Company Physics

... because a measure of organizational efficiency does not exist

Company Prerequisites. Companies should ...

... have products that generate valuable customer benefit

... achieve sufficient shareholder and stakeholder value

... behave in a legally sound and morally acceptable way

... not afford to waste any resource

... act in a socially responsible manner

Company Efficiency. Companies ...

... use a lot of resources to create their products

... cannot afford to even waste a tiny fraction of the resources available to them

... are working efficiently only if they are making full use of all of their resources

... should have an organization that ideally achieves company efficiency

People

...are the most essential resource

...manage all other resources

Organizations

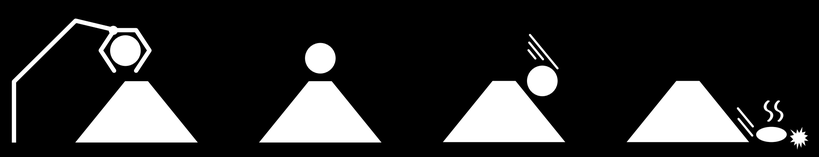
... need to ensure that the work of people complements each other and fits together

... definitely lead to a waste of resources if they are poorly designed

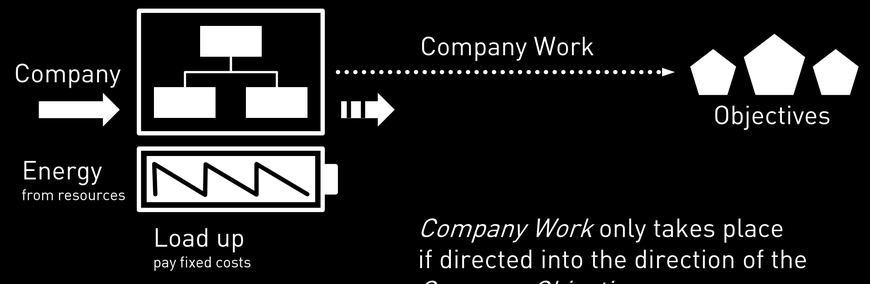
Energy

... is the ability to do work

... can be transferred, stored, transformed, degraded

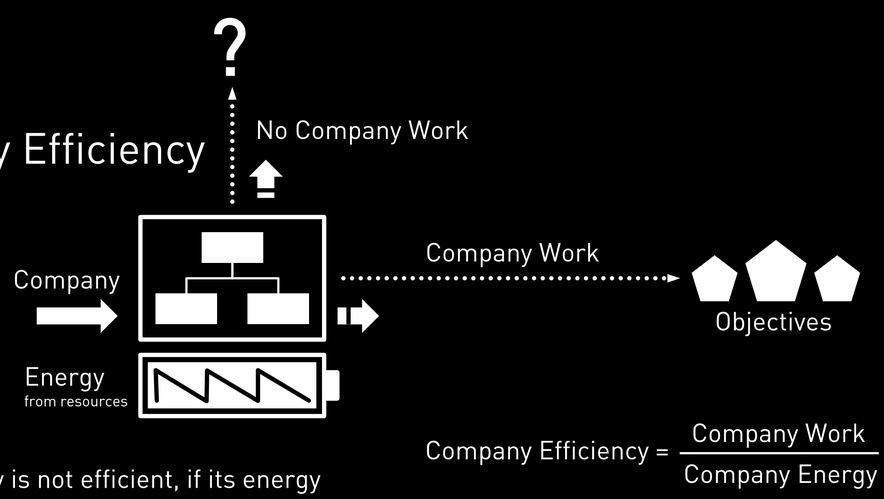


Company Energy & Company Work



Company Work only takes place if directed into the direction of the *Company Objectives*.

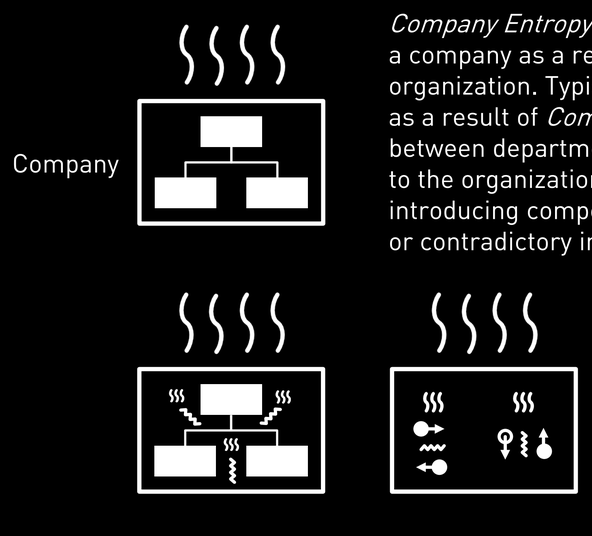
Company Efficiency



A company is not efficient, if its energy is used to achieve things that do not belong to the *Company Objectives*.

$$\text{Company Efficiency} = \frac{\text{Company Work}}{\text{Company Energy}}$$

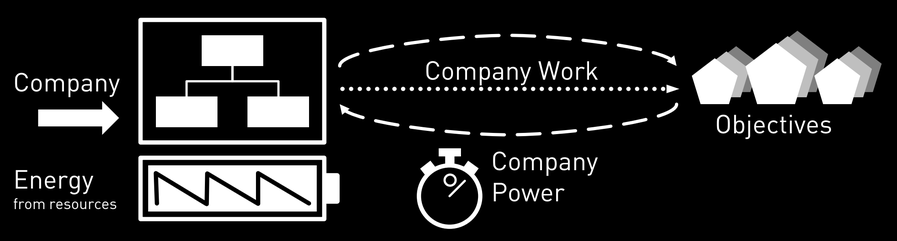
Company Entropy & Company Friction



Company Entropy is the energy lost in a company as a result of unsufficent organization. Typically energy is lost as a result of *Company Frictions* between departments or people due to the organizational form introducing competing, incompatible, or contradictory interests.

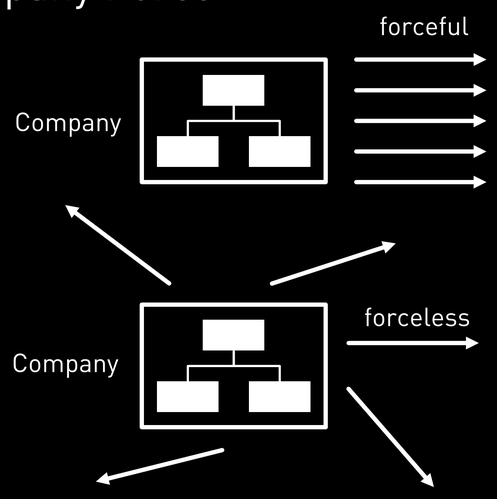
Company Power

$$\text{Company Power} = \frac{\text{Company Work}}{\text{Time}}$$



Company Power is the amount of *Company Work* a company is performing per time unit. The faster a company is recurringly meeting its objectives the more powerful it is.

Company Force



The *Company Force* is the vector addition of its individual forces. A company that succeeds to direct all its individual forces into the same direction is *forceful*. A company that has a lot of forces pulling into opposing directions does not generate much force.

Company Momentum & Company Inertia

It takes constant *Company Impulses* to overcome initial *Company Inertia* and generate *Company Momentum* towards desired *Objectives*. A change in direction as a result of changing *Objectives* requires additional energy. Unnecessary changes of Objectives should be avoided.