

The Theory of Constraints Institute

The Theory of Constraints Institute: The Foundation for an Enduring Competitive Edge

The TOC Solution for Distribution & Replenishment

Location: Knoxville, Tennessee
Duration: 4 days
2011 Dates: October 24-28
Tuition: \$4,500
(\$4,050 for TOCICO members)
Includes meals and lodging
and cost of course exam

OVERVIEW

The Theory of Constraints (TOC) evolved in the early 1980's with the publication of Dr. Eli Golratts' book The Goal. At that time, TOC was primarily applied to manage operations. Since that time, the TOC body of knowledge has grown significantly, and it is now applied to project management, replenishment and distribution, finance, and marketing.

The Theory of Constraints Institute offers three programs that collectively deliver the TOC body of knowledge across the supply chain. The three programs may be completed in any sequence and will be repeated at least once a year.

This program, *TOC Solution for Distribution & Replenishment and the*

TOC Philosophy, is one of three one-week programs. The second program focuses on TOC for Project Management and provides participants with an in-depth understanding on how TOC is applied in Finance. The second program also provides understanding on the Measures needed for the organization to grow its business at an unprecedented rate. The third program focuses on TOC in Operations and provides participants with an in-depth understanding of the TOC *Thinking Process*. The Thinking Process teaches executives the right approach to resolve conflicts and derive a winning solution that benefits all the parties involved

These programs also lead to a certification on TOC fundamentals, offered by the Theory of Constraints International Certification Organization (TOCICO). Each program will have a knowledge assessment (two TOCICO Fundamental Exam segments that cover the topics of the week) that is administered on the last day

The TOC Solution for Distribution & Replenishment

of the program. Participants who attend all three programs and pass all six segments of the TOCICO exam can take the complete TOCICO Fundamentals Exam.

The Institute is very applications-oriented. Practical exercises and simulations (both manual and computer simulations) support the theory presented as part of the overall educational process. Many real-world examples are presented to support key concepts and ideas throughout the program. Attendees will also participate in group working sessions and present team results.

PARTICIPANT PROFILE

The Theory of Constraints Institute is designed for executives and managers who want to understand how to build a sustainable competitive edge for their organization. These executives and managers have to balance seemingly conflicting needs, from customers demanding quality products at lower costs while shareholders expect a high return on their investment. The Theory of Constraints is a methodology that results in a Win-Win solution for a wide variety of situations, including those described above. The TOC concepts and principles have enabled many organizations to increase profitability at an unprecedented pace.

The program *TOC Solution for Distribution & Replenishment and the TOC Philosophy* will provide participants with an in-depth understanding of how to manage the

distribution and replenishment process very effectively while holding minimal inventories. Participants will understand the Five-Step Focusing Process of TOC and how it helps maintain the organizational focus on the correct approach to the distribution & replenishment problem.

The TOC philosophy is grounded in the principle that complex problems do not need complicated solutions – the more complex the problem, the simpler the solution must be. The TOC philosophy elevates participants' understanding of delivering effective solutions that benefit multiple parties that result in a Win-Win solution.

DESCRIPTION OF THE PROGRAM

The program on the *TOC Solution for Distribution and Replenishment* shows participants how they can apply TOC principles to dramatically improve the performance of their distribution and replenishment process. This solution is ideal for systems where the customer is not willing to wait for normal order delivery. A retail simulation utilized in the course gives the participants 'hands on experience' on the whole supply chain.

The *TOC Solution for Distribution and Replenishment* exposes excess capacity in distribution systems and dramatically increases product flow. Inventory Turns increase 100 to 500% simultaneously as

The TOC Solution for Distribution & Replenishment

operations costs go down and profit increases. The improved system can then respond quickly and efficiently to lucrative special orders. The Five Focusing Steps are applied:

1. Find the constraint to the system,
2. Decide how to exploit the constraint.
3. Subordinate everything else to that decision.
4. Elevate the constraint capacity.
5. If the constraint moves, start over at step 1. (Do not let inertia slow down your process of ongoing improvement.)

The TOC Philosophy builds on the basic principles of TOC:

- Systems are inherently simple
- Every system can be significantly improved
- There is a Win-Win solution for every situation, and
- Solutions are attainable by all employees

KEY BENEFITS

- Develop understanding on the TOC Solution for Distribution & Replenishment that helps organizations manage their inventories and deliveries very effectively.
- See how the TOC philosophy allows you to develop simple solutions to seemingly complex problems.
- Understand big picture thinking and the damaging effects of localized decision making and learn how

thinking holistically leads to achieving the organization's goals.

- Understand the opportunities available to create an “Ever Flourishing” organization, that allows the organization to grow its business such that current revenue becomes net profits in a few years.
- Learn how to create a sustainable, competitive advantage and grow your business at an unprecedented rate by providing the customer with a “mafia offer” – an offer that is so compelling that the customer finds it extremely difficult to refuse and yet your competitors are unwilling to attempt.
- Understand the synergy between Lean and the theory of constraints to enhance the organization's quest for operational excellence.

FACULTY

- **Dr. James Holt**, Clinical Professor of Engineering & Technology Management, Washington State University, Portland, Oregon. Dr. Holt has many years of experience with the U.S. Air Force. He has studied, practiced, and taught the Theory of Constraints for over twenty years. He has worked extensively on project management and has over forty years of experience on systems operations, systems optimization, and

The TOC Solution for Distribution & Replenishment

organizational behavior and simplification.

- **Dr. Mandyam (“Srini”) Srinivasan**, The Pilot Corporation Chair of Excellence, University of Tennessee, Knoxville, Tennessee. Srini has many years of experience with leading automobile manufacturers. He has published in a wide range of academic and professional journals and is the author of the books, *Streamlined: 14 Principles for Building and Managing the Lean Supply Chain*, and *Supply Chain Management for Competitive Advantage: Concepts and Cases*. He has studied, practiced, and taught the Theory of Constraints for over fifteen years.

Certification (Optional)

Exams for certification will be administered on the Friday following each program. Certification is received after the successful completion of all exams.

Facilities

Classes are held in the executive classrooms of The University of Tennessee Center for Executive Education. These facilities are specifically designed for group-interaction programs. Accommodations are single-occupancy rooms at a nearby hotel.

Related Courses of Interest

- TOC for Project Management, Finance and Measures
- TOC in Operations and the TOC Thinking Process
- The Lean Enterprise Systems Design Institute
- Lean Maintenance, Repair and Overhaul

CONTACT

For more information on *The Theory of Constraints Institute* please call or write:

Kitty Cornett,

Program Coordinator

Center for Executive Education
College of Business Administration
The University of Tennessee
603 Haslam Business Building
Knoxville, TN 37996-4160

Rhonda Barton, Director

Center for Executive Education
College of Business Administration
The University of Tennessee
603 Haslam Business Building
Knoxville, TN 37996-4160

Phone: (865) 974-5001

FAX: (865) 974-4989

E-mail: TheCenter@utk.edu

For current news on the Center for Executive Education and its offerings, visit our web site at <http://TheCenter.utk.edu>