

## **The lost science in business administration**

The book "The lost science in business administration" presents a new vision in financial and administrative management based on linking management, economics, and mathematical analysis. It attempts to establish a new school of thought based on the scientific measurement of management efficiency and company profitability.

The author, Taha Bayomy Mohamad, argues that traditional management relies heavily on personal experience and human judgment, while management can be transformed into a more precise science using mathematical equations and models that help in:

- Selecting the right employee
- Measuring product efficiency
- Evaluating departmental performance
- Controlling expenses
- Analyzing the impact of loans and interest
- Managing economic crises

### **The book's main themes:**

- 1- Selecting the right employee according to the type of activity**

The book emphasizes that the success of companies does not depend solely on capital or product, but rather largely on the alignment of employee skills with the nature of the company's economic activity.

The author explains that economic activities differ in their requirements; some require:

- Fast decision-making
- Ability to work under pressure
- Negotiation skills
- Flexibility with employees
- Accuracy in costing

While other activities require:

- Creativity
- Calm thinking
- High quality
- Teamwork

The book also presents a method for evaluating “product economic efficiency” and linking it to the required specifications for:

- Production Manager
- Marketing Manager
- Financial Manager

- General Manager

It uses several equations in this book:

Through these equations, products are classified as:

- Excellent
- Very Good
- Good
- Acceptable
- Poor
- Very Poor

## **2- The Impact of Expenses and Interest on Company Profits**

The book discusses the impact of:

- General expenses
- Debit interest
- Credit interest

On company results and profitability.

The author believes that the financial manager should monitor:

- The size of expenses
- Marketing Efficiency

- Liquidity
- Loans
- Working Capital Cycle
- Quality of Financial Control

It also explains how to detect “administrative waste” by comparing product efficiency before and after the application of overhead costs.

It presents the concept of **the standard budget** as a tool for control and determining the maximum acceptable expenditure.

### **3- Measuring Management Efficiency**

The book focuses on measuring management’s ability to:

- Utilize assets
- Rotate working capital
- Achieve adequate profits
- Maintain the continuity of economic activity

It explains that weak management may be due to:

- Weak administrative systems
- Insufficient liquidity
- Poor product quality

- Low purchasing power
- Marketing or production problems

The author uses an equation to measure the efficiency of managing the company's core business:

In order to help shareholders and management evaluate the company's true performance.

#### **4- Crisis and Economic Recession Management**

The book presents principles for dealing with:

- Decreased purchasing power
- Rising costs
- Economic recession
- Weak liquidity

And proposes solutions such as:

- Controlling expenses
- Increasing capital turnover
- Opening new markets
- Improving product quality
- Reorganizing financial and marketing management

#### **The book's core idea**

The central idea of the book is that management is not merely "personal experience," but can be transformed

into a **measurable and analyzable science** using mathematical and theoretical models that help to:

- Improve managerial decisions
- Reduce waste
- Increase efficiency
- Increase profitability
- Select the right people for the right positions

The book attempts to integrate:

- Management
- Economics
- Mathematics
- Financial analysis
- Engineering models

Into a single theoretical framework.

### **Overall assessment**

The book is distinguished by the fact that it:

- Offers an unconventional perspective on management
- Links human resources with economic analysis
- Relies on practical examples and applied equations.

- Focuses on the quantitative diagnosis of administrative and financial problems.

It is specifically aimed at:

- Managers
- Business owners
- Accountants and financial managers
- Researchers in management and economics
- Those interested in applied economic models.

**The book is divided into five main chapters:**

**Chapter One: Employee Specifications According to Type of Activity**

The author explains that each type of economic activity has different human and administrative specifications, and that the success of a company depends on placing the right person in the right position. He also explains how to measure the economic efficiency of a product and link it to the characteristics of managers and employees in production, marketing, financial management, and general management.

**Chapter Two: The Impact of Expenses and Interest on Company Results**

The book discusses the impact of general expenses and interest (debit and credit) on company profitability and presents equations to determine the extent of these elements' impact on financial performance. It also introduces the concept of the "standard budget" as a tool for control, waste reduction, and achieving financial balance.

### **Chapter Three: The Impact of General Expenses and Discount and Addition Interest on Company Profitability**

This chapter presents equations to determine the extent of these elements' impact on financial performance.

### **Chapter four: Measuring the Efficiency of Managing the Company's Core Business**

This chapter focuses on evaluating the company's management's ability to utilize capital and achieve appropriate profits relative to the size of available assets. It also explains the causes of weak management efficiency and ways to address them, such as improving management systems, resolving liquidity problems, and enhancing product quality and marketing.

### **Chapter five: Principles of Bank Credit**

The author addresses the concept of bank credit and how to assess a company's ability to repay loans and interest, whether using traditional financial analysis or

the models presented in the book. It also discusses the advantages and disadvantages of traditional financial analysis and proposes alternatives based on budgeting and economic efficiency.

### **Chapter six: Managing Crises and Economic Recessions**

This chapter presents the principles that should be followed during economic crises, periods of decreased purchasing power, or increased costs. It explains how to manage discounts, control expenses, and maintain market continuity despite economic changes.

Overall, the book aims to provide a new conceptual framework that links management, economics, and mathematical analysis to achieve more accurate decisions in company management and ensure profitability and sustainability.