



THE GOAL INSTITUTE, Inc.

a Goldratt Consulting Company

Anyone Can Cut Costs. We Grow Business.

Who We Are

The Goal Institute, Inc. (TGI) is an applied research, education and management consulting firm specializing in rapid improvement of organizational performance through the application of Theory of Constraints (Constraint Management) solutions, such as Critical Chain, Drum Buffer Rope, Throughput Accounting and Strategic Thinking.

TGI Principals and Associates have over 100 years combined experience as executives, professors, consultants and managers in various functions of large and small organizations.

TGI's extensive experience in the development and application of Constraint based solutions, coupled with the practical experience of its personnel, allows it to deal quickly and effectively with the immediate tactical needs of an organization, while analyzing and addressing the strategic needs as well.

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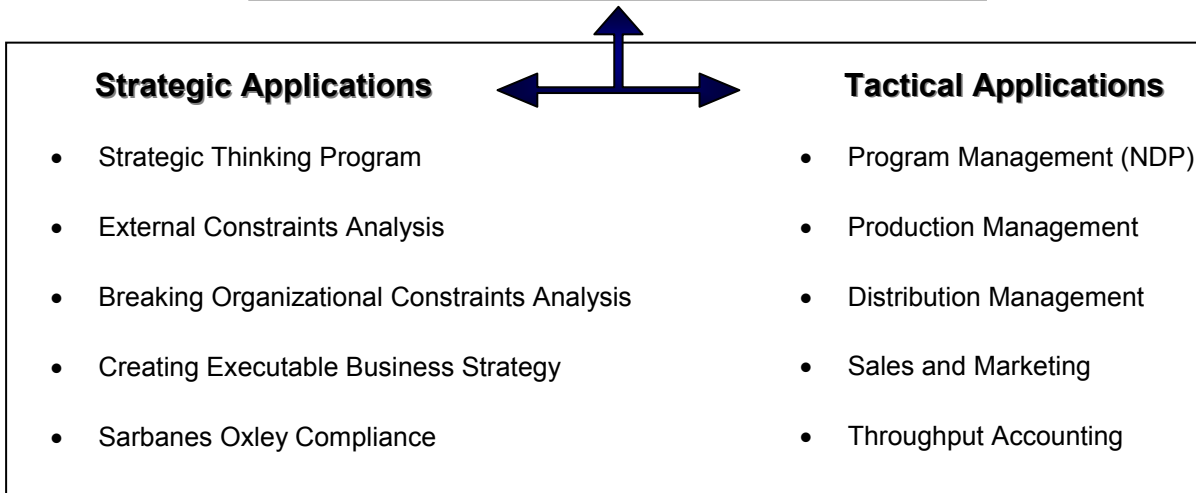
ELKHART, IN 46516

(574) 293-8500

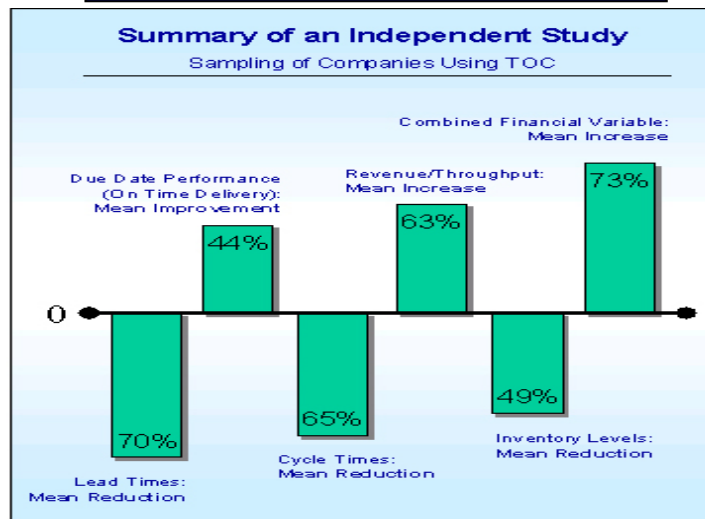
INFO@THEGOALINSTITUTE.COM

WWW.THEGOALINSTITUTE.COM

Where is your Constraint?



What can we do for you?



Source: *The World of the Theory of Constraints*,
Vicky Mabin and Steven Balderstone,
St. Lucie Press, 1999

Who are some of our Clients?

Seagate Technologies Boeing Bescast, Inc.
 Herman Miller Synergis Technologies Medtronic
 Lucent Technologies Eli Lilly Motorola GM
 Johnson Controls Toshiba Ford Motor
 Interlake Material Handling DaimlerChrysler Eaton

Production Management Theory of Constraints Approach

This two-day workshop provides the participants with an in-depth exploration of the application of TOC to the problems faced by manufacturing which typically can be described as the management of resources required to convert raw material into finished goods. Through the use of common sense logic, open discussion, and interactive computer simulations, the participant:

- Analyzes the existing problems, such as poor on time performance, long lead times, high inventories, poor quality, poor scheduling, etc. of a typical production environment, resulting in the identification of the core problem that has proven to cause the whole host of problems that characterize almost every production environment.
- Derives the five steps of Constraint Management in a manner similar to the process described in The Goal, the thinking journey taken by Alex Rogo to turn his plant around.
- Thoroughly explores the innovative, practical "Drum-Buffer-Rope" solution offered by TOC, while drawing parallels as to how this solution can be applied within the participant's own production environment.
- Understands what is required if manufacturing organizations are to effectively implement a constraint management system that is focused on Throughput (T), Inventory / Investment (I) and Operating Expense (OE). They will be able to see the cause and effect relationships of their actions to the goal of the organization.
- Recognizes the need for a measurement system that motivates people to improve profitability and allows them to clearly see the fruits of their labor.
- Establishes the relationship between a process of on-going improvement and the need for change if organizations are to achieve profitability goals as well as meet the necessary conditions of employee satisfaction and customer service

In addition to the focus on the identification and managing of physical constraints, the workshop will also provide an overview of the Thinking Process developed by the Institute to help identify and resolve the "invisible" constraints faced by almost all manufacturing organizations. These constraints can assume a variety of disguises and reinforce the need to address strategic as well as tactical issues.

Distribution Workshop

The Distribution Course is primarily intended for distribution companies which maintain either several regional warehouses or carry finished goods inventories. While we presuppose that these companies manage their own production facilities, the conclusions we reach may be adopted by distribution companies which buy their products from numerous vendors.

Through extensive and interactive discussion and computer simulations the Distribution Workshop:

- Focuses on the management of distribution
- Reviews implications of demand driven environment vs. forecast environment
- Explores “push” system vs. “pull” system

Examines issue and viewpoints of: the producer, the distributor, the customer, the transportation services, the warehouse managers, and the product itself

The goal of every profit-based organization is to make money. So our ultimate purpose is to maximize the profits of a company – for the presents as well as in the future. But this kind of environment emphasizes the inherent conflict between two management approaches:

Hold high levels of inventory in order to face peaks of demand and to ensure availability.

Hold low levels of inventory in order to cut expenses, ensure quality (freshness), and reduce returns due to shelf life, obsolescence, or engineering changes.

The usual solution is a compromise relying on a forecast to minimize the risks involved.

This course intends to change the perception that we have an unavoidable conflict in which we must compromise, and the derivative conclusion that we have to find a better forecast.

The Critical Chain Project Management Solution

Executive Overview

This four hour presentation provides an overview of the TOC / Critical Chain approach to the management of single and multi-project environments with specific emphasis on the issues faced in complex, new product development organizations.

Utilizing the logical approach of the hard sciences, the presenter exposes the root causes of many of the problems faced in today's project and program management environments as well as how the critical chain systems approach help overcome these issues.

Additionally, the question "*which is more important, the algorithm or the alchemy*" is discussed with specific emphasis on *how* to put a system of this type into place, including the cultural and behavioral issues, implementation obstacles and upper management issues inherent in this type of endeavor.

Specific examples, including metrics and reports developed as well as results achieved and obstacles encountered by new product development clients of The Goal Institute such as Seagate Technologies, Synergis Technologies, Herman Miller, Lucent Technologies, Eaton Corporation and others will be discussed.

A live demonstration of how a portfolio of projects is managed within a critical chain environment will be given utilizing the TOC based Concerto Enterprise multi-project management software developed by Realization, Inc.

Finally, the issue of project management as the tip of the product development iceberg will be discussed and put into context within the entire new product development chain of *portfolio management – pipeline management – project management.*

The Critical Chain Project Management Workshop

The two-day Introduction to Critical Chain Project Management Workshop is designed to overview and derive the Theory of Constraints approach to the managing of single and multiple project environments.

It is an interactive workshop combining presentation, discussion and hands-on group exercises to facilitate the understanding of the Critical Chain solution and how it differs from conventional approaches such as PERT and Critical Path.

Behavioral as well as logistical issues will be highlighted as the group logically challenges and overcomes traditional paradigms to realize a practical solution to address the common issues of project management such as:

- Existing project work is not complete before new projects require a shifting in priorities
- Promised lead times are longer than desired
- Promised lead times are not met
- There is too much rework and customer change activity
- Problems in one project cascade into problems in other projects
- There are frequent unpredictable peak loads on resources
- Priorities within and between projects are not clear
- Pipeline planning (how many projects *can* we do with current project and resource mix?)
- Constant reactive mode
- Poor employee quality of life (high turn-over)

The workshop concludes with the facilitation of obstacles and issues that would have to be addressed in order to implement the Critical Chain solution in the participant's environment.

In this manner, the participant leaves the workshop not only with an understanding of the Critical Chain methodology, but what it would take to make this system become a reality in their organization.

Critical Chain - Express

The Small and Medium Sized Enterprise Program Management Solution

Critical Chain Multi-Project Management is a powerful, proven solution for eliminating the customary loss of time and capacity in project operations. Companies that have benefited from it include Herman Miller, Lucent, Medtronic and Seagate. Typical results reported by these and other companies are:

- Due-date performance improved to 95%+
- 20 to 60% reduction in cycle time of projects
- 10 to 40% increase in effective capacity without adding resources

But Critical Chain multi-project management is not for large enterprises only. If anything, small or medium-sized enterprises (SMSE's, sales of ~\$50 Million or less) have only more to gain from eliminating waste and improving delivery of projects.

Therefore, The Goal Institute – a leading provider of critical chain consulting – has teamed up with Speed to Market – the leading provider of multi-project management software – to serve the unique needs of SMSE's:

- No disruptions to ongoing operations (from system set up, training etc.)
- Minimize demand on time and effort of key personnel
- Reduce, not add overhead
- Time-to-benefit less than 6 weeks
- Minimize upfront investment and conserve cash

This unique offering from The Goal Institute and Speed to Market is called *CC-Express*, and following are its highlights:

- Install only the functionality absolutely necessary for SMSE's
- Establish only the processes critical for SMSE operations
- Achieve transfer of knowledge through "on-the-job" training
- Milestone-based payment schedule
- Lease option for software

Throughput Accounting

Most people equate the term “Cost Accounting” with “Management Accounting”. Yet, there is no requirement that a Management Accounting system be based upon Standard Absorption Cost Accounting.

Throughput Accounting is a breakthrough application of constraint management to the field of managerial accounting.

By focusing on the three components of Throughput Accounting, Throughput (T), Investment (I) and Operating Expense (OE), local decisions can be made which will generate positive global results.

Rather than getting lost in allocations and arbitrary “costing” and “profitability” of particular product lines based on absorption costing and overhead drivers, TA focuses decisions on common sense, real measurements that people can understand and which will always generate good business decisions.

Areas where TA typically gives different (and more valid) answers than standard absorption costing are:

- Product cost
- Pricing
- Make / buy decisions
- Channel profitability
- Incentive plans
- Investment decisions

Of course, accounting for tax purposes must still be done in accordance with Generally Accepted Accounting Principles (GAAP). TGI ensures that a company understands the relatively simple conversions required to reconcile managerial accounting systems with financial accounting systems.

You know standard costing is not the answer . . . Investigate the constraint management answer that has proven to change pricing and marketing strategies overnight, and significantly improve company bottom lines.

Strategic Planning

The Dedicated Strategic Thinking Program

The premise of the Jonah Program is that there is a dire need to improve. Because improvement implies change, each key decision maker must address the following issues of change for his area of responsibility:

- What to change
- To what to change
- How to change

These issues manifest themselves into identification of the root problems, deriving good solutions, and constructing a practical implementation plan.

The dedicated Jonah Program integrates the solutions into a cohesive strategy that becomes the logical framework for the direction of the company in the future. The role of the instructor in a dedicated program changes rather dramatically in that he becomes an intrinsic part of the team.

This means that he assumes the roles of tutor, mentor, consultant, and friend. A considerable amount of time is spent outside of the scheduled sessions to assist anyone having difficulty in applying logic to the issues of change. This can also include any time required in the customizing of the “school” solutions (drum-buffer-rope, distribution, scheduling, sales / marketing, etc.) to the various sites. This commitment applies during the “life” of the Jonah Program and to a lesser degree after the course is completed. We don’t stop caring once the scheduled sessions are concluded. There are a number of ways to continue the relationship on a win – win basis on a more intensive basis if need be.

Each participant will be required to spend a significant amount of time between the sessions constructing the logic relative to the issues of change. He will then be required to communicate this logic to the team. Opinion will get cut to shreds. Common sense logic will prevail, the net result being acceptance by the rest of the team because “it makes sense”. Logically resolving the issues transitions the team from a confrontational aura to a collaborative, logical attack of the problem.

Each participant will learn how to think in a more powerful, methodological way. This learning can quickly be applied to his area of responsibility. The integration and commonality of this thinking will result in significantly increasing the competitive edge of his organization.

TOC Management Skills Workshop

This five-day workshop (preferably one day per week) focuses on the need to address and resolve day to day problems in a manner that is win – win. Day to day problems are those small, never ending, irritating problems that consume a lot of time, energy, and emotion. They are also known as fire fighting. Five sessions comprise this workshop that develops the skills necessary to overcome the day-to-day problems. The contents are as follows:

Session 1: Resolving Day to Day Conflicts

I run into conflicts with another person in my organization

Session 2: Dealing with Half Baked Solutions

Someone comes to me with an idea that is incomplete.

I can't reject it but I can't accept it..

Session 3: Addressing Chronic Conflicts

Relationship with a person or a function becomes so bad that everything is a war.

Session 4: Aligning Authority with Responsibility (Delegation)

My lieutenant comes to me for help to "bail" them out when they cannot complete their job due to lack of authority.

Giving Clear Instructions

People reporting to me do not do their jobs correctly, causing me to waste time to re-explain the instructions and sometimes even to re-work their mistakes.

Session 5: Achieving Ambitious Targets (Team Building)

From time to time I get from my boss or from my organization tasks that are not that trivial to achieve.

Setting the Direction of Your Company Improving the Performance of the Supply Chain

If your organization is not reaching maximum operating profits, then something is blocking it from improving. These obstacles to improvement are called CONSTRAINTS. By focusing on constraints as a total organizational issue rather than a local (departmental) issue, you can drastically improve the efficiency of your entire operation.

Using [The Theory of Constraints](#) The Goal Institute has carefully analyzed company direction-setting practices, especially through marketing and sales. Thousands of managers have seen examples, through Dr. Eli Goldratt's bestsellers [The Goal](#) and [It's Not Luck](#), of how to tackle management issues in their department, in 3 straightforward steps:

- Knowing What to Change
- Knowing What Changes are Required
- Knowing How to Make the Changes Happen

The Theory of Constraints, which participants will be applying, is founded on the premise that today's market situation is characterized by fierce competition, pressure on prices and global uncertainty. Overcoming your own operating constraints demands unprecedented partnering with suppliers, customers and employees. This seminar shows you how to overcome conflicts and constraints that occur in everyday business, and how to achieve a lasting solution.

This course shows you how to overcome your most difficult strategic planning challenges by teach you how to:

Identify Organizational Constraints

Analyze your decision-making processes with regard to identifying your company's constraints, product mix decisions, process improvement efforts, measurements and the resulting bottom line impact of each decision.

Systematically Remove Your Constraints

Resolve long-standing conflicts between levels and functions, gaining complete buy-in.

Immunize the Future of Your Company

Deal effectively with the competition, both for the short-term and long-term.

Strengthen Your Organizational Vision

Resolve the conflicts between shareholders, the employees and the customers, regardless of the uncertainties in market demand.

Innovate and Problem Solve

Amalgamate five powerful avenues of solution.

Accelerate Improvements

Effective approaches to accelerate your ongoing improvement process.

External Constraints Course

This course is for organizations that want to significantly improve their bottom line performance, but can only do so by effectively addressing the external factors constraining their performance - external constraints such as insufficient market demand, poor supplier performance, or other external factors. In order to effectively address an external constraint, the organization must construct and present an offer that:

- Alleviates the impact of the external constraint on the organization's performance, and
- Provides the external constraint with significant, quantifiable bottom line benefits.

Such a win-win is what we call an "unrefuseable offer."

To construct and present such an offer requires that we create a shift in the way that our offer is valued from one that is based almost solely on "price" - where the other important elements of our offer are virtually ignored (the ones that can make or break the deal); to one that is based on "price related to bottom line benefits." Hence, one of the major elements to be addressed in providing an "unrefuseable offer" is quantifying the value of the offer in terms of its impact on the customer's bottom line. Bottom line here doesn't necessarily mean Net Profit - it might mean Return-On-Investment, Inventory Turns, Cash Flow, or keeping within Budget. Quantifying the offer in this way enables the customer to value the organization's offer on the basis of the "bottom line benefits it gets for the price" rather than simply the "price."

The combination of the participant's intuition and experience, and the use of the powerful Thinking Processes developed by the Institute, enables each participant to develop a breakthrough offer, thus alleviating the impact of this constraint on the organization's performance. In addition to structuring the offer itself, the participants will learn how to sell their new offer externally to the market or supplier, as well as internally to their own organization. Furthermore the participants will make sufficient use of the Thinking Processes throughout this program so as to be able to reapply them to other subjects.

Donn J. Novotny

Chief Executive Officer



Dr. Donn J. Novotny is President and Chief Executive Officer of The Goal Institute, Inc. Dr. Novotny founded The Goal Institute after a 16 year tenure as a partner of the Avraham Y. Goldratt Institute, founded by Dr. Eliyahu M. Goldratt, author of The Goal. The Goal concepts have since evolved into the Theory of Constraints, which is the formulation of an overall theory for running an organization. Dr. Novotny is involved in the development, dissemination, and application of the many powerful tactical solutions that have been derived from this theory.

Dr. Novotny has lectured at many prestigious universities in North and South America and Institute programs have been incorporated into many of the curriculums. He also serves on the Education Task Force for the American Chamber of Commerce in Mexico as well as the advisory council for many other universities.

Industry has prospered as well with many of the companies in The Americas attributing their success to the practical application of the Theory of Constraints by Dr. Novotny to enhance delivery performance and supply chain issues as well as blend in with other techniques such as Lean, JIT and TPS. Many Fortune 100 companies are among his clients, including DaimlerChrysler, Ford and General Motors.

Dr. Novotny's background includes extensive experience in industry as a consultant and executive as well as faculty appointments at Purdue, Wharton, and the University of Notre Dame. Simulation, network scheduling, and materials management have been the focus of his research and his work was instrumental in the development of many finite scheduling systems. His current research efforts are devoted to the need to identify and resolve the strategic constraints of supply chains. Only then can the tactical constraints necessary to support good strategies be properly addressed.

William E. Hoefle

EVP of Strategy and Operations



William Hoefle is Executive Vice President of Strategy and Operations of The Goal Institute, Inc. Mr. Hoefle founded The Goal Institute after a ten year tenure with the Avraham Y. Goldratt Institute, founded by Dr. Eli Goldratt, author of the book The Goal and creator of the Optimized Production Technology (OPT) software. The OPT concepts have since evolved into the Theory of Constraints, which is an overall methodology for running an organization.

Mr. Hoefle's work today includes the application of the Theory of Constraints on both a strategic and tactical level to improve the performance of organizations. He is expert in the application and teaching of the Theory of Constraints Thinking Processes, and works with organizations in industries as diverse as software and media development, automotive, tooling, communications, disk drives, banking, aeronautics and office systems.

While he works in multiple functions, his primary field responsibilities include leading the implementation of enterprise-wide solutions (thought-ware and software) for the management of complex new product development organizations, and his work has been instrumental in the architecture and evolution of constraint-based Development Chain Management systems (portfolio management - pipeline management - project management).

Mr. Hoefle's clients include Seagate Technologies, Herman Miller, Eaton Corporation, Lucent Technologies, Synergis Technologies, Nichols Aluminum and many others.

Mr. Hoefle is also the Managing Director of Alex Rogo Ventures, a privately held partnership dedicated to revitalizing underperforming enterprises. He has held associate and adjunct faculty positions in accounting and organizational behavior, is a member of the Turnaround Management Association, Association of Certified Fraud Examiners and APICS, and holds a Bachelor of Science Degree in Finance as well as an MBA

Richard C. Putz

Sarbanes Oxley & Regulatory Compliance Practice



Richard Putz is the head of the Sarbanes Oxley and Regulatory Compliance Practice as well as Chief Marketing Officer of The Goal Institute, Inc. Richard is an internationally recognized thought leader in Value/Service chain collaboration. Richard uses strategic planning and technology to craft the working solution. Richard brings 27+ years of experience to bear in his lively and interactive seminars, talks and keynotes. He has been an educator and consultant to senior management for nearly 20 years, and a marketing executive for six years. Richard uses amusing and insightful stories based on real life situations to drive his point home. **Richard is a business storyteller.**

His experiences as CEO/President of a prominent community bank and holding positions such as CFO and CSO in major corporations for manufacturing, distribution and high tech companies provide useful and enlightening information to draw upon for the learning experience. Richard has decades of hands-on experience he shares in his work with clients.

Richard has served as Regional Vice President of Strategy within the Industrial practice of Oracle Corp. Earlier he was a partner and Senior Manager in two big 8 consulting firms including his tenure as the National Value Chain Director for Technology Advisory Services at Coopers & Lybrand. CEO of a leading community bank; CFO & CSO of C-bridge and CMO & CSO of Excelon Corp. Richard is trained and certified in the Theory of Constraints as a "Jonah's Jonah".

He is actively involved with entrepreneurs of New England, Indiana and the Greater Chicago area and is actively involved in the Purdue University entrepreneurial program as an adjunct professor and teaches a Value Chain Management class at Loyola University in Chicago, which incorporates the Theory of Constraints Strategic Thinking body of knowledge. Richard invests a significant portion of his energy in large-scale research projects – often five or more years in duration – to develop fundamental insights and then translate those findings into books, articles and lectures. He uses his management laboratory to work directly with executives and to develop practical tools for applying the concepts that flow from his research.

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