

Meeting Attendance Verification, and Book Notes

Event:

The Chapter's October 7th, golf Book Review Meeting at Dead Horse Lake Golf Club was one of the best sessions in recent memory.

Michael Demere shared how small and large manufacturers are avoiding the downturn in a simple, effective but uncommon way. The conversation was centered around the books that are widespread in our community: Dr. Eli Goldratt's "The Goal" and "It's Not Luck."

In "The Goal," we challenge many of our assumptions about how to effectively manage our operations. Michael explained how he has taken make-to-order manufacturers to achieve true 99%+ Due Date Performance within just a few months. They measure true DDP in the most intense way: committing to the original promise date, 100% quantity, 100% quality, and on the exact date promised. If one piece of the whole order is late or has unacceptable quality, his companies pay a 10% penalty of the whole order per day late.

He then uses "It's Not Luck" to find the customers that have 1) vendors that true DDP is notoriously bad, and 2) late delivery has major consequences.

Do you remark on how some of your vendors deliver late or have unacceptable quality, and does it disrupt your operations? Do you have to reschedule your plant to accommodate missing components and incur unnecessary overtime costs? Do you occasionally end up jeopardizing (or pushing out!) your commitments to your customer?

And if you could guarantee your delivery commitments with hefty penalties, would your customers respond with more orders for you? Would you want to do business with a supplier who guaranteed delivery at competitive prices?

Michael reviewed his success stories at machine shops, fabrication shops, printing companies, wood component suppliers, and several other applications.

That is one of the several methods Dr. Goldratt is using to grow companies in these challenging times. This is a great way to increase the top line while effectively managing costs.

Continuing Education Points: Attendee 4, Host 8 points

Host: Michael Demere

Chris Duckworth

Fenton Morgan