

Goal – by goldratt

Business, Industries



Captured by Plamen T. THE GOAL A Process of Ongoing Improvement THIRD REVISED EDITION By Eliyahu M. Goldratt and Jeff Cox With interviews by David Whitford, Editor at Large, Fortune Small Business North River Press
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The Goal is about science and education.

I believe that these two words have been abused to the extent that their original meanings have been lost in a fog of too much respect and mystery. Science for me, and for the vast majority of respectable scientists, is not about the secrets of nature or even about truths. Science is simply the method we use to try and postulate a minimum set of assumptions that can explain, through a straightforward logical derivation, the existence of many phenomena of nature. The Law of Conservation of Energy of physics is not
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truth. It is just an assumption that is valid in explaining a tremendous amount of natural phenomena.

Such an assumption can never be proven since even an infinite number of phenomena that can be explained by it does not prove its universal application. On the other hand, it can be disproved by just a single phenomenon that cannot be explained by the assumption. This disproving does not detract from the validity of the assumption. It just highlights the need or even the existence of another assumption that is more valid. This is the case with the assumption of the conservation of energy which was replaced by Einstein's more global-more valid -postulation of the conservation of energy and mass.

Einstein's assumption is not true to the same extent that the previous one was not "true". Somehow we have restricted the connotation of science to a very selective, limited assemblage of natural phenomena. We refer to science when we deal with physics, chemistry or biology. We should also realize that there are many more phenomena of nature that do not fall into these categories, for instance those phenomena we see in organizations, particularly those in industrial organizations. If these phenomena are not phenomena of nature, what are they?

Do we want to place what we see in organizations to the arena of fiction rather than into reality? E. M. Goldratt The Goal: A Process of Ongoing Improvement Captured by Plamen T. 2 This book is an attempt to show that we can postulate a very small number of assumptions and utilize them to explain a very large spectrum of industrial phenomena. You the reader can

judge whether or not the logic of the book's derivation from its assumptions to the phenomena we see daily in our plants is so flawless that you call it common sense. Incidentally, common sense is not so common and is the highest praise we give to a chain of logical conclusions.

If you do, you basically have taken science from the ivory tower of academia and put it where it belongs, within the reach of every one of us and made it applicable to what we see around us. What I have attempted to show with this book is that no exceptional brain power is needed to construct a new science or to expand on an existing one. What is needed is just the courage to face inconsistencies and to avoid running away from them just because "that's the way it was always done". I dared to interweave into the book a family life struggle, which I assume is quite familiar to any manager who is to some extent obsessed with his work.

This was not done just to make the book more popular, but to highlight the fact that we tend to disqualify many phenomena of nature as irrelevant as far as science is concerned. I have also attempted to show in the book the meaning of education. I sincerely believe that the only way we can learn is through our deductive process. Presenting us with final conclusions is not a way that we learn. At best it is a way that we are trained. That's why I tried to deliver the message contained in the book in the Socratic way.

Jonah, in spite of his knowledge of the solutions, provoked Alex to derive them by supplying the question marks instead of the exclamation marks. I believe that because of this method, you the reader will deduce the answers well before Alex Rogo succeeds in doing so. If you find the book entertaining

maybe you will agree with me that this is the way to educate, this is the way we should attempt to write our textbooks. Our textbooks should not present us with a series of end results but rather a plot that enables the reader to go through the deduction process himself.

If I succeed by this book to change somewhat your perception of science and education, this is my true reward. E. M. Goldratt *The Goal: A Process of Ongoing Improvement* Captured by Plamen T. 3 INTRODUCTION TO THE FIRST EDITION "The Goal" is about New global principles of manufacturing. It's about people trying to understand what makes their world tick so that they can make it better. As they think logically and consistently about their problems they are able to determine "cause and effect" relationships between their actions and the results.

In the process they deduce some basic principles which they use to save their plant and make it successful. I view science as nothing more than an understanding of the way the world is and why it is that way. At any given time our scientific knowledge is simply the current state of the art of our understanding. I do not believe in absolute truths. I fear such beliefs because they block the search for better understanding. Whenever we think we have final answers progress, science, and better understanding ceases.

Understanding of our world is not something to be pursued for its own sake, however.

Knowledge should be pursued, I believe, to make our world better—to make life more fulfilling. There are several reasons I chose a novel to explain my understanding of manufacturing—how it works (reality) and why it works that

way. First, I want to make these principles more understandable and show how they can bring order to the chaos that so often exists in our plants. Second, I wanted to illustrate the power of this understanding and the benefits it can bring. The results achieved are not fantasy; they have been, and are being, achieved in real plants. The western world does not have to become a second or third rate manufacturing power.

If we just understand and apply the correct principles, we can compete with anyone. I also hope that readers would see the validity and value of these principles in other organizations such as banks, hospitals, insurance companies and our families. Maybe the same potential for growth and improvement exists in all organizations. Finally, and most importantly, I wanted to show that we can E. M. Goldratt The Goal: A Process of Ongoing Improvement Captured by Plamen T. 4 all be outstanding scientists. The secret of being a good scientist, I believe, lies not in our brain power. We have enough.

We simply need to look at reality and think logically and precisely about what we see. The key ingredient is to have the courage to face inconsistencies between what we see and deduce and the way things are done. This challenging of basic assumptions is essential to breakthroughs. Almost everyone who has worked in a plant is at least uneasy about the use of cost accounting efficiencies to control our actions. Yet few have challenged this sacred cow directly. Progress in understanding requires that we challenge basic assumptions about how the world is and why it is that way.

If we can better understand our world and the principles that govern it, I suspect all our lives will be better. Good luck in your search for these principles and for your own understanding of " The Goal. " E. M. Goldratt The Goal: A Process of Ongoing Improvement Captured by Plamen T. 5 ABOUT THE AUTHOR Dr. Eli Goldratt's book, The Goal has been a best seller since 1984 and is recognized as one of the best-selling management books of all time. Recently, the Japanese edition of The Goal sold over 500, 000 copies in less than one year after being released.

Eli Goldratt is the author of many other books including the business novels, It's Not Luck (the sequel to The Goal), Critical Chain, and Necessary but Not Sufficient. His books have been translated into 27 languages and sales have exceeded 6 million copies worldwide. His latest book is, Necessary but Not Sufficient, which focuses on the low rate of return obtained by companies on their huge investments in IT and enterprise resource planning (ERP) systems. Eli Goldratt is the founder of TOC for education; a non-profit organization dedicated to bringing TOC thinking and tools to teachers and their students ([www. ocforeducation. com](http://www.ocforeducation.com)). Dr. Goldratt currently spends his time promoting TOC for Education and The Goldratt Group while he continues to write, lecture and consult. For more information on Eli Goldratt and his current projects visit his web site at: [www. eligoldratt. com](http://www.eligoldratt.com). E. M. Goldratt The Goal: A Process of Ongoing Improvement Captured by Plamen T. 6 THE GOAL THIRD REVISED EDITION E. M. Goldratt The Goal: A Process of Ongoing Improvement Captured by Plamen T. 7 1 I come through the gate this morning at 7: 30 and I can see it from across the lot: the crimson Mercedes. It's parked beside the plant, next to the offices.

And it's in my space. Who else would do that except Bill Peach? Never mind that the whole lot is practically empty at that hour. Never mind that there are spaces marked " Visitor. " No, Bill's got to park in the space with my title on it. Bill likes to make subtle statements. So, okay, he's the division vice-president, and I'm just a mere plant manager. I guess he can park his damn Mercedes wherever he wants. I put my Mazda next to it (in the space marked " Controller"). A glance at the license as I walk around it assures me it has to be Bill's car because the plate says " NUMBER 1. And, as we all know, that's absolutely correct in terms of who Bill always looks out for. He wants his shot at CEO. But so do I. Too bad that I may never get the chance now. Anyway, I'm walking up to the office doors. Already the adrenalin is pumping. I'm wondering what the hell Bill is doing here. I've lost any hope of getting any work done this morning. I usually go in early to catch up on all the stuff I'm too busy to do during the day, because I can really get a lot done before the phone rings and the meetings start, before the fires break out. But not today. " Mr. Rogo! I hear someone calling. I stop as four people come bursting out of a door on the side of the plant. I see Dempsey, the shift supervisor; Martinez, the union steward; some hourly guy; and a machining center foreman named Ray. And they're all talking at the same time. Dempsey is telling me we've got a problem. Martinez is shouting about how there is going to be a walkout. The hourly guy is saying something about harassment. Ray is yelling that we can't finish some damn thing because we don't have all the parts. Suddenly I'm in the middle of all this. I'm looking at them; they're looking at me.

And I haven't even had a cup of coffee yet. When I finally get everyone calmed down enough to ask what's going on, I learn that Mr. Peach arrived about an hour before, walked into my plant, and demanded to be shown the status of Customer Order Number 41427. E. M. Goldratt *The Goal: A Process of Ongoing Improvement* Captured by Plamen T. 8 Well, as fate would have it, nobody happened to know about Customer Order 41427. So Peach had everybody stepping and fetching to chase down the story on it. And it turns out to be a fairly big order. Also a late one. So what else is new? Everything in this plant is late.

Based on observation, I'd say this plant has four ranks of priority for orders: Hot . . . Very Hot . . . Red Hot . . . and Do It NOW! We just can't keep ahead of anything. As soon as he discovers 41427 is nowhere close to being shipped, Peach starts playing expeditor. He's storming around, yelling orders at Dempsey. Finally it's determined almost all the parts needed are ready and waiting—stacks of them. But they can't be assembled. One part of some sub-assembly is missing; it still has to be run through some other operation yet. If the guys don't have the part, they can't assemble, and if they can't assemble, naturally, they can't ship.

They find out the pieces for the missing subassembly are sitting over by one of the n/c machines, where they're waiting their turn to be run. But when they go to that department, they find the machinists are not setting up to run the part in question, but instead some other do-it-now job which somebody imposed upon them for some other product. Peach doesn't give a damn about the other do-it-now job. All he cares about is getting 41427 out

the door. So he tells Dempsey to direct his foreman, Ray, to instruct his master machinist to forget about the other super-hot gizmo and get ready to run the missing part for 41427.

Whereupon the master machinist looks from Ray to Dempsey to Peach, throws down his wrench, and tells them they're all crazy. It just took him and his helper an hour and a half to set up for the other part that everyone needed so desperately. Now they want to forget about it and set up for something else instead? The hell with it! So Peach, always the diplomat, walks past my supervisor and my foreman, and tells the master machinist that if he doesn't do what he's told, he's fired. More words are exchanged. The machinist threatens to walk off the job. The union steward shows up. Everybody is mad.

Nobody is working. And now I've got four upset people greeting me bright and early in front of an idle plant. " So where is Bill Peach now? " I ask. " He's in your office," says Dempsey. " Okay, would you go tell him I'll be in to talk to him in a minute," I ask. E. M. Goldratt The Goal: A Process of Ongoing Improvement Captured by Plamen T. 9 Dempsey gratefully hurries toward the office doors. I turn to Martinez and the hourly guy, who I discover is the machinist. I tell them that as far as I'm concerned there aren't going to be any firings or suspensions—that the whole thing is just a misunderstanding.

Martinez isn't entirely satisfied with that at first, and the machinist sounds as if he wants an apology from Peach. I'm not about to step into that one. I also happen to know that Martinez can't call a walkout on his own authority. So I say if the union wants to file a grievance, okay; I'll be glad to talk to the local

president, Mike O'Donnell, later today, and we'll handle everything in due course. Realizing he can't do anything more before talking to O'Donnell anyway, Martinez finally accepts that, and he and the hourly guy start walking back to the plant. " So let's get them back to work," I tell Ray. Sure, but uh, what should we be working on? " asks Ray. " The job we're set up to run or the one Peach wants? " " Do the one Peach wants," I tell him. " Okay, but we'll be wasting a set-up," says Ray. " So we waste it! " I tell him. " Ray, I don't even know what the situation is. But for Bill to be here, there must be some kind of emergency. Doesn't that seem logical? " " Yeah, sure," says Ray. " Hey, I just want to know what to do. " " Okay, I know you were just caught in the middle of all this," I say to try to make him feel better. " Let's just get that setup done as quick as we can and start running that part. " Right," he says. Inside, Dempsey passes me on his way back to the plant. He's just come from my office and he looks like he's in a hurry to get out of there. He shakes his head at me. " Good luck," he says out of the corner of his mouth. The door to my office is wide open. I walk in, and there he is. Bill Peach is sitting behind my desk. He's a stocky, barrel-chested guy with thick, steely-gray hair and eyes that almost match. As I put my briefcase down, the eyes are locked onto me with a look that says This is your neck, Rogo. " Okay, Bill, what's going on? " I ask. He says, " We've got things to talk about. Sit down. " I say, " I'd like to, but you're in my seat. " It may have been the wrong thing to say. E. M. Goldratt The Goal: A Process of Ongoing Improvement Captured by Plamen T. 10 " You want to know why I'm here? " he says. " I'm here to save your lousy skin. " I tell him, " Judging from the reception I just got, I'd say you're here to ruin my labor relations. " He looks

straight at me and says, " If you can't make some things happen around here, you're not going to have any labor to worry about. Because you're not going to have this plant to worry about. In fact, you may not have a job to worry about, Rogo. " Okay, wait a minute, take it easy," I say. " Let's just talk about it. What's the problem with this order? " First of all, Bill tells me that he got a phone call last night at home around ten o'clock from good old Bucky Burnside, president of one of UniCo's biggest customers. Seems that Bucky was having a fit over the fact that this order of his (41427) is seven weeks late. He proceeded to rake Peach over the coals for about an hour. Bucky apparently had gone out on a limb to sway the order over to us when everybody was telling him to give the business to one of our competitors.

He had just had dinner with several of his customers, and they had dumped all over him because their orders were late—which, as it happens, was because of us. So Bucky was mad (and probably a little drunk). Peach was able to pacify him only by promising to deal with the matter personally and by guaranteeing that the order would be shipped by the end of today, no matter what mountains had to be moved. I try to tell Bill that, yes, we were clearly wrong to have let this order slide, and I'll give it my personal attention, but did he have to come in here this morning and disrupt my whole plant?

So where was I last night, he asks, when he tried to call me at home? Under the circumstances, I can't tell him I have a personal life. I can't tell him that the first two times the phone rang, I let it ring because I was in the middle of a fight with my wife, which, oddly enough, was about how little attention I've

been giving her. And the third time, I didn't answer it because we were making up. I decide to tell Peach I was just late getting home. He doesn't press the issue. Instead, he asks how come I don't know what's going on inside my own plant. He's sick and tired of hearing complaints about late shipments.

Why can't I stay on top of things? " One thing I do know," I tell him, " is that after the second round of layoffs you forced on us three months ago, along with E. M. Goldratt *The Goal: A Process of Ongoing Improvement* Captured by Plamen T. 11 the order for a twenty percent cutback, we're lucky to get anything out the door on time. " " Al," he says quietly, " just build the damn products. You hear me? " " Then give me the people I need! " I tell him. " You've got enough people! Look at your efficiencies, for god's sake! You've got room for improvement, Al," he says. Don't come crying to me about not enough people until you show me you can effectively use what you've got. " I'm about to say something when Peach holds up his hand for me to shut my mouth. He stands up and goes over to close the door. Oh shit, I'm thinking. He turns by the door and tells me, " Sit down. " I've been standing all this time. I take a seat in one of the chairs in front of the desk, where a visitor would sit. Peach returns behind the desk. " Look, Al, it's a waste of time to argue about this. Your last operations report tells the story," says Peach. I say, " Okay, you're right.

The issue is getting Burnside's order shipped—" Peach explodes. " Dammit, the issue is not Burnside's order! Burnside's order is just a symptom of the problem around here. Do you think I'd come down here just to expedite a

late order? Do you think I don't have enough to do? I came down here to light a fire under you and everybody else in this plant. This isn't just a matter of customer service. Your plant is losing money." He pauses for a moment, as if he had to let that sink in. Then —bam—he pounds his fist on the desk top and points his finger at me. " And if you can't get the orders out the door," he continues, then I'll show you how to do it. And if you still can't do it, then I've got no use for you or this plant. " " Now wait a minute, Bill—" " Dammit, I don't have a minute! " he roars. " I don't have time for excuses anymore. And I don't need explanations. I need performance. I need shipments. I need income! " " Yes, I know that, Bill. " " What you may not know is that this division is facing the worst losses in its history. We're falling into a hole so deep we may never get out, and your plant is the anchor pulling us in. " I feel exhausted already. Tiredly I ask him, " Okay, what do E. M. Goldratt The Goal: A Process of Ongoing Improvement

Captured by Plamen T. 12 you want from me? I've been here six months. I admit it's gotten worse instead of better since I've been here. But I'm doing the best I can. " " If you want the bottom line, Al, this is it: You've got three months to turn this plant around," Peach says. " And suppose it can't be done in that time? " I ask. " Then I'm going to go to the management committee with a recommendation to close the plant," he says. I sit there speechless. This is definitely worse than anything I expected to hear this morning. And, yet, it's not really that surprising. I glance out the window.

The parking lot is filling with the cars of the people coming to work first shift. When I look back, Peach has stood up and is coming around the desk. He sits

down in the chair next to me and leans forward. Now comes the reassurance, the pep talk. " Al, I know that the situation you inherited here wasn't the best. I gave you this job because I thought you were the one who could change this plant from a loser to ... well, a small winner at least. And I still think that. But if you want to go places in this company, you've got to deliver results. " " But I need time, Bill. " " Sorry, you've got three months.

And if things get much worse, I may not even be able to give you that. " I sit there as Bill glances at his watch and stands up, discussion ended. He says, " If I leave now, I'll only miss my first meeting. " I stand up. He walks to the door. Hand on the knob, he turns and says with a grin, " Now that I've helped you kick some ass around here, you won't have any trouble getting Bucky's order shipped for me today, will you? " " We'll ship it, Bill," I say. " Good," he says with a wink as he opens the door. A minute later, I watch from the window as he gets into his Mercedes and drives toward the gate. Three months.

That's all I can think about. I don't remember turning away from the window. I don't know how much time has passed. All of a sudden, I'm aware that I'm sitting at my desk and I'm staring into space. I decide I'd better go see for myself what's happening out in the plant. From the shelf by the door, I get my hard hat and safety glasses and head out. I pass my secretary. E. M. Goldratt The Goal: A Process of Ongoing Improvement Captured by Plamen T. 13 " Fran, I'll be out on the floor for a little while," I tell her as I go by. Fran looks up from a letter she's typing and smiles. " Okey-dokey," she says. By the way, was that Peach's car I saw in your space this morning? " " Yes, it

was. " " Nice car," she says and she laughs. " I thought it might be yours when I first saw it. " Then I laugh. She leans forward across the desk. " Say, how much would a car like that cost? " she asks. " I don't know exactly, but I think it's around sixty thousand dollars," I tell her. Fran catches her breath. " You're kidding me! That much? I had no idea a car could cost that much. Wow. Guess I won't be trading in my Chevette on one of those very soon. " She laughs and turns back to her typing. Fran is an " okey-dokey" lady. How old is she?

Early forties I'd guess, with two teen-aged kids she's trying to support. Her ex-husband is an alcoholic. They got divorced a long time ago . . . since then, she's wanted nothing to do with a man. Well, almost nothing. Fran told me all this herself on my second day at the plant. I like her. I like her work, too. We pay her a good wage ... at least we do now. Anyway, she's still got three months. Going into the plant is like entering a place where satans and angels have married to make kind of a gray magic. That's what it always feels like to me. All around are things that are mundane and miraculous.

I've always found manufacturing plants to be fascinating places—even on just a visual level. But most people don't see them the way I do. Past a set of double doors separating the office from the plant, the world changes. Overhead is a grid of lamps suspended from the roof trusses, and everything is cast in the warm, orange hues of sodium-iodine light. There is a huge chain-link cage which has row after row of floor-to-roof racks loaded with bins and cartons filled with parts and materials for everything we make. In a

skinny aisle between two racks rides a man in the basket of a forklift crane that runs along a track on the ceiling.

Out on the floor, a reel of shiny steel slowly unrolls into the machine that every few seconds says " Ca-chunk. " Machines. The plant is really just one vast room, acres of i-pace. filled with machines. They are organized in blocks and the E. M. Goldratt The Goal: A Process of Ongoing Improvement Captured by Plamen T. 14 blocks are separated by aisles. Most of the machines are painted in solid March Gras colors—orange, purple, yellow, blue. From some of the newer machines, ruby numbers shine from digital displays. Robotic arms perform programs of mechanical dance.

Here and there, often almost hidden among the machines, are the people. They look over as I walk by. Some of them wave; I wave back. An electric cart whines past, an enormous fat guy driving it. Women at long tables work with rainbows of wire. A grimy guy in amorphous coveralls adjusts his face mask and ignites a welding torch. Behind glass, a buxom, red-haired woman pecks the keys on a computer terminal with an amber display. Mixed with the sights is the noise, a din with a continuous underlying chord made by the whirr of fans, motors, the air in the ventilators—it all sounds like an endless breath.

At random comes a BOOM of something inexplicable. Behind me ring the alarm bells of an overhead crane rumbling up its track. Relays click. The siren sounds. From the P. A. system, a disembodied voice talks like God, intermittently and incomprehensibly, over everything. Even with all that noise, I hear the whistle. Turning, I see the unmistakable shape of Bob

Donovan walking up the aisle. He's some distance away. Bob is what you might call a mountain of a man, standing as he does at six-foot-four. He weighs in at about 250 pounds, a hefty portion of which is beer gut. He isn't the prettiest guy in the world ...

I think his barber was trained by the Marines. And he doesn't talk real fancy; I suspect it's a point of pride with him. But despite a few rough edges, which he guards closely, Bob is a good guy. He's been production manager here for nine years. If you need something to happen, all you do is talk to Bob and if it can be done, it will be by the next time you mention it. It takes a minute or so for us to reach each other. As we get closer, I can see he isn't very cheerful. I suppose it's mutual. " Good morning," says Bob. " I'm not sure what's good about it," I say. " Did you hear about our visitor? " Yeah, it's all over the plant," says Bob. " So I guess you know about the urgency for shipping a certain order number 41427? " I ask him. E. M. Goldratt The Goal: A Process of Ongoing Improvement Captured by Plamen T. 15 He starts to turn red. " That's what I need to talk to you about. " " Why? What's up? " " I don't know if word reached you yet, but Tony, that master machinist Peach yelled at, quit this morning," says Bob. " Aw, shit," I mutter. " I don't think I have to tell you that guys like that are not a dime a dozen. We're going to have a tough time finding a replacement," says Bob. " Can we get him back? " Well, we may not want him back," says Bob. " Before he quit, he did the set-up that Ray told him to do, and put the machine on automatic to do its run. The thing is, he didn't tighten two of the adjusting nuts. We got little bits of machine tool all over the floor now. " " How many parts do we have to scrap? " " Well, not that many. It only ran for a little while. " " Will we have

enough to fill that order? " I ask him. " I'll have to check," he says. " But, see, the problem is that the machine itself is down and it may stay down for some time. " " Which one is it? " I ask. " The NCX-10," he says. I shut my eyes.

It's like a cold hand just reached inside me and grabbed the bottom of my stomach. That machine is the only one of its type in the plant. I ask Bob how bad the damage is. He says, " I don't know. They've got the thing half torn apart out there. We're on the phone with the manufacturer right now. " I start walking fast. I want to see it for myself. God, are we in trouble. I glance over at Bob, who is keeping pace with me. " Do you think it was sabotage? " I ask. Bob seems surprised. " Well, I can't say. I think the guy was just so upset he couldn't think straight. So he screwed it up. " I can feel my face getting hot.

The cold hand is gone. Now I'm so pissed off at Bill Peach that I'm fantasizing about calling him on the phone and screaming in his ear. It's his fault! And in my head I see him. I see him behind my desk and hear him telling me how he's going to show me how to get the orders out the door. Right, Bill. You really showed me how to do it. E. M. Goldratt The Goal: A Process of Ongoing Improvement Captured by Plamen T. 16 2 Isn't it strange to feel your own world is falling apart while those of the people close to you are rock steady? And you can't figure out why they're not affected the way you are.

About 6: 30, I slip away from the plant to run home and grab some dinner. As I come through the door, Julie looks up from the television. " Hi," she says. " Like my hair? " She turns her head. The thick, straight brown hair she used to have is now a mass of frizzed ringlets. And it isn't all the same color

anymore. It's lighter in places. " Yeah, looks great," I say automatically. " The hairdresser said it sets off my eyes," she says, batting her long lashes at me. She has big, pretty blue eyes; they don't need to be " set off in my opinion, but what do I know? " Nice," I say. " Gee, you're not very enthusiastic," she says. Sorry, but I've had a rough day. " " Ah, poor baby," she says. " But I've got a great idea! We'll go out to dinner and you can forget all about it. " I shake my head. " I can't. I've got to eat something fast and get back to the plant. " She stands up and puts her hands on her hips. I notice she's wearing a new outfit. " Well you're a lot of fun! " she says. " And after I got rid of the kids, too. " " Julie, I've got a crisis on my hands. One of my most expensive machines went down this morning, and I need it to process a part for a rush order. I've got to stay on top of this one," I tell her. " Okay. Fine.

There is nothing to eat, because I thought we were going out," she says. " Last night, you said we were going out. " Then I remember. She's right. It was part of the promises when we were making up after the fight. " I'm sorry. Look, maybe we can go out for an hour or so," I tell her. " That's your idea of a night on the town? " she says. " Forget it, Al! " E. M. Goldratt The Goal: A Process of Ongoing Improvement Captured by Plamen T. 17 " Listen to me," I tell her. " Bill Peach showed up unexpectedly this morning. He's talking about closing the plant. " Her face changes. Did it brighten? " Closing the plant . . . really? " she asks. Yeah, it's getting very bad. " " Did you talk to him about where your next job would be? " she asks. After a second of disbelief, I say, " No, I didn't talk to him about my next job. My job is here—in this town, at this plant. " She says, " Well, if the plant is going to close, aren't you interested in where you're going to live next? I am. " " He's only talking

about it. " " Oh," she says. I feel myself glaring at her. I say, " You really want to get out of this town as fast as you can, don't you? " " It isn't my home town, Al. I don't have the same sentimental feelings for it you do," she says. " We've only been here six months," I say. Is that all? A mere six months? " she says. " Al, I have no friends here. There's nobody except you to talk to, and you're not home most of the time. Your family is very nice, but after an hour with your mother, I go crazy. So it doesn't feel like six months to me. " " What do you want me to do? I didn't ask to come here. The company sent me to do a job. It was the luck of the draw," I say. " Some luck. " " Julie, I do not have time to get into another fight with you," I tell her. She's starting to cry. " Fine! Go ahead and leave! I'll just be here by myself," she cries. " Like every night. " " Aw, Julie. " I finally go put my arms around her.

We stand together for a few minutes, both of us quiet. When she stops crying, she steps back and looks up at me. " I'm sorry," she says. " If you have to go back to the plant, then you'd better go. " " Why don't we go out tomorrow night? " I suggest. She turns up her hands. " Fine . . . whatever. " I turn, then look back. " Will you be okay? " " Sure. I'll find something to eat in the freezer," she says. E. M. Goldratt The Goal: A Process of Ongoing Improvement Captured by Plamen T. 18 I've forgotten about dinner by now. I say, " Okay, I'll probably pick up something on my way back to the plant. See you later tonight. Once I'm in the car, I find I've lost my appetite. Ever since we moved to Bearington, Julie has been having a hard time. Whenever we talk about the town, she always complains about it, and I always find myself defending it. It's true I was born and raised in Bearington, so I do feel at home here. I know all the streets. I know the best places to go to buy things,

the good bars and the places you stay out of, all that stuff. There is a sense of ownership I have for the town, and more affection for it than for some other burg down the highway. It was home for eighteen years. But I don't think I have too many illusions about it.

Bearington is a factory town. Anyone passing through probably wouldn't see anything special about the place. Driving along, I look around and have much the same reaction. The neighborhood where we live looks like any other American suburb. The houses are fairly new. There are shopping centers nearby, a litter of fast-food restaurants, and over next to the Interstate is a big mall. I can't see much difference here from any of the other suburbs where we've lived. Go to the center of town and it is a little depressing. The streets are lined with old brick buildings that have a sooty, crumbling look to them.

A number of store fronts are vacant or covered with plywood. There are plenty of railroad tracks, but not many trains. On the corner of Main and Lincoln is Bearington's one highrise office building, a lone tower on the skyline. When it was being built some ten years ago, the building was considered to be a very big deal around here, all fourteen stories of it. The fire department used it as an excuse to go buy a brand new fire engine, just so it would have a ladder long enough to reach to the top. (Ever since then, I think they've secretly been waiting for a fire to break out in the penthouse just to use the new ladder. Local boosters immediately claimed that the new office tower was some kind of symbol of Bearington's vitality, a sign of re-birth in an old industrial town. Then a couple of years ago, the building

management erected an enormous sign on the roof which says in red block letters: " Buy Me! " It gives a phone number. From the E. M. Goldratt The Goal: A Process of Ongoing Improvement Captured by Plamen T. 19 Interstate, it looks like the whole town is for sale. Which isn't too far from the truth. On my way to work each day, I pass another plant along the road to ours.

It sits behind a rusty chain-link fence with barbed wire running along the top. In front of the plant is a paved parking lot—five acres of concrete with tufts of brown grass poking through the cracks. Years have gone by since any cars have parked there. The paint has faded on the walls and they've got a chalky look to them. High on the long front wall you can still make out the company name; there's darker paint where the letters and logo had once been before they were removed. The company that owned the plant went south. They built a new plant somewhere in North Carolina.

Word has it they were trying to run away from a bad situation with their union. Word also has it that the union probably will catch up with them again in about five years or so. But meanwhile they'll have bought themselves five years of lower wages and maybe fewer hassles from the work force. And five years seem like eternity as far as modern management planning is concerned. So Bearington got another industrial dinosaur carcass on its outskirts and about 2, 000 people hit the street. Six months ago, I had occasion to go inside the plant. At the time, we were just looking for some cheap warehouse space nearby.

Not that it was my job, but I went over with some other people just to look the place over. (Dreamer that I was when I first got here, I thought maybe someday we'd need more space to expand. What a laugh that is now.) It was the silence that really got to me. Everything was so quiet. Your footsteps echoed. It was weird. All the machines had been removed. It was just a huge empty place. Driving by it now, I can't help thinking, that's going to be us in three months. It gives me a sick feeling. I hate to see this stuff happening. The town has been losing major employers at the rate of about one a year ever since the mid-1970s.

They fold completely, or they pull out and go elsewhere. There doesn't seem to be any end to it. And now it may be our turn. When I came back to manage this plant, the Bearington Herald did a story on me. I know, big deal. But I was kind of a minor celebrity for a while. The local boy had made it big. It was sort of a high-school fantasy come true. I hate to think that the next time E. M. Goldratt *The Goal: A Process of Ongoing Improvement* Captured by Plamen T. 20 my name is in the paper, the story might be about the plant closing. I'm starting to feel like a traitor to everybody.

Donovan looks like a nervous gorilla when I get back to the plant. With all the running around he's done today, he must have lost five pounds. As I walk up the aisle toward the NCX-10, I watch him shifting his weight from one leg to the other. Then he paces for a few seconds and stops. Suddenly he darts across the aisle to talk to someone. And then he takes off to check on something. I give him a shrill, two-finger whistle, but he doesn't hear it. I have to follow him through two departments before I can catch up with him

—back at the NCX-10. He looks surprised to see me. " We going to make it? " I ask him. " We're trying," he says. Yeah, but can we do it? " " We're doing our best," he says. " Bob, are we going to ship the order tonight or not? " " Maybe. " I turn away and stand there looking at the NCX-10. Which is a lot to look at. It's a big hunk of equipment, our most expensive n/c machine. And it's painted a glossy, distinctive lavender. (Don't ask me why.) On one side is a control board filled with red, green, and amber lights, shiny toggle switches, a jet black keyboard, tape drives, and a computer display. It's a sexy-looking machine. And the focus of it all is the metal-working being done in the middle of it, where a vise holds a piece of steel.

Shavings of metal are being sliced away by a cutting tool. A steady wash of turquoise lubricant splashes over the work and carries away the chips. At least the damn thing is working again. We were lucky today. The damage wasn't as bad as we had first thought. But the service technician didn't start packing his tools until 4: 30. By then, it was already second shift. We held everybody in assembly on overtime, even though overtime is against current division policy. I don't know where we'll bury the expense, but we've to go get this order shipped tonight. I got four phone calls today just from our marketing manager, Johnny Jons.

He too has been getting his ear chewed— from Peach, from his own sales people, and from the customer. We absolutely must ship this order tonight. So I'm hoping nothing else goes wrong. As soon as each part E. M. Goldratt
The Goal: A Process of Ongoing Improvement Captured by Plamen T. 21 is finished, it's individually carried over to where it's fitted into the

subassembly. And as soon as that happens, the foreman over there is having each subassembly carted down to final assembly. You want to talk about efficiency? People hand-carrying things one at a time, back and forth . . . our output of parts per employee must be ridiculous.

It's crazy. In fact, I'm wondering, where did Bob get all the people? I take a slow look around. There is hardly anybody working in the departments that don't have something to do with 41427. Donovan has stolen every body he could grab and put them all to work on this order. This is not the way it's supposed to be done. But the order ships. I glance at my watch. It's a few minutes past 11: 00 P. M. We're on the shipping dock. The doors on the back of the tractor-trailer are being closed. The driver is climbing up into his seat. He revs the engine, releases the brakes, and eases out into the night. I turn to Donovan. He turns to me. Congratulations," I tell him. " Thanks, but don't ask me how we did it," he says. " Okay, I won't. What do you say we find ourselves some dinner? " For the first time all day, Donovan smiles. Way off in the distance, the truck shifts gears. We take Donovan's car because it's closer. The first two places we try are closed. So then I tell Donovan just to follow my directions. We cross the river at 16th Street and drive down Bessemer into South Flat until we get to the mill. Then I tell Donovan to hang a right and we snake our way through the side streets. The houses back in there are built wall to wall, no yards, no grass, no trees.

The streets are narrow and everyone parks in the streets, so it makes for some tedious maneuvering. But finally we pull up in front of Sednikk's Bar and Grill. Donovan takes a look at the place and says, " You sure this is

where we want to be? " " Yeah, yeah. Come on. They've got the best burgers in town," I tell him. Inside, we take a booth toward the rear. Maxine recognizes me and comes over to make a fuss. We talk for a minute and then Donovan and I order some burgers and fries and beer. Donovan looks around and says, " How'd you know about this place? " E. M. Goldratt The Goal: A Process of Ongoing Improvement

Captured by Plamen T. 22 I say, " Well, I had my first shot-and-a-beer over there at the bar. I think it was the third stool on the left, but it's been a while. " Donovan asks, " Did you start drinking late in life, or did you grow up in this town? " " I grew up two blocks from here. My father owned a corner grocery store. My brother runs it today. " " I didn't know you were from Bearington," says Donovan. " With all the transfers, it's taken me about fifteen years to get back here," I say. The beers arrive. Maxine says, " These two are on Joe. " She points to Joe Sednikk who stands behind the bar. Donovan and I wave out thanks to him.

Donovan raises his glass, and says, " Here's to getting 41427 out the door. " " I'll drink to that," I say and clink my glass against his. After a few swallows, Donovan looks much more relaxed. But I'm still thinking about what went on tonight. " You know, we paid a hell of a price for that shipment," I say. " We lost a good machinist. There's the repair bill on the NCX-10. Plus the overtime. " " Plus the time we lost on the NCX-10 while it was down," adds Donovan. Then he says, " But you got to admit that once we got rolling, we really moved. I wish we could do that every day. " I laugh. " No thanks. I don't need days like this one. " I don't mean we need Bill Peach to walk into

the plant every day. But we did ship the order," says Donovan. "I'm all for shipping orders, Bob, but not the way we did it tonight," I tell him. "It went out the door, didn't it?" "Yes, it did. But it was the way that it happened that we can't allow." "I just saw what had to be done, put everybody to work on it, and the hell with the rules," he says. "Bob, do you know what our efficiencies would look like if we ran the plant like that every day?" I ask. "We can't just dedicate the entire plant to one order at a time. The economies of scale would disappear.

Our costs would go—well, they'd be even worse than they are now. We can't run the plant just by the seat-of-the-pants." E. M. Goldratt *The Goal: A Process of Ongoing Improvement* Captured by Plamen T. 23 Donovan becomes quiet. Finally he says, "Maybe I learned too many of the wrong things back when I was an expeditor." "Listen, you did a hell of a job today. I mean that. But we set policy for a purpose. You should know that. And let me tell you that Bill Peach, for all the trouble he caused to get one order shipped, would be back here pounding on our heads at the end of the month if we didn't manage the plant for efficiency. He nods slowly, but then he asks, "So what do we do the next time this happens?" I smile. "Probably the same damn thing," I tell him. Then I turn and say, "Maxine, give us two more here, please. No, on second thought, we're going to save you a lot of walking. Make it a pitcher." So we made it through today's crisis. We won. Just barely. And now that Donovan is gone and the effects of the alcohol are wearing off, I can't see what there was to celebrate. We managed to ship one very late order today. Whoopee. The real issue is I've got a manufacturing plant on the critical list.

Peach has given it three months to live before he pulls the plug. That means I have two, maybe three more monthly reports in which to change his mind. After that, the sequence of events will be that he'll go to corporate management and present the numbers. Everybody around the table will look at Granby. Granby will ask a couple of questions, look at the numbers one more time, and nod his head. And that will be it. Once the executive decision has been made, there will be no changing it. They'll give us time to finish our backlog. And then 600 people will head for the unemployment lines—where they will join their friends and former co-workers, the other 600 people whom we have already laid off. And so the UniWare Division will drop out of yet another market in which it can't compete. Which means the world will no longer be able to buy any more of the fine products we can't make cheap enough or fast enough or good enough or something enough to beat the Japanese. Or most anybody else out there for that matter. That's what makes us another fine division in the UniCo "family" of businesses (which has a record of earnings growth that looks like Kansas), and that's why we'll be just

E. M. Goldratt The Goal: A Process of Ongoing Improvement Captured by Plamen T. 24 another fine company in the Who-Knows-What Corporation after the big boys at headquarters put together some merger with some other loser. That seems to be the essence of the company's strategic plan these days. What's the matter with us? Every six months it seems like some group from corporate is coming out with some new program that's the latest panacea to all our problems. Some of them seem to work, but none of them does any good. We limp along month after month, and it never gets any better. Mostly it gets worse. Okay.

Enough of the bitching, Rogo. Try to calm down. Try to think about this rationally. There's nobody around. It's late. I am alone finally . . . here in the coveted corner office, throne room of my empire, such as it is. No interruptions. The phone is not ringing. So let's try to analyze the situation. Why can't we consistently get a quality product out the door on time at the cost that can beat the competition? Something is wrong. I don't know what it is, but something basic is very wrong. I must be missing something. I'm running what should be a good plant. Hell, it is a good plant. We've got the technology.

We've got some of the best n/c machines money can buy. We've got robots. We've got a computer system that's supposed to do everything but make coffee. We've got good people. For the most part we do. Okay, we're short in a couple of areas, but the people we have are good for the most part, even though we sure could use more of them. And I don't have too many problems with the union. They're a pain in the ass sometimes, but the competition has unions too. And, hell, the workers made some concessions last time—not as many as we'd have liked, but we have a livable contract. I've got the machines. I've got the people.

I've got all the materials I need. I know there's a market out there, because the competitors' stuff is selling. So what the hell is it? It's the damn competition. That's what's killing us. Ever since the Japanese entered our markets, the competition has been incredible. Three years ago, they were beating us on quality and product design. We've just about matched them on those. But now they're beating us on price and deliveries. I wish I knew their

secret. What can I possibly do to be more competitive? E. M. Goldratt The Goal: A Process of Ongoing Improvement Captured by Plamen T. 25 I've done cost reduction.

No other manager in this division has cut costs to the degree I have. There is nothing left to trim. And, despite what Peach says, my efficiencies are pretty damn good. He's got other plants with worse, I know that. But the better ones don't have the competition I do. Maybe I could push efficiencies some more, but ... I don't know. It's like whipping a horse that's already running as fast as it can. We've just got to do something about late orders. Nothing in this plant ships until it's expedited. We've got stacks and stacks of inventory out there. We release the materials on schedule, but nothing comes out the far end when it's supposed to.

That's not uncommon. Just about every plant I know of has expeditors. And you walk through just about any plant in America about our size and you'll find work-in-process inventory on the same scale as what we have. I don't know what it is. On the one hand, this plant is no worse than most of the ones I've seen— and, in fact, it's better than many. But we're losing money. If we could just get our backlog out the door. Sometimes it's like little gremlins out there. Every time we start to get it right, they sneak around between shifts when nobody is looking and they change things just enough so everything gets screwed up.

I swear it's got to be gremlins. Or maybe I just don't know enough. But, hell, I've got an engineering degree. I've got an MBA. Peach wouldn't have named me to the job if he hadn't thought I was qualified. So it can't be me. Can it?

Man, how long has it been since I started out down there in industrial engineering as a smart kid who knew everything— fourteen, fifteen years? How many long days have there been since then? I used to think if I worked hard I could do anything. Since the day I turned twelve I've worked. I worked after school in my old man's grocery store. I worked through high school.

When I was old enough, I spent my summers working in the mills around here. I was always told that if I worked hard enough it would pay off in the end. That's true, isn't it? Look at my brother; he took the easy way out by being the first born. Now he owns a grocery store in a bad neighborhood across town. But look at me. I worked hard. I sweated my way through engineering school. I got a job with a big company. I made myself a stranger to my wife and kids. I took all the crap that UniCo could give me and said, E. M. Goldratt The Goal: A Process of Ongoing Improvement Captured by Plamen T. 26 I can't get enough! Give me more! " Boy, am I glad I did! Here I am, thirty-eight years old, and I'm a crummy plant manager! Isn't that wonderful? I'm really having fun now. Time to get the hell out of here. I've had enough fun for one day. E. M. Goldratt The Goal: A Process of Ongoing Improvement Captured by Plamen T. 27 3 I wake up with Julie on top of me. Unfortunately, Julie is not being amorous- she is reaching for the night table where the digital alarm clock says 6: 03 A. M. The alarm buzzer has been droning for three minutes. Julie smashes the button to kill it. With a sigh, she rolls off of me.

Moments later, I hear her breathing resume a steady pace; she is asleep again. Welcome to a brand new day. About forty-five minutes later, I'm

backing the Mazda out of the garage. It's still dark outside. But a few miles down the road the sky lightens. Halfway to the city, the sun rises. By then, I'm too busy thinking to notice it at first. I glance to the side and it's floating out there beyond the trees. What makes me mad sometimes is that I'm always running so hard that—like most other people, I guess—I don't have time to pay attention to all the daily miracles going on around me.

Instead of letting my eyes drink in the dawn, I'm watching the road and worrying about Peach. He's called a meeting at headquarters for all the people who directly report to him—in essence, his plant managers and his staff. The meeting, we are told, is to begin promptly at 8:00 A. M. The funny thing is that Peach is not saying what the meeting is about. It's a big secret—you know: hush-hush, like maybe there's a war on or something. He has instructed us to be there at eight and to bring with us reports and other data that'll let us go through a thorough assessment of all the division's operations.

Of course, all of us have found out what the meeting is about. At least we have a fairly good idea. According to the grapevine, Peach is going to use the meeting to lay some news on us about how badly the division performed in the first quarter. Then he's going to hit us with a mandate for a new productivity drive, with targeted goals for each plant and commitments and all that great stuff. I suppose that's the reason for the commandment to be there at eight o'clock on the button with numbers in hand; Peach must've thought it would lend a proper note of discipline and urgency to the proceedings.

The irony is that in order to be there at such an early hour, half the people attending will have had to fly in the night before. Which means hotel bills and extra meals. So in order to an- E. M. Goldratt The Goal: A Process of Ongoing Improvement Captured by Plamen T. 28 nounce to us how badly the division is doing, Peach is going to pay out a couple of grand more than he would have had to pay if he'd begun the meeting an hour or two later. I think that Peach may be starting to lose it. Not that I suspect him of drifting toward a breakdown or anything. It's just that everything seems to be an over-reaction on his part these days.

He's like a general who knows he is losing the battle, but forgets his strategy in his desperation to win. He was different a couple of years ago. He was confident. He wasn't afraid to delegateresponsibility. He'd let you run your own show—as long as you brought in a respectable bottom line. He tried to be the "enlightened" manager. He wanted to be open to new ideas. If some consultant came in and said, "Employees have to feel good about their work in order to be productive," Peach would try to listen. But that was when sales were better and budgets were flush. What does he say now? I don't give a damn if they feel good," he says. "If it costs an extra nickel, we're not paying for it." That was what he said to a manager who was trying to sell Peach on the idea of a physical fitness center where employees could work out, the premise being that everyone would do better work because healthy employees are happy employees, etc. Peach practically threw him out of his office. And now he's walking into my plant and wreaking havoc in the name of improving customer service. That wasn't even the first fight I've had with

Peach. There have been a couple of others, although none as serious as yesterday's.

What really bugs me is I used to get along very well with Peach. There was a time when I thought we were friends. Back when I was on his staff, we'd sit in his office at the end of the day sometimes and just talk for hours. Once in a while, we'd go out and get a couple of drinks together. Everybody thought I was brown-nosing the guy. But I think he liked me precisely because I wasn't. I just did good work for him. We hit it off together. Once upon a time, there was a crazy night in Atlanta at the annual sales meeting, when Peach and I and a bunch of wackos from marketing stole the piano from the hotel bar and had a sing-along in the elevator.

Other hotel guests who were waiting for an elevator would see the doors open, and there we'd be, midway through the chorus of some Irish drinking song with E. M. Goldratt *The Goal: A Process of Ongoing Improvement* Captured by Plamen T. 29 Peach sitting there at the keyboard tickling those ivories. (He's a pretty good piano player, too). After an hour, the hotel manager finally caught up with us. By then, the crowd had grown too big for the elevator, and we were up on the roof singing to the entire city. I had to pull Bill out of this fight with the two bouncers whom the manager had enlisted to kill the party. What a night that was.

Bill and I ended up toasting each other with orange juice at dawn in some greasy-spoon diner on the wrong end of town. Peach was the one who let me know that I really had a future with this company. He was the guy who pulled me into the picture when I was just a project engineer, when all I knew was

how to try hard. He was the one who picked me to go to headquarters. It was Peach who set it up so I could go back and get my MBA. Now we're screaming at each other. I can't believe it. By 7: 50, I'm parking my car in the garage under the UniCo Building. Peach and his division staff occupy three floors of the building.

I get out of the car and get my briefcase from the trunk. It weighs about ten pounds today, because it's full of reports and computer printouts. I'm not expecting to have a nice day. With a frown on my face, I start to walk to the elevator. " Al! " I hear from behind me. I turn; it's Nathan Selwin coming toward me. I wait for him. " How's it going? " he asks. " Okay. Good to see you again," I tell him. We start walking together. " I saw the memo on your appointment to Peach's staff. Congratulations. " " Thanks," he says. " Of course, I don't know if it's the best place to be right now with everything that's going on. " How come? Bill keeping you working nights? " " No, it's not that," he says. Then he pauses and looks at me. 'Haven't you heard the news? " " What about? " He stops suddenly and looks around. There is nobody else around us. " About the division," he says in a low voice. I shrug; I don't know what he's talking about. " The whole division is going to go on the block," he says. Everybody on Fifteen is crapping in their pants. Peach got the word from Granby a week ago. He's got till the end of the year to E. M. Goldratt The Goal: A Process of Ongoing Improvement Captured by Plamen T. 30 mprove performance, or the whole division goes up for sale. And I don't know if it's true, but I heard Granby specifically say that if the division goes, Peach goes with it. " " Are you sure? " Nathan nods and adds, " Apparently it's been in the making for quite a while. " We start walking again. My first

reaction is that it's no wonder Peach has been acting like a madman lately. Everything he's worked for is in jeopardy. If some other corporation buys the division, Peach won't even have a job. The new owners will want to clean house and they're sure to start at the top. And whatabout me; will I have a job?

Good question, Rogo. Before hearing this, I was going on the assumption that Peach would probably offer me some kind of position if the plant is shut down. That's usually the way it goes. Of course, it may not be what I want. I know there aren't any UniWare plants out there in need of a manager. But I figured maybe Peach would give me my old staff job back—although I also know it's already been filled and I've heard that Peach is very satisfied with the guy. Come to think of it, he did kind of threaten yesterday with his opening remarks that I might not have a job. Shit, I could be on the street in three months! Listen, Al, if anybody asks you, you didn't hear any of this from me," says Nat. And he's gone. I find myself standing alone in the corridor on the fifteenth floor. I don't even remember having gotten on the elevator, but here I am. I vaguely recall Nat talking to me on the way up, saying something about everybody putting out their resumes. I look around, feel stupid, wonder where I'm supposed to be now, and then I remember the meeting. I head down the hall where I see some others going into a conference room. I go in and take a seat. Peach is standing at the far end of the table. A slide projector sits in front of him.

He's starting to talk. A clock on the wall indicates it's exactly eight o'clock. I look around at the others. There are about twenty of them, most of them

looking at Peach. One of them, Hilton Smyth, is looking at me. He's a plant manager, too, and he's a guy I've never liked much. For one thing, I resent his style—he's always promoting some new thing he's doing, and most of the time what E. M. Goldratt *The Goal: A Process of Ongoing Improvement* Captured by Plamen T. 31 he's doing isn't any different from the things everyone else is doing. Anyway, he's looking at me as if he's checking me out. Is it because I look a little shaken?

I wonder what he knows. I stare back at him until he turns toward Peach. When I'm finally able to tune into what Peach is saying, I find he's turning the discussion over to the division controller, Ethan Frost, a thin and wrinkled old guy who, with a little makeup, could double for the Grim Reaper. The news this morning befits the messenger. The first quarter has just ended, and it's been a terrible one everywhere. The division is now in real danger of a shortfall in cash. All belts must be tightened. When Frost is done, Peach stands and proceeds to deliver some stern talk about how we're going to meet this challenge.

I try to listen, but after his first couple of sentences, my mind drops out. All I hear are fragments. ". . . imperative for us to minimize the downside risk . . ." ". . . acceptable to our current marketing posture . . ." ". . . without reducing strategic expense ... ""... required sacrifices . . ." ". . . productivity improvements at all locations . . ." Graphs from the slide projector begin to flash on the screen. A relentless exchange of measurements between Peach and the others goes on and on. I make an effort, but I just can't concentrate. "... first quarter sales down twenty-two percent compared to a year ago ... "

"... total raw materials' costs increased . . . " ". . . direct labor ratios of hours applied to hours paid had a three-week high . . . " ". . . now if you look at numbers of hours applied to production versus standard, we're off by over twelve percent on those efficiencies . . . " I'm telling myself that I've got to get hold of myself and pay attention. I reach into my jacket to get a pen to take some notes.