

Effectuation in Production: How Production Managers Can Apply Decision-Making Techniques of Successful Entrepreneurs

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Abstract : What are the core competences necessary in order to sustain manufacturing in high-wage countries? Aspiring countries all over the world gain market share in manufacturing and rapidly close the productivity and quality gap that has until now protected some parts of the industry in Europe and the United States from dislocation. However, causal production planning and manufacturing, the basis for productivity and quality, is challenged by the ever-greater need for flexibility and customized products in an uncertain business environment. This article uses a case-study-based approach to assess how production managers in high-wage countries can apply decision-making principals from successful entrepreneurs. 'Effectuation' instead of causal decision making can be applied to handle uncertainty of mass customization, to seek the right partners in alliances and to advance towards virtual production. The findings help managers to use their resources more efficiently and contribute to bridge the gap between production research and entrepreneurship.

Keywords : case studies, decision-making behavior, effectuation, production planning

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