

Review of "the goal" by eliyahu goldratt



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" The Goal" - By Eliyahu Goldratt and Jeff Cox " The Goal" is as it vividly explains, is a book on achieving goals.

Eliyahu Goldratt, world famous Israeli physicist turned business consultant, the creator of the " Theory of constraints", in his work " The Goal", explains a lot about managerial skills, to achieve higher productivity and efficiency, in a simple and lucid manner. Goldratt takes a very practical example of today's world, an Engineer with an MBA degree, Mr. Alex Rogo, as his protagonist and his struggle to get a loss making company to a profit making one along with his family in the back-ground, obviously an important one, to explain the drudgeries of a manufacturing engineer's life. Goldratt explains several management skills to be inherited in any professional's life with ease, in this thought provoking novel based management textbook.

The ideas expressed in this book, although difficult to be digested normally, are easily conceptualized in the form of a novel, which any professional can easily relate to. The book mainly talks about the protagonist, Alex, his superiors and his team along with his management Guru, Jonah, who changes the whole perspective of Alex's life with his simple messages, opens Alex to brand new world of bottlenecks, variability, etc. and their effects in the working of any manufacturing firm. Alex is the Plant Manager of a division of Unico, which is a rather loss making plant, and having a lot of trouble mainly as far as its with its productivity and meeting with the deadlines was concerned.

His superior, Bill Peach always targets him for petty issues and makes him feel low about everything that is going on in his plant, obviously in terms of

meeting the deadlines to ship the final product and the plant's inefficiency. Alex has a bad family life too with his wife and kids, not being happy, even after his making a lot of money. His wife clearly is bugged with her life due to Alex's lack of attention to her. To top it all, Alex's job is in jeopardy since his plant is exceptionally on the lower side of productivity and meeting with deadlines. He's got just three months to prove his credibility as the Plant Manager to Bill Peach, the division Vice-President. He's got a lot of issues with his workmen professionally because of the pressure from the top about getting the finished product shipped within the deadline and because of the blame games being played by all of his team members.

Basically, he is heading a plant that is totally inefficient, not with inefficient people but with an inefficient system which he realizes later. Alex meets Jonah, his favorite professor in school, surprisingly at an airport, during his rather traumatic phase of professional and family life. Jonah opens his eyes to a new world of constraints and variability. He tells Alex that he is actually heading a plant not with inefficient people but with an inefficient system. Jonah gets to know all this by just asking a few simple questions about Alex's professional life. Jonah explains to him that productivity means achieving the goal. Every institution should have a goal; any improvement towards achieving the goal means increased productivity.

He tells him that the goal of any organization or business is to make money, and everything done henceforth has to be money oriented. Jonah explains to him the fact about constraints and variability. He explains to Alex that a balance of the working of a system can never be attained and should not be tried to, for improved success. He explains that variability causes the

organization to not use resources to full capacity. Jonah tells him to judge things after trying to find out the root cause of any problem. Goldratt gives a very simple illustration of trying to find the root cause of any problem and the importance of a leader to have the goal set and also getting to learn his team's drawbacks and positive characteristics through the following situation in Alex's life.

Alex accompanied by his son, goes for a camp and finds a lot of trouble with the leader of the trek. He gets to know about the importance of fixing a goal and the credibility of a leader in achieving the goal through his journey while in camp. Jonah advises Alex to collect sufficient data and more importantly the right data for improved efficiency. Jonah also tells him to find the bottlenecks, which are easily identifiable when walked through the process line of manufacturing, that are causing hindrance in the company's growth and that the bottleneck had to be attacked and put to maximum utilization than a non-bottleneck. He says that putting the non-bottleneck to full utilization is an act of stupidity and this may lead to the company's doom. He enlightens Alex about the fact that bottlenecks can never be removed but can be controlled and that a bottleneck if removed from one place shifts to some other place, and that there is always a constraint which pulls the plant from attaining higher efficiencies.

He advises Alex to reduce the operational costs and to increase throughput by increasing the throughput of the constraints, no matter the cost incurred since the constraints are the ones which limit the throughput of the whole plant. Jonah talks about the inventory being a very important factor as far as a company's success is concerned. The more the inventory, the more the

cost incurred, the more the trouble. He explains the importance of quality in product life and its importance in reducing rework.

He also talks about cash flow, return of investment and net profits along with its importance in the growth of any organization. Goldratt very neatly explains the hard facts of a manufacturing engineer's professional and personal life with equal importance to an individual's personal life by linking it directly to the individual's performance in his professional life with several occurrences in Alex's family. In the end, Alex does the unexpected, gives a magnificent summary of his plants improved efficiencies and productivity to the panel, by involving several managerial concepts with the guidance of Jonah and turning the loss making division into a profit making one. In all "The Goal" is a very simple, thought provoking and involving book with high profile fundamentals explained in a simple and easy to relate to situations with a great storyline and common sense solutions in order to achieve success by trying to achieve the set goal.

It elucidates the importance of setting up and working towards the goal with the right technique and the interdependence of several factors to achieve it for any organization to attain improved productivity and efficiency.