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Group Processes  
Book Report

## **Book Report: The Goal by Eli Goldratt**

“The Goal” by Eli Goldratt is a novel that focuses on a production plant that has a failing system that will surely shut the plant down if the system does not right itself and show improvements. The main character, Alex Rogo, is portrayed as a family man with two young children, who has worked the past 15 years as a project engineer and plant manager at “UniCo,” a manufacturing factory. The first chapter goes right into the issues that Rogo is facing and how his boss, Bill Peach seems to not care about how well an order is put together, as long as it is delivered on time. In order for Alex to not get fired by his boss, he needs to lead a team to only work on one project at a time, so that it can be done as efficiently as they can with the little time given. If the plant does not improve within one year, it will be sold and all of its employees will be jobless. Alex runs into an old professor, and expresses all of his troubles at work. His professor, Jonah, states without knowing any extent of the problem that the plant is experiencing high inventories and not meeting shipping dates.

Alex realizes that by having all of the employees working on separate goals for each product is unproductive. His conversation with his old professor is the real turning point where Alex realizes that even with some minor adjustments that are increasing productivity, that effectiveness is still not being met. Jonah asks Alex “tell me again why you believe your robots are such an improvement?” Alex responds “Because they increased productivity leading the company towards our goal of increasing efficiencies.” Jonah then says that Alex doesn’t know what the goal is, and to “think about it... you can find the answer in your own mind.” Alex does some serious thinking as to what the company’s overall goal is, and comes to the conclusion that making money is the goal, and anything that can help the

company make money is productive. Anything that leads to loss of money is unproductive and needs to be thrown out.

After meeting with accountants and learning what kind of expenditures the company has. Alex contacts Jonah again saying that he knows that money is the main goal and needs his help to make the company run efficiently and make capital. Jonah states that Alex needs a team of people that will work efficiently together and make things happen that lead to making money. Alex meets with production specialist Bob Simons, Lou from Accounting, and Stacey from Inventory control to explain the three main terms that will run the plant efficiently. Throughput, Inventory, and Operational expense, all of which his newly acquired team members possess an expertise in. Bob was to focus on his goal of throughput which is the rate at which the system generates money through sales. Stacey would focus on how much inventory the company had and all the money that the system invested in those items. And Lou would need to find how all the money would be paid out to achieve throughput.

With the project starting to take seemingly steps forward, many conflicts start to arise for the new team. Symptoms of groupthink are noted as the group starts to think that everything is working without conflict, when in fact they are avoiding it. Conflicts at home are becoming apparent as well, as Alex's new workload has cause his wife to leave him. Now Alex has work and his home life in a conflict. Alex makes one more call to his friend and professor Jonah in a sort of last ditch effort to keep the company efficient and make money. Jonah introduces the term Bottleneck which he explains "is any resource whose capacity is equal to or less than the demand placed upon it. A non-bottleneck is any resource whose capacity is greater than the demand placed on it." Alex and his teams decided that making machines run more effectively and more cost efficient was the ultimate answer.

There are many instances where the team starts to figure out different situations and are faced with conflict that as a team they need to overcome. The company sees better production all thanks to Alex and his team. Alex gets promoted to what was Mr. Peach's job, Lou is the new division controller,

bob became the plant manager, and Stacey became the production manager. Looking back on the project the team decides that there are 5 steps for the improvement process. Identifying the system of constraints, decided how to expose those constraints, put everything into different decisions, elevate the constraints, and if any of the steps are broken, go back to step one. Overall the team became a success beyond all of their dreams.

This is the second time that I have read the book, the first being in manufacturing class last year. It was amazing the differences that I noticed when last year I was looking at the book at a manufacturing standpoint and this year it was as a team and group dynamics standpoint. It was almost like I read a different book. The benefit of this book that I thought was definitely looking in depth at what sort of team dynamics were present (if any.) The purpose and viewpoint of the book was to show how making changes in everyday work can make tasks more efficient. I thought that this book would be a perfect example of how a manager does when put under pressure to deliver a product on time while meeting company standards.

There are some questions that the book posed however. It seems that Alex is taking credit for hiring an efficient team that totally turns a company around, however Alex is taking his main ideas and viewpoints from his old college professor Jonah. Why would Alex take credit for ideas given to him by his superior? Also there wasn't much clarity as to what kind of money was spent on machines and robots that made work easier. I would assume that this kind of technology would cost the company a lot of money, which could present a bottleneck in itself. I did some research on the Author Eli Goldratt because I wanted to see if he was qualified to write such a novel on the manufacturing aspect of a company as well as the team and group dynamics of a project. It turns out that the book was based on Goldratt's "theory of constraints" which he developed himself. The author according to online media documents, Goldratt is a "physicist and business management guru." I would say that the author's credentials are more than appropriate to his style in writing the Goal.

The main ideas and key concepts the author used are definitely his introduction to the theory of constraints. The five steps were introduced to the protagonist and his three teammates on how the theory of constraints is used. It is very interesting how Goldratt decided to write a fictional novel to introduce how his theory of constraints works. The author goes very in depth on how to use the theory of constraints and gives ample detail on each step. He does not leave any information out on how to be successful or unsuccessful when implementing this theory. There are no real implications I could see that come from this book's content. I would say that it seemed as an awfully quick turnaround from being nearly bankrupt and shut down to being one of the most successful companies in the area. Then again maybe that's how well the theory works if done right.

I do believe that the book delivered on its promise. When I asked a classmate what book they were doing their report on, and they said the Goal, I was trying to think back at the sort of team dynamics that were present in the book. After reading it for a second time I couldn't believe the sorts of information that I missed. I would definitely recommend this book to many within the business management major. It has very relevant information to the type of material that we are learning throughout being in the management program. Accountants, engineers, and managers would benefit greatly from reading this book.