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Application of De Novo Programming Approach for Optimizing the Business Process

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Abstract: The linear programming model is sometimes difficult to apply in real business situations due to its assumption of proportionality. This paper shows an example of how to use De Novo programming approach instead of linear programming. In the De Novo programming, resources are not fixed like in linear programming but resource quantities depend only on available budget. Budget is a new, important element of the De Novo approach. Two different production situations are presented: increasing costs and quantity discounts of raw materials. The focus of this paper is on advantages of the De Novo approach in the optimization of production plan for production company which produces souvenirs made from famous stone from the island of Brac, one of the greatest islands from Croatia.

Keywords: business process, De Novo programming, optimizing, production

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