

THE TOC Times

The Avraham Y. Goldratt Institute

Quarterly Edition - September 2000

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“...Sharing and Learning Well From Each Other...”

In the first issue of *The TOC Times* (*From the Editor-in-Chief*, Vol.1, July 2000), I made mention of having some brief words about contributing articles. Yes, I know I said in that issue, “*In the next monthly newsletter...*” But, TOC World 2000/JEMBA 2000 Symposium was such a record event for the attendees and AGI that we just had to share it with you in the August issue. As we move forward and plan for TOC World 2001, it's time for me to have those words for those who would like to contribute articles to *The TOC Times* – and I will be brief!



STEVE SIMPLICIANO,
EDITOR-IN-CHIEF

When it comes to implementing TOC are we mainly talking about boilerplate implementations, or the ability to align organizational culture? Is there something unique that this particular implementation addresses (exactly what “bottom line” does this implementation address that makes it unique)? Perhaps one recently faced a challenge that if not for the TOC tools appeared somewhat insurmountable?

Is anyone stretching the TOC body of knowledge to its limits, and coming away with a deeper appreciation about a particular aspect of the knowledge or its processes? If you're thinking about a specific instance back when... it's probably worth sharing.

One requirement for “*learning well from each other*” is primarily based on the contributor's ability for story-gathering and story-telling. An article doesn't need to be about an entire implementation from start to finish. A particular aspect about the implementation can be an article or series of articles unto itself. Facts are important, but a little spice is nice. Like:

- What was the scenario surrounding a particular event?
- Why did the others react contrary to my expectations?
- How did the strategy we engineer differ little/significantly from current initiatives? What was the net impact communicating the strategy, and their reaction?
- In which way was this experience completely different from my experiences to date?

Another requirement for learning well is based on the reader's ability to responsibly question what another contributes. I said “responsibly question,” and not “dispute.” In today's lingo, such behavior is known as “slamming” or “flaming,” and assumes intimate knowledge beforehand. In reality what we accept to be true is in conflict with some one else's presentation of events in which they were intimately involved. As a Nigerian friend once put it, “Let me die before you bury me.”

But, it's easier for me to talk than to wield my pen! Contact Sylvia, Robbin or Rika, our content editors. They'll happily assist you. *But, as much as I love to write about TOC, I find my particular subject too vast for the size of the articles your seeking.* Send Rika or me your draft. We'll edit and return it for approval. Did I say I would be brief? Okay, dust off those “war stories,” send them to us, and let's get ready to learn *well*.



Why Didn't I Think of That

There I was, an hour into the staff meeting with the top managers and they were not getting it. They managed a fabrication division of 2000+ craftsmen who make holding jigs called 'tools' for the other manufacturing divisions. Nearly every tool is a unique design (new tools for new product lines or repairs to damaged tools). They had plenty of the best craftsmen but couldn't seem to get things out the door. Their customer, the main manufacturing line, was fed up with their high costs, long lead-time and unpredictable performance. These folks were great thinkers and creative, but I couldn't get them to think in the way I wanted. We needed to take a break.

During the ten-minute break, I knew I needed something new. Something that would allow these managers to discover on their own the devastating effect their current management approach was having on their organization. I NEEDED A GAME.

Games are great to teach basic principles quickly. A game where you move things and feel things and watch things jam up and



JAMES HOLT

then see the system become starved. A game where you are internal to the system and have ownership. A simple game with measurable outcome. A simple game to see the problems and discover the simple solution. A game that would allow their creative minds to map the simple model into the complexities of their reality. Those of us who have been with TOC for a while

know the Dice Game is very good at teaching the impacts of interdependency and variability in flow lines. With some cleverness, you can even get into pretty complicated models.

But, the Dice Game wasn't right for this group. They didn't have a flow line. They were a huge Job Shop where the flow through the shops was different for different products. I needed to show the elegant simplicity of tying the Rope. In desperation, I invented the Job Shop Game. I grabbed a piece of paper and folded it in half both ways making four sections. In each section, I wrote the routing for a different Product. "Here make 15 copies of this, quick!" I ripped five pages into the four sections. That gave us 20 products for the first part of the game. I shuffled and we played. It was clear, obvious and logical. They knew exactly what their problem was. As we played again, but this time using Drum-Buffer-Rope, they were amazed at how simple the solution was, and knew exactly what to do. Total time: 30 minutes.

Since then, I've used the Job Shop Game many, many times. Chuck Gauthier documented the process and created the visual aids to better illustrate the way the Rope brings predictability to chaos.

I've found there are many ways to use the Job Shop Game. Dr. Charlene Budd

(Hankamer School of Business at Baylor University) uses the Job Shop Game as the factory system in her accounting classes. Its fun for seeing the impact of buffer sizing. I've even used it as a preparation in Project Management discussions. Chuck Gauthier presented papers on the Job Shop Game at the last two APICS Constraints Management Special Interest Group events.

The Instructor files, Student Instructions and printable materials are at:

<http://www.vancouver.wsu.edu/fac/holt/em530/Docs/JSGInstInfo.htm>

<http://www.vancouver.wsu.edu/fac/holt/em530/Docs/JSGInstInfo.htm>

<http://www.vancouver.wsu.edu/fac/holt/em530/Docs/JSGStudInfo.htm>

<http://www.vancouver.wsu.edu/fac/holt/em530/Docs/JSGVisuals.gif>

<http://www.vancouver.wsu.edu/fac/holt/em530/Docs/JobShopGameCards.gif>

<http://www.vancouver.wsu.edu/fac/holt/em530/Docs/JobShopGameCards2.gif>

I've added some advanced simulations for the Job Shop game at the end of the Instructor file. You can include more variability, illustrate changeover, compare Kanban, investigate resource sharing and even teach dynamic buffering. Let your imagination find new ways to use it.

I hope you find the Job Shop Game as effective and useful as I have.

Dr. Holt

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The TOC Times is circulated to all members of the AGI network.

DECIDING ON THEORY OF CONSTRAINTS (TOC)

By Kathryn A Leishman,
Partner, Australasia

This article has been based on my presentation at TOC World 2000, which was based on presentations by Dr. Eli Goldratt and contributions by Dale Houle (AGI Managing Partner) and Dr. Alex Klarman (Partner, AGI-Israel). [Click here](#) to download this presentation.



KATH LEISHMAN

Powerful solutions start with the right questions. Given that every change is not an improvement, the questions we should ask are:

- What to change?
- To what to change?
- How to Cause the Change?

Since the answers to these questions are seldom found easily just by the asking, we need tools to guide us along the way. If we are to effectively improve we need powerful tools to enable one to: 1) Conduct a thorough analysis of the change that must occur; 2) Test and modify any potential solutions; and 3) Plan the implementation of potential solutions.

A framework or perspective with which to judge the answers is equally important. One perspective is that if everyone looks after his or her own bit, the whole system will come right. Another perspective is that if one finds the correct point of leverage, the whole system can be easily moved.

TOC focuses on finding the constraint(s) of a system and using that as the leverage point for improvement. The TOC Thinking Processes are a suitable, logical toolset to provide answers to the three questions above. And, if the velocity of change is crucial, it

helps to take advantage of and build on existing development. TOC includes a number of proven, generic solutions, which continue to be successfully modified and adapted for implementation in a specific organisational environment. And, since we all are too familiar with the penalties for missed opportunity, TOC also includes processes for managing the changes themselves.

WHERE TO START?

The challenge facing anyone eager to make improvements happen in their organisation is determining where to start. Which one is easiest: 1) Deciding where to implement the improvement? or 2) Examining first what needs to be done? Which one yields the best results?

If focused, effective improvement is a desired output, then examining first what needs to be done may not be the easiest, but certainly yields the best results. A winning strategy, backed up by prudent tactics, laid out in a detailed action plan.

Naturally, all of it must be in consensus. It is not enough that each manager agrees on the outcome nor is it enough that each manager feels that their concerns have been adequately addressed. For true consensus, commitment, and responsibility for ensuring that the resulting action plan will be aggressively implemented, each manager should rightfully feel that their contribution was vital. They should feel that the outcome is their solution both on an overall level and within their area of responsibility.

Consensus on such a level is not a simple issue; there are a number of obstacles blocking it. At least three major obstacles come to mind:

1. Any proposed solution concentrates on only one side of the conflict. In many cases the constraint of the organization revolves around a core conflict. Those who clearly see a solution to one side want to push for moving ahead on that change (the “impatient visionaries”). Consciously or unconsciously they ignore the other side of the conflict because they have learned that looking at both sides will slow or stagnate progress. But there are others on the same management team who cannot ignore the other side of the conflict. Left unresolved, the probability of getting the management team to act on the proposed solution diminishes as each day passes.

2. Any proposed solution is nothing but polishing an existing compromise. The others on the same management team have learnt to tread carefully along a thin line keeping all the conflicting priorities in balance (the “prudent conservatives”). Their experience has shown that rushing in can destabilise the whole system. They therefore wish for changes to proceed with caution, and given the resolve of the “impatient visionaries” the most prudent course of action is compromise. To move onto meaningful dialogue about the proposed solution, one needs to give the entire management team the confidence that challenging and breaking the conflict is by far safer and more stable than polishing the existing compromise.

3. Suggested tactics for improvement are based on extrapolating incorrectly from past experiences. The good news - People do learn from their experience and extrapolate accordingly. The bad news - Mistakes occur when what was taken for granted (i.e., familiarity based on experience *n* times) turns out to be invalid but continues to be the basis for extrapolation. To overcome this the management team needs to challenge themselves by thinking pragmatically and reshape their experiences around solutions with the conflicts and er-

aneous paradigms removed. Only then can they extrapolate from the new perspective and not just from the familiar tactics.

WHY USE TOC – THE RESULTS

TOC is a holistic approach to business incorporating a toolset of logical Thinking Processes, generic solutions derived from applying those Thinking Processes to a variety of functional constraints and a focus on constraints. The successful, proven, generic solutions are in the areas of operations, finance and measurements, engineering / project management, distribution, marketing, sales and buy-in, managing people, and strategy to tactics. A recent book, *“The World of Theory of Constraints”* (Mabin and Balderstone, 2000) provides a summary of typical TOC results culled from a survey of published information from around the world.

- Revenue, throughput, profit – UP 76%
- Due date performance – UP 44%
- Inventory levels – DOWN 49%
- Lead times – DOWN 70%
- Usually within a few months to a year.

If you’re thinking about improving performance, or deciding whether or not TOC is for your organization, contact us at agi@goldratt.com. Typical TOC results may be yours just for the asking!

“Why is it so difficult for people to accept systems thinking?”

BY STEVE SIMPLICIANO

In the inaugural edition of *The TOC Times*, I poised this question to the readership. Either the question itself must be a difficult question to answer, or it really isn’t difficult at all and the vast majority of people we dialogue with willingly view and think from a system’s perspective. Hmmm...

Here are some comments from Lynne Hagan,

a Principle of InterAct. InterAct is a management solutions company located in Tenafly, New Jersey.

Hi Steve:

I think what many of us hit against is the “If it ain’t broke, don’t fix it” syndrome. This seems to come in endless variations. Here are a few I’ve run across:

- Fear of “uncontrollable” negative consequences of greater success. Could this result from lack of clarity/alignment in the system’s declared goal?
- Complacency...our easiest target audience is those that want vast improvement...those who are not satisfied with current results. (The economy is VERY good right now, no?)
- Innate territoriality. Mammals are naturally territorial. Are we fighting against natural instinct?

My favorite of the moment is the assumption that the system should stick to its specialty. I’ve started to think that this derives directly from the assumption that demand outweighs supply. The underlying thought is that share of market is the key metric as opposed to share of customer.

I had a series of interviews with a company specializing in customer loyalty programs last week. I had pitched the idea of expanding their services to include process improvement driven by the by-product of these loyalty programs — “best customer” dialogue/feedback. (As you may have guessed, I’m very interesting in using customer-driven BPI [business process improvement] to better integrate marketing and operational decision-making.) Despite the interest of their key sales & marketing executive, I failed to gain agreement from the principals. (An example of what happens when

you do not use the complete buy-in process.)

The key reason they don’t want to add this service is that it has little to do with what they offer now. They understand that their corporate customers: 1) Are using operations-driven BPI; 2) Fail to use “best customer” feedback beyond customer communications; and 3) Are struggling to become more “customer-centric.” They know that their corporate customers need to find ways to use best customer data to develop and deliver better products/services. They even see how offering BPI services might help their customers overcome many problems. But they do not want to go “outside of their competency.” They do not want to move to a systems thinking perspective.

Lynne Hagan

Hi Steve:

If I didn’t indicate that your brain candy would spur further thought I should have. Here’s the results of the further thought: The problem statement, as I understand it, seems to be: In order to “Manage well,” we must “Maintain quality,” which requires that we “Organize and operate around well-defined functions.” But, in order to “Operate profitably,” we must also “Overcome local optima,” which leads to having to “Organize and operate systemically.”

Key underlying assumptions include the beliefs that: 1) Quality results from special, functional knowledge; 2) No one function and/or department can understand the entire system and maintain their specialization simultaneously; 3) Responsibility for the system must be a tacit assignment; and The capacity for broad and special knowledge cannot be maintained by individuals, functions, or departments simultaneously.

SEE FIGURE 1, OPPOSITE PAGE

This last assumption seems to offer a great deal of promise. From what I can see,

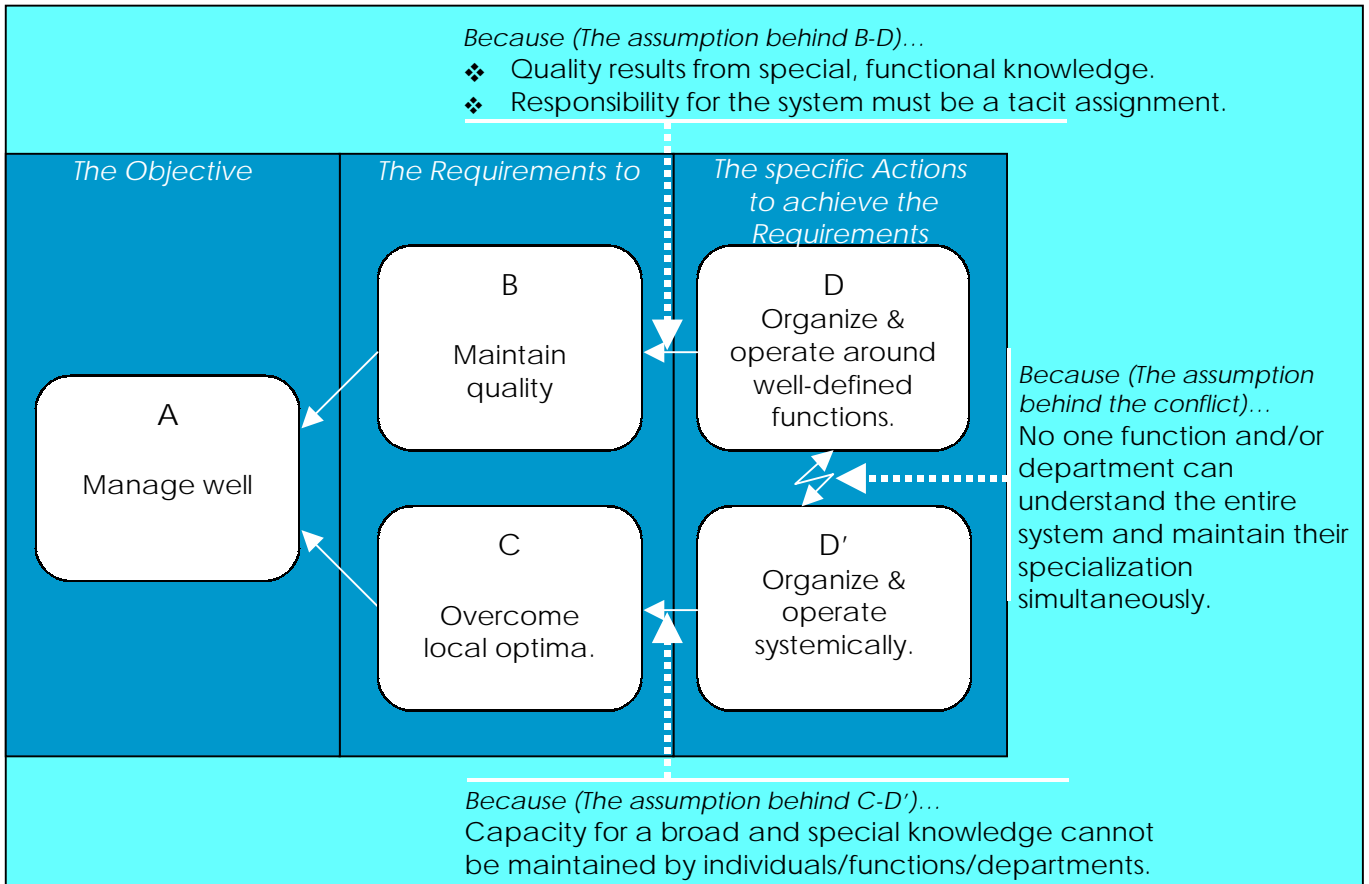


Figure 1. Lynne Hagan’s comments expressed through a conflict resolution diagram called, “The Evaporating Cloud.”

knowledge management automation/systems may be able to help with this, as would performance metrics dually aligned with both functional and systemic excellence and enterprise-wide systems training. I know I’ve spoken to several Jonahs who’ve said that system responsibility lies with CEO’s, Presidents, SVP’s etc. This seems obvious, except for the reality of how these functions now work.

Lynne Hagan

Who else cares to contribute their thoughts on this subject? Send them to me at steve.simpliciano@goldratt.com.

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Announcements!

Department of Veterans Affairs to go for Other Than Full and Open Competition with the Avraham Y. Goldratt Institute.

The following was posted to the Commerce Business Daily on August 8, 2000:

“This notice is an intent to negotiate a Sole Source Contract with Avraham Y. Goldratt Institute for the purpose of the facilitation of the Theory of Constraints (TOC) Thinking Processes and Logistical Applications (Drum-Buffer-Rope, Replenishment and Critical Chain Project Management) to assist the Department of Veterans Affairs (VA). VA intends to utilize the TOC in the develop-

ment of a strategy to align its Ambulatory Care Data (ACD) and business processes to realize VA’s strategic and tactical objectives, and the development of a preliminary implementation plan for putting the strategy into place. This notice may represent the only official notice. Sole Source authority FAR Subpart 6.302-1 will satisfy the agency requirements under the authority Only one responsible source and no other supplies can offer the required services. A justification for Other than Full and Open Competition has been prepared in support of this acquisition.”

There being no other capabilities statements submitted, the closing date for consideration by the Government was 4:00 p.m. on August 11, 2000. Tracey Burton-Houle, AGI Partner will be leading this effort.

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The following is an official announcement from Boeing Phantom Works and Defense and Space:

“The Boeing Company, Phantom Works Defense and Space announces a cooperative arrangement with the Avraham Y. Goldratt Institute (AGI).

The Phantom Works and Defense and Space has selected AGI as the sole source supplier of TOC in coordination with courses offered through Washington State University, School of Engineering. Under this agreement, Dr. James Holt is responsible to Boeing Phantom Works and Defense and Space for WSU accredited coursework, and Steve Simpliciano is responsible to Boeing Phantom Works and Defense and Space for all other TOC-related training, implementation and support. As a result of this teaming arrangement, we expect a smoother, more effective integration of TOC knowledge into our operations.”

Please note that this information is being made available with the permission of The Boeing Company, Phantom Works Defense and Space.

Avraham Y. Goldratt Institute And Brazilian Institute For Quality And Productivity – Parana (IBQP-PR) Conclude Agreement for Ten-Year Partnership

In May 2000, Lúcio Renato de Fraga Brush, the General Director of IBQP-PR, invited



LUIS RODRIGUES - IBQP

Steve Simpliciano (Dean of AGI Academy) and Celso Calia (Partner, AGI-Brazil) to the Ninth International Pro-



IBQP DELEGATION

ductivity Symposium to deliver a presentation entitled *The Theory of Constraints And Its Implications For Sustaining Society Through Productivity*. Following the presentation, Messrs. Brush and Simpliciano along with Dr. Luis Henrique Rodrigues (UNISINOS) spent the next two days negotiating arrangements for bringing the Theory of Constraints to IBQP-PR’s instructional and consulting staff, as well as its networked faculty from Brazilian universities.

Following the JEMBA 2000 Symposium (July 16 to 21) in Saint Paul, Minnesota, Steve Simpliciano and Fulgêncio Torres (IBQP-PR Technical Director) signed a ten-year partnership agreement. According to Mr. Torres, “The agreement will be co-signed by Mr. Brush and translated into Portuguese to be considered a binding agreement under Brazilian law.” The agreement was successfully concluded after a month-and-a-half negotiation between IBQP-PR and AGI. Under the partnership agreement, AGI will allow IBQP-PR access to all of its Know-how, copyrighted courses, course materials, Thinking Processes, Socratic teaching aids and other materials, based upon the Know-how under the terms of the partnership forged under the Initiative for a Joint AGI/University (Executive) MBA Program Alliance.

IBQP-PR is a non-profit organization established for the purpose of increasing the productivity of Brazilian businesses, primarily through the education of Brazilian society at large.

TOC Sightings

Eltek Reports Continuing Growth; 1Q00 Revenues Up 38 Percent, EPS \$0.15; Net Income Up 31 Percent from 4Q99

PETACH-TIKVA, Israel, Aug. 2 /PRNewswire/ — Eltek Ltd. (Nasdaq: ELTK), the leading Israeli manufacturer of advanced circuitry solutions, today reported continued improvement and growth for first quarter 2000, ended June 30.

Revenues for the first quarter rose to NIS 28.8 million (\$7.1 million), a gain of 37.7 percent over the first quarter of 1999. Although revenues were flat compared to the fourth quarter of 1999, (NIS 28.7 million (\$7.0 million), the lack of growth was attributable to fewer days of production as a result of legal holidays in Israel.

First quarter net income reached NIS 3.0 million (\$0.7 million) or NIS 0.60 per share (\$0.15 per share) against a loss of NIS 6.1 million (\$1.5 million) or NIS 1.29 per share (\$0.32 per share) for the first quarter of last year. Compared to the fourth quarter of 1999, net income increased 31 percent.

Gross profit in the first quarter amounted to NIS 6.6 million (\$1.6 million) compared with NIS 1.9 million (\$0.5 million) for the first quarter of 1999. Operating income was NIS 3.7 million (\$0.9 million), a significant recovery from a loss of NIS 0.9 million (\$0.2 million) for the prior year’s quarter.

Selling, general and administrative expenses were substantially the same as the equivalent 1999 quarter at NIS 2.9 million (\$0.7 million).

Eltek President Arie Reichart said the results were consistent with management’s expectations. The strong first quarter came in the wake of a good fourth quarter for 1999 and Mr. Reichart noted that net income for first quarter increased substantially from the prior quarter, despite the relatively flat revenues.

“As we have been predicting over the past several months, Eltek’s operating results are increasingly positive and we expect that this positive trend will continue,” Mr. Reichart declared. “We have been focusing on new opportunities and on increasing our market share.”

Mr. Reichart added that the Company’s improved results were a result of several factors, including the continued implementation of the **Theory of Constraints (T.O.C.)** by RAMS Ltd., the Israeli branch of the Goldratt Institute; structural reorganization to intensify Eltek’s focus on technological advancement in development and production and the overall strength of the PCB market.

Eltek’s ongoing investment of \$7.0 million in HDI (High Density Interconnect) equipment is a part of this new focus and Mr. Reichart said that the shift into HDI technology is expected to spur both long and short-term growth for the Company. Mr. Reichart also stated that Eltek’s HDI system would promote the Company’s penetration into the growing state-of-the-art HDI market and would enhance its existing manufacturing operations through yield improvements.

“Eltek’s mission is to set the pace for new technology and quality in our industry,” Mr. Reichart declared. “We are dedicated to accelerating growth in our business and maximizing shareholder value.”



TechnoTips

In the July 2000 monthly edition of TOC Times, we took a look at using comments to review a presentation. In this edition we would like to focus on another PowerPoint feature that collaborates nicely with Comments - Routing. Since we often want more than one person’s feedback, and often multiple reviewers

will build off of one another’s comments and insight, PowerPoint provides a way to share the file with many people - in order. With routing, the first person sends the presentation to the second, the second to the third, and so on, without it having to come back to you for remailing at each step.

Configuring a File for Routing

To route a presentation file, follow these steps:

1 Within the presentation, choose File - Send To - Routing Recipient.

1 If you see a Choose Profile dialog box, click the profile you want to use and click OK. This happens only if you have multiple Outlook or Microsoft Exchange profiles set up on your computer.

3 The Add Routing Slip dialog box opens. Click the Address button. Your address book appears.

4 Select a recipient (or recipients) and click the To button to move their names to the Message Recipients list. Then click OK

The names now appear in the Add Routing Slip dialog box. If you need to rearrange the names on the list, use the Move up and down arrow button to move a name on the list.

If you want to change the subject in the Subject line, do so.

If you want to include comments, add them in the Message text area. This is where you might give reviewers a deadline, and possibly remind them to use the comments feature.

In the Route to Recipients box, choose One after another, or All at once to describe how you want the routing done. Use the former if it is important for each person to see the previous people’s

comments; use the latter if it is not.

1 Click Add Slip.

2 Choose File - Send To - Next Routing Recipient. A send dialog box appears.

3 Click OK to send it. PowerPoint sends the routing to your e-mail program’s Outbox, to be sent to the recipient the next time mail is sent.

When the recipient receives the e-mail message and opens the attachment in PowerPoint, it looks just like a normal presentation. He or she can make changes, save a copy, and perform all the normal PowerPoint activities.

To send the presentation to the next routing recipient, the reviewer would then do the following:

1 Choose File - Send To - Next Routing Recipient.

2 When the Send dialog box appears, showing the name of the next recipient, click OK

When the routing is finished, the presentation returns to you, the sender, and you can check out the changes and suggestions that were made.

While the TechnoTips are based on Microsoft Office 2000 versions of software, many, if not all, of these features operate with earlier versions of software. The steps for the featured tips are taken from many sources, including the on-line help files of the specific software applications, as well as reference books from the IDG Books Bible series (i.e. Microsoft Excel 2000 Bible, PowerPoint 2000 Bible). If you have tips, tricks, questions, or answers on any technical topic, please send them to shannon-lange@goldratt.com for incorporation into future TechnoTips articles.

Up Close and Personnel

You've all heard the saying "behind every successful man is a surprised woman." Well, we here at AGI have a variation on that saying "behind every successful AGI event is our client services team." Robbin Inorio and Sylvia Ebbson are AGI's Directors of Client Relations and Conference Management and are two invaluable components in AGI's formula for success. Working together they are able to ensure that everything from AGI's in-house classes, to the service a customer receives on the phone, to running our large international conferences are nothing less than smooth, professional, and glitch free.

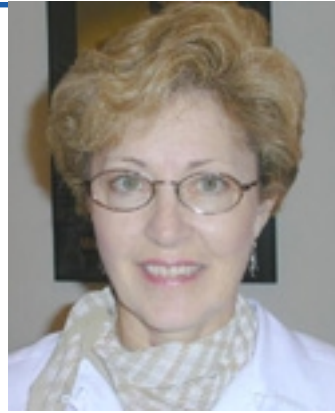


ROBBIN INORIO

Robbin began with AGI in April of 1995 in our client services department. Prior to her employment here, she worked in development for non-profit organizations. Robbin is also the driving force behind many of the philanthropic events that AGI involves itself with (she constantly organizes canned food drives and keeps us informed about charitable events in the community). Along with co-captain Sylvia, Robbin led AGI to a top ten finish in last years Diabetes Walk for the Cure – West Haven Location, and is aiming to capture the title this year! (Donations can be sent to AGI c/o Robbin Inorio or Sylvia Ebbson)

Sylvia has a slightly different story as she has been with the company since its days as Creative Output (the exact date is a deeply guarded secret). She started working for AGI in January of 1991 and has been lending her client services expertise to us since 1993. Since Sylvia has been with AGI for almost 10 years she is a great resource for all types of AGI historical information. In addition

to the client services aspect of her job, Sylvia assists AGI Associates and Licensees with invoicing and material requests for specific programs.



SYLVIA EBBSON

Robbin and Sylvia are already hard at work in planning next year's TOC World 2001. If past events are any guide, it is sure to be a smashing success. When Sylvia and Robbin team up you can always be assured of top quality customer service and a friendly smile.

If you have any questions or comments you can reach Robbin and Sylvia at robbin.inorio@goldratt.com, or sylvia.ebbson@goldratt.com.

Summary of TOC World2000

TOC World was a great success, with over 400 registrants representing 23 different countries and over 175 different companies and organizations! This includes top executives from companies such as Johnstech International, 3M Company, The Boeing Company, DaimlerChrysler, and Mercruiser, to name a few.

Following welcome remarks by Dale, the conference started off with a bang on Tuesday morning with a well-received keynote by Eli on the topic of MRP and e-business. Eli announced that his new book, covering this same topic, will be available in the October/November time frame. A few attendees even received early transcripts!

Corporate presentations were held throughout each day, and for those of you who missed

the event, or were taking advantage of the many educational sessions held, these and other main room presentations will be available to purchase on videotape, via the AGI website.

The TP Re-Certification session, although initially not drawing much interest in advance of the conference, packed the room with Jonahs looking to be updated in the TP skills. Executive Director Bill McClelland facilitated the session, and those that attended will be sent the new TP Field Guide. Packed rooms were the norm for the conference, with standing room only in sessions by Oded Cohen, Dale Houle and Hugh Cole. Jonahs and non-Jonahs alike were craving as much information on TOC as they could get!

Everyone relaxed and networked at the Welcome Reception, where an ice carving of the new AGI logo was displayed. What has become an AGI staple, the conference raffle gave away more prizes than in the past, and the winner of the Grand Prize – a complimentary Jonah Program – was Michael Trilling of Raytheon/Adam Opel AG in Germany. Other winners included Tony Cardella, AGI Associate from Texas, who won a Goal Videotape; Frank Patrick, AGI Associate from New Jersey, who won an AGI logo hat, Rex Draman, Academic Associate from Texas, and Virginia Thompson, licensee from the state of Virginia, won hats.

The AGI network was in fine display during the conference in their oxford shirt regalia, featuring the new AGI logo. There were some sizing and color issues due to some vendor supply problems, but most everyone made the best of the situation, and traded shirts around to get the best potential wardrobe!

The schedule has been set for TOC World 2001 AND 2002 – so mark your calendars, plan your travel and join us again for this continuously expanding conference. These

conferences serve as a way to meet new faces, visit with old friends, and continue on the learning curve with TOC.

“The First Annual Defense Summit”

This is a synopsis of the article that originally appeared in the August monthly newsletter.

The first Annual Defense Summit on Theory of Constraints was held in conjunction with the TOC World 2000 event (July 18 to 21 in Saint Paul, Minnesota). Over 40 participants from the contractor, logistics, test and evaluation, analysis, and policy fields attended the summit.

The objectives of the summit were to allow: 1) Major players in the defense industry to see for themselves what TOC looks like in their environment; 2) The audience to raise important issues the defense industry must address to allow work to be accomplished more responsively while being more cost effective; 3) The audience to network with each other and share “lessons learned;” and 4) Policy makers to become better acquainted with industry concerns, and understand the initiatives being undertaken to improve processes and practices.

The Air Force Operational Test and Evaluation Center (multi-project management) and the Materiel Directorate of Israeli Air Force (enterprise-wide) started the day with presentations on implementing TOC within their respective agencies.

Summit invitees then adjourned to a private luncheon with Dr. Sheila Widnall (MIT Abby Rockefeller Mauze Professor of Aeronautics and Astronautics, and former Secretary of the Air Force) delivering the keynote address on *Partnership for the Future – The Answer to Value Driven Defense*.

Dr. Widnall addressed issues on understanding Lean to Mean value driven and eliminating waste from the traditional view of cutting resources. She also urged the acquisitions and defense community to break down policies that prohibit the defense community from bringing in usable industry practices. Dr. Widnall closed with the point that lower costs must be viewed as an output and not an input, and that the answer for the future would need to be “Better, Faster, and then Cheaper.”

The formal program concluded with a special presentation from BAE Systems.

JEMBA Synopsis:

The Initiative for a Joint Avraham Y. Goldratt Institute/University (Executive) MBA Program Alliance – JEMBA - is geared for those universities, corporate and traditional, that have a desire to formally include TOC in their courses and curricula. Although entitled “Executive” MBA, the symposium equally applies to management in the areas of engineering, health care, public administration, and extends to the arena of executive education.

For More Detailed information on TOC World 2000, please go to www.goldratt.com/toctquarterly/2000recap.pdf

**Mark Your Calendars!!!
TOC World 2001
June 19-22**

**TOC World 2002
June 25-29**

“Necessary but not Sufficient” the new book from Dr. Eli Goldratt – is scheduled for release in early Fall!

Dr. Goldratt is holding a 2-day workshop in conjunction with the release of his new book. Visit the AGI website over the coming weeks for further details on this event, taking place November 8-9 in Indianapolis, Indiana.

Please check www.goldratt.com in the coming weeks for updated information, or to register for this exciting 2-day event.

In our continuing “Who’s the Oldest Jonah by Age” contest – we have a new golden oldie – Mr. John Heiman of New York, whose birthdate is July 22, 1932. Any other Jonah’s care to challenge John for the title?? Email robbin.inorio@goldratt.com or sylvia.ebbson@goldratt.com.

September sees the Olympic Games coming to Sydney, Australia - hope you’ll all be watching. The members of the Australia office will be working with the teams in the Olympic Village, participating in the Opening and Closing Ceremonies and, of course, going along as spectators to events.