

# Sample Key Points from The Goal

by

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# The Ultimatum [6]

- Customer Order 41427 (Bucky's order)
  - Nowhere close to being shipped
  - Parts ready and waiting (in stacks)
  - But, they cannot be assembled
- Peach to Rogo:
  - “You’ve got three months to make the plant at least a small winner”

# A Lesson from Herbie [100-102]

- Dependent events - no one can go fast than the person in front of them
- Statistical fluctuations - everyone walks at a different rate
- The entire troop is slowed down because of dependency limitations

## What They Need To Do Next [138-139]

- Distinguish between 2 types of resources in the plant:
  - Bottleneck: any resource whose capacity is equal to or less than the demand placed upon it
  - Non-bottleneck: any resource whose capacity is greater than the demand placed upon it

# Bottlenecks cont.. [138-139]

- The bottleneck determines the effective capacity of the plant
- Idea is to make the flow through the bottleneck a tiny bit less than demand
  - if demand decreases, plant won't lose \$\$

# Fallacious Assumptions [259-260]

- Wrong:
  - Balance capacity with demand first, then try to maintain the flow
- Right:
  - balance the flow with demand, not the capacity

# Fallacious Assumptions [259-260]

- Wrong:
  - Level of utilization of any worker is determined by his own potential
- Right:
  - For any resource that is not a bottleneck, the level of activity from which the system is able to profit is not determined by its individual potential, but by some other constraint within the system.

# Fallacious Assumptions [259-260]

- Wrong:
  - When someone is working the company is getting use out of them.
- Right:
  - Activating a resource and utilizing a resource are not synonymous.