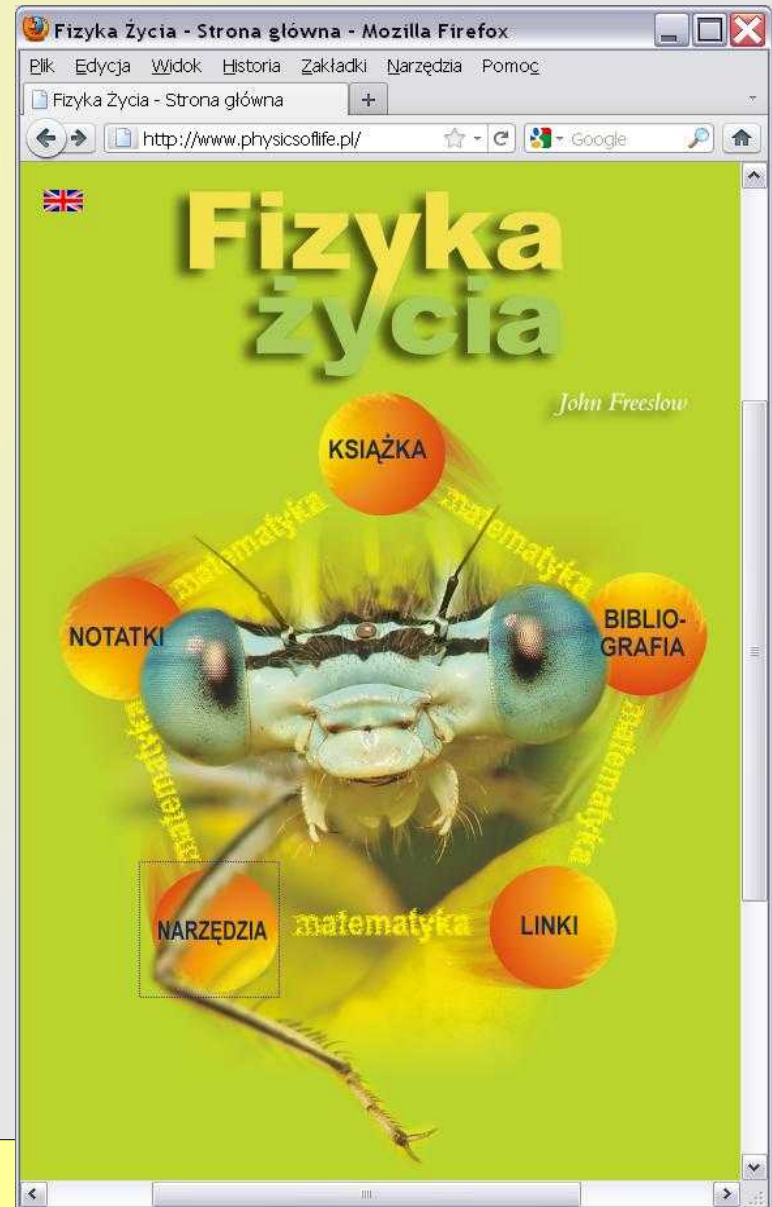
Blog

Booklist

Vocabulary & small encyclopedia

Tips for teachers

... and even a help desk



Finally, the last word

The better we understand the world

*the more we will have the chance
to create a better society*

and

make money off it.