



# **Eli Goldratt's Legacy in the World**

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# TOC and Me

- Intro
- I grew up with TOC.
- Original DOS based production and distribution simulators.
- Worked part time for AGI through grad school, joined full time 1996.
- Jonah's Jonah, TOC Expert, Expert in all applications.

# Relationship

- I met Eli in person 1988.
- By this time I had naturally heard a great deal about the genius of Eli.
- I was rather intimidated.
- AGI office apartment.

# Uni vs. Reality

- Business School
- HP, JIT

# Journey

- Odyssey Program 1992
- Eli taught one of the weeks of the two-week Odyssey program I attended during summer of 1992.
- Surviving a week of potentially being asked a direct question from Eli prepared me for any interrogative scenarios that may have come up later in graduate school!

# Journey

- Necessary But Not Sufficient Tour
  - Many cities in many states – weeks long tour
- I got to represent our region within AGI on several occasions, attending Eli's talk
- More valuable to me was getting to spend some informal time just talking to him during the brief breaks.

# Journey

- Has shaped how I approach nearly ever part of my life.
- I am generally designated trouble maker in corporate world.
- I ask far too many questions for most people's comfort.
- Eli and TOC ensured me of critical thinking

# Tools

- Throughput Accounting
  - This alone significantly complemented my finance and accounting education
  - Regardless of what industry, type of work or problem being solved, it nearly always plays a key (and simple) role in improvement.

# Results

- Many people have had exceptional business results from TOC
- My first client presentation in front of Eli – Chicago 1999.

# Saving small businesses

- Second generation
- \$2 million sales, six figure losses
- Lender fatigue – cash flow issues
- OT, OTD < 50%

# Saving small businesses

- \$5 million sales, six figure ***profit***
- Lender fatigue – cash flow issues
- OTD 99% +
- TOC saved this family business, jobs, community

# Current and Future

- Still TOC frequently not as well known as it should be
  - Lean
  - TPS
  - Agile
- Yet nearly everyone I ask has read or at least heard of the book *The Goal* – and praises the approach!

# Current and Future

- How can we honor is legacy?
- Continue to drive TOC concepts into main stream business strategy
- Show how it complements other, sometimes more well known approaches such as Lean.
- Focus on the tool and results vs. converting people to a TOC zealot

# Still seeing his influence

- Maceau
- A few people read Haystack Syndrome and Critical Chain
- Home grown «DBR-ish» scheduling system
  - Buffers
  - Release off-sets (pseudo ropes)
  - Tricking the MRP system embedded in their ERP
  - Imperfect solution, but impressive for only having Haystack Syndrom and Critical Chain books as guides
- Close to 100% OTD – all on their own

# Still seeing his influence

- Sometimes even without knowing who he was or anyone in TOC community, individuals and companies are still learning and benefitting
- The books and knowledge he left behind continues to teach, inspire and drive for asking the right questions.
- I feel a personal responsibility to continue helping organizations where I can, to honor the knowledge and critical thinking I got from Eli.

Thank you.