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The Goal... is to read this book.

The fourth in a series of An Executive Summary for Busy Managers.

Hopefully everyone had an excellent Fourth of July weekend! I am very excited to share this summary with all of you as it covers one of my favorite management books. I have referred to this book many times just to make sure that the opinions and ideas I was espousing had some basis. I actually own two copies since one copy was always out on loan to one colleague or another. It's that time... Starbucks makes for a nice companion on our short journey to hopefully making your organization more effective.

The Harvard Business Review did an article this month on how BP has spent millions of dollars developing a front-line supervisor training program. I think they could have saved a lot of money if the consultants developing the program had instead decided to hand out The Goal by Eli Goldratt. I first read this book when I was a junior program planner and my only responsibility was to make sure that weekly manpower reports went out every Wednesday morning. Even back then, I felt that after reading this book I had a better grasp on the decision making process that was going on around me. The Goal uses a storybook approach to discussing and offering good advice on almost every business situation that any aspiring or seasoned manager needs to be familiar with. This is not a short read, but Goldratt keeps it fast paced enough to keep any reader interested.

Eli Goldratt started out in manufacturing by developing scheduling tools for proper shop loading. At that time he was trying to implement a manufacturing scheduling system that went against the grain of cost accounting. Instead of telling you how he was a maverick in the manufacturing world, I am going to attempt to explore this book from a point of view that is much more generalized. What makes this book exceptional is how it takes the many different challenges faced by managers and touches on each and every one. Sometimes advice is offered on how to overcome a challenge and sometimes it is just nice to realize that you are not the only one out there fighting the battle.

I believe that this book will be a timeless asset for anyone that is responsible for "growing" supervisors and managers or anyone that aspires to higher levels. This book was written in 1984, long before the popular term "work / life balance" was ever imagined. However, one of the main sub-plots affecting the main character is how he can better balance his job as a plant manager and being a husband and father of two kids. It takes his wife leaving him for a few months in order to figure out how they can better support one another. Everyone knows that a happy employee is a more productive employee. Having a good home life can certainly help to keep employees happy. This book allows anyone to foresee some potentially rough relationship roads and head them off at the pass. Goldratt almost hides the fact that this is a business book and at times you will forget and think that you are in the middle of an epic novel. Okay, maybe not epic, but at least light and lively enough to allow you some time away from thinking about how you are going to win that next proposal.

From a more technical point of view, The Goal focuses on understanding what is really important about your, my, anyone(s) job... achieving the "goal". What is the "goal"? The "goal" is for the company **'to make more money now as well as in the future'**.

When I first read this book I wanted to understand how I was helping to achieve that goal. I started looking at what we did with those weekly manpower reports. Those reports fed into a highly detailed monthly billing process that was contractually required at the time. By doing the weekly manpower

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reports, I was ensuring the accuracy of the monthly invoices. By submitting accurate monthly invoices we had a positive impact on cash flow. We helped to achieve the “goal” by getting paid as quickly as possible. Who knew that a junior program planner could have an impact on management bonuses? After all, positive cash flow is typically a measurement stick utilized for the performance based incentive bonuses that senior executives receive. Hmm... next time you see a junior bean-counter maybe you should pat him or her on the head and say thanks for that new luxury car. Nah, the effort would be wasted on them, unless they have read The Goal.

If you do nothing else after reading this summary, at least ask yourself how you are directly helping your company to achieve the “goal”. As a matter of fact, it would probably be very worthwhile to ask each of your direct reports the exact same question. There is no need to wait for a yearly performance review, as a matter of fact, if they gain a greater sense of their impact to the team, their productivity will increase. What are you waiting for... you are costing your company money right now by just sitting there and not already discussing this with your employees! Seriously though, think about if you believe that having each of your employees understand their personal tangible impact on the “goal” will provide them with increased intrinsic motivation. If it works, let me know. I would love to get that feedback. And I won't even send you a bill.

The book postulates that the best way for a senior manager to achieve the “goal” is to look at “throughput” as the main function of any organization. The theory behind throughput is really a “pull” style of activity. Everything starts with sales. From the top managers' perspective, someone wanting something means they are willing to pay you for it. Doing something that no one wants just for the sake of saying you did something is worth nothing. As a matter of fact, it probably cost you money on the bottom line because resources (labor, office supplies, machine time, etc.) were consumed to do something that no one wanted. This is a very difficult concept to accept because it theorizes that it is more efficient to have someone just standing idle while waiting for the next order. This is an extremely complex theory that will take more than my allotted five minutes to explain so if you are interested, drop me a line and we can discuss the detailed intricacies of the theory.

The Goal also focuses on topics like team dynamics and dealing with highly political individuals. It also covers everything from interfacing with hourly employees and unions to presenting ideas and results to the CEO. There are many little nuances throughout the book and each time you read it you will pick up something different. The meaning you take away from the book will also be highly dependant upon the situation you find yourself in right now. If you are managing a successful group, starting a new group or trying to turn around a struggling group, you will find something applicable within the pages.

This book is by no means a “quick read.” This is a management book setup like a novel. It makes for an enjoyable reading experience but you must devote a few evenings to getting through every page. There is the potential for a lot of philosophical discussion with your staff members on how the theory in The Goal could be applied today in order to make your organization even more successful. At the very least, it will offer you a new tool to evaluate how you can enhance the performance of your team.

Just my opinion and we all know what “they” say about opinions...

Thanks
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