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The Society for Supply Chain Professionals



Constraint based supply chain management: Applying science to manufacturing and replenishment in a global market

"In the future, the main competition will be between supply chains" - Eli Schragenheim

Learn why a win/win agreement is necessary but not sufficient to ensure superior supply chain management performance!

Theory of Constraints - Workshop
Tuesday 24th - Wednesday 25th October 2006
Tennis West, Victoria Park Dr, Burswood, WA

INTRODUCTION TO THE THEORY OF CONSTRAINTS (ToC)

Are you managing the constraints in your organisation or are they managing you?

Every organisation has its constraints - things that limit the flow of value-adding activities. Constraints may be the availability of physical resources, or in many instances, the friction between and across organisational boundaries and the policies and measures that govern those relationships.

Every business is a complex system with its own constraints which we can ignore but whose effects are inescapable. By choosing to recognise and manage our constraints, we open ourselves to discovering simple breakthrough solutions to the complex problem of creating value.

Theory of Constraints Focus Areas

Developed over the last 25 years, the ToC body of knowledge has four major focus areas.

1. Thinking process

The TOC Thinking Process is a compact and effective approach to business strategy that creates a shared understanding of the key initiatives required to achieve desired business goals based on an understanding of the underlying root causes and system linkages of current issues.

2. Throughput optimisation

The Throughput Optimisation approach to Operations Management is applicable to physical and nonphysical production systems and supply chains. The ToC methods are designed to deliver exceptional reliability (due date performance) and agility (short lead times) off low inventories and/or work in progress (WIP).

3. Multi-project management

Critical Chain Project Management is the ToC approach to providing simple methods to optimise the use of scarce resources in complex environments, characterised by high levels of uncertainty.

4. Constraint accounting

Constraint Accounting removes the distortions of traditional cost accounting and aligns local measures and decision making with the goal of the enterprise to maximise Return on Investment (ROI).

Businesses that have applied this approach have seen:

- Increases in Revenue or Throughput, often of a substantial magnitude, with a mean of 68%.
- Reduction in Inventory levels of a large magnitude, with a mean of 49%.
- Reductions in lead-time of a substantial magnitude, with a mean of 70%.
- Reductions in Cycle-time of a substantial magnitude, with a mean of 65%.

(Source: The World of the Theory of Constraints, Mabin and Balderstone)



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RECOMMENDED FOR:

Senior, middle managers and analysts who are involved in business decisions at both the strategic and operational levels. Areas of interest are: finance management, general management, sales, marketing, IT, planning, logistics and project management. The course is appropriate whether your business is a service organisation (such as a bank, labour or equipment hire, academic institution, government agency or utility), or involved in resources, product manufacture or transportation.

CONTENT

Day 1

- Introduction to TOC and System Thinking and System Measures
- Role playing in a business game
- Computer based learning on a simulation of a complex production environment
- Analysing the Goldratt movie "The Goal"
- Using the 5 focussing steps of continuous improvement

Day 2

- Two scenario exercises: Manufacturing and Distribution
- TOC insights into Replenishment
- The "Evaporating Cloud" and its use in resolving tough dilemmas

LEARNING OUTCOMES

Following the course, participants will:

- Understand the benefit of holistic, System Thinking.
- Understand the constraint-based approach to Problem Identification and Solution.
- Have a deeper understanding of TOC Supply Chain Measurement Rules
- Be able to list the Five Focusing Steps of Continuous Improvement.
- Understand the Drum, Buffer, Rope (DBR) approach to managing uncertainty in operations

- Understand the Distribution and Replenishment approach to Supply Chain Management
- Use the "Evaporating Cloud" tool to search for logical solutions to seemingly intractable dilemmas
- Understand how TOC concepts may be applied in their particular business environment in day-to-day situations and for decision-making

TOC is not just about exploiting equipment and processes. It aligns the supply chain, establishes correct organizational relationships and structures and focuses the business on maximizing value... the exercises were excellent.

PAUL DONALDSON, Manager, Business Improvement
– BHP Billiton

The procedure of identifying constraints and managing those constraints provided real benefits in the form of reduced WIP inventories and lead times. These improvements are supported by appropriate measurements and the application of Constraint Accounting.

PHILIP ZYLSTRA, Managing Director - Skye

The key learning points were demonstrated effectively within a short space of time. This time investment should be made by most executives.

MARTIN KAPLAN, Director Corporate Finance
– Horwath

"The TOCCA approach gave the operators and managers the tools to rethink their operations, put some science around the methods and belief in the opportunity for improvement. The process is now being introduced to our forging business"

JOHN GILLESPIE, Manufacturing Manager - Smorgon
Steel

COURSE PRESENTER

David Hodes, the founder of TOCCA (The TOC Centre of Australia), is a qualified System Thinker and Practitioner. He was awarded a National Engineering Scholarship in the UK and attended Imperial College in London, where he graduated with a BSc Mechanical Engineering.



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David founded TOCCA in January 2000 and has since worked with likes of BHP Billiton, Cadbury Schweppes, Qantas, CSC, Smorgon Steel, HPM, Breville, Australian Country Spinners, Freedom Furnishers, Sensis, Orrcon, and many more across Australia.



David is a highly accomplished presenter and facilitator, and receives consistently high ratings from attendees at his presentations and workshops.

Register your interest now

Please note, numbers will be strictly limited to 15 attendees!

Please register by Friday October 6th 2006

Any enquiries, please phone Gordon Dunbar on 0403 241 540.

REGISTRATION FORM

Date:	Tuesday 24th and Wednesday 25th October 2006
Time:	8.00am - Registration 5.00pm - Close
Cost	\$1,500 per person for APICS members. \$1725 for non-members. Refreshments and lunch provided
Venue:	Tennis West, Victoria Park Drive, Burswood
RSVP:	Fax to 9321 9393 by 6th October 2006.
No's	Numbers are strictly limited to 15, so book early to reserve your place. First 5 applicants receive a free copy of "The Goal"

		Apics Member	Non Member
1) Name: _____	Company: _____	<input type="radio"/>	<input type="radio"/>
2) Name: _____	Company: _____	<input type="radio"/>	<input type="radio"/>
3) Name: _____	Company: _____	<input type="radio"/>	<input type="radio"/>
Main contact phone: _____		Email: _____	

Payment Details:

Members APICS- \$1500 Non APICS members \$1725

Please charge my: Visa MasterCard Bankcard **OR** I attach my cheque

Card No. _____ | _____ | _____ | _____ Expiry Date: ____ / ____

Name on card: _____ Signature: _____