In this intriguing business novel, which illustrates state-of-the-art economic theory, Alex Rogo is a UniCo plant manager whose factory and marriage are failing. To revitalize the plant, he follows piecemeal advice from an elusive former college professor who teaches, for example, that reduction in the efficiency of some plant operations may make the entire operation more productive. Alex's attempts to find the path to profitability and to engage his employees in the struggle involve the listener; and thankfully the authors' economic models, including a game with matchsticks and bowls, are easy to understand. Although some characters are as anonymous as the goods manufactured in the factory, others ring true. In addition, the tender story of Alex and his wife's separation and reconciliation makes a touching contrast to the rest of the book. Recommended for anyone with an interest in the state of the American economy.

Eliyahu Goldratt's "The Goal" is an entertaining novel and at the same time a thought provoking business book. The story is about a plant manager, Alex Rogo, whose plant and marriage are going downhill. He finds himself in the unenviable position of having ninety days in which to save his plant. A fortuitous meeting with an old acquaintance, Jonah, introduces him to the Theory of Constrains (TOC). He uses this new way of thinking to ...TOC postulates that for an organization to have an ongoing process of improvement, it needs to answer three fundamental questions: 1. What to
change? 2. To what to change? 3. How to cause the change? The goal is to make (more) money, which is done by the following:

1. Increase Throughput
2. Reduce Inventory
3. Reduce Operating Expense

Goldratt defines throughput (T) as the rate at which the system generates money through sales. He also defines inventory (I) as everything the system invests in that it intends to sell. Operating expense (OE) is defined as all the money the system spends in order to convert inventory into throughput.

The author does an excellent job explaining his concepts, especially how to work with constraints and bottlenecks (processes in a chain of processes, such that their limited capacity reduces the capacity of the whole chain). He makes the reader empathize with Alex Rogo and his family and team. Don't be surprised if you find yourself cheering for Alex to succeed.

The importance and benefits of focusing on the activities that are constraints are clearly described with several examples in "The Goal". One example from the book is the one in which Alex takes his son and a group of Boy Scouts out on a hiking expedition. Here Alex faces a constraint in the form of the slowest boy, Herbie.

The author of this business novel thinks he's the Messiah. The gist of the 384-page book could have been expressed in a page, and some of it is obvious. But it may be useful anyway, and it's an entertaining read. His schtick is that one can achieve great gains by identifying the bottlenecks ('constraints') that are blocking improved performance toward your goal, and then doing anything necessary to unblock those constraints - even if this means inefficiently using other non-bottleneck resources.

He says that one should think of the cost of each resource as including its effect on the whole system. So if a machine costs $1K/month to operate, but its rate of production is preventing the business from accepting or fulfilling extra orders that would represent $10K/month in profits, then the true cost of the machine is $11K. It follows that anything one can do to remove that bottleneck would be worthwhile, provided it adds less than the amount saved to the cost and doesn't introduce a new bottleneck. It's fine if you have to overpay for other resources or use them inefficiently as long as you accomplish this.

It then becomes a matter of analyzing and brainstorming all the ways that bottleneck can be reduced. For instance:- Can extra capacity be added, even if it is less efficient or uses antiquated equipment or is outsourced to a vendor? - Can you prioritize the use of the bottlenecked resource so that high-profit and time-sensitive work comes first?- Can you divert work that doesn't need to go through the bottleneck, even if it would then go through another more cumbersome process?- Can you prevent work from reaching the bottleneck if Quality Control will eventually reject it?

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