

FIL/MS
December 3, 2014

The Goldratt India
D-154, Saket
NEW DELHI - 110 017

Kind attn. Mr. Ravi Gilani
Mr. Sudhanshu Saraf

Sub : My Reflections on TOC Engagement so far

Dear *Ravi & Sudhanshuji*,

It's the 75th week into our TOC journey as I write this and let me say ... what a roller coaster ride has it been ! Full of hope, belief, grit, determination, tension, frustrations, despair, exaltation and celebrations !

Reflecting back over past 18 months I find that more the things change more they remain same. For, in TOC, you quickly come to terms that moving goal-post is a way of life. What you set out to achieve, upon reaching there, become a starting point to launch further to a non-existing finish line. Only thing that's constant is moving up- week by week.

Euphoria of gains of initial months when we - across the plants and locations - aligned teams to a common purpose, grasped the right measurements, focused on exploiting the constraints and learned that cash is queen (no, not king but queen as they are more discerning) gave way to realization that life in TOC engagement is not a bed of roses. You can't have Eureka knowledge moments every week but have to doggedly unlearn and dispassionately dissect and subject every decision to holy grail of constraint.

So, as weeks passed by, we realized that there is nothing overtly sexy or glamorous about the process but its all about knowing what is right thing to do and then get down to doing it, week after week. Plan, do, monitor, improve, revise and re-start the cycle again.

It was in this phase that Sudhanshu-ji's developing certain process tools - very simple yet very powerful - gave us an insight to look at our Sales prospecting, pricing and closing a deal in altogether a different light. Suddenly, we started making more money by refusing the orders. We began to learn the joy of shrinking the order-book from 3 months to 3 weeks and yet making more money. OTIF (Delivery On Time and In Full) began to prove to be a game-changer. No longer adding a new country or a client made the sales team jubilant but squeezing more juice out of a lemon (read profitable business) did.

An intricate production planning tool, bringing transparency, accountability, prioritization and better customer focus has led to the most rewarding outcome i.e. higher efficiency, more output and - most importantly - higher throughput.

Cont.

:: 2 ::

Kashipur plant – where unlike Indore – product basket is much bigger and diverse has witnessed a major upward shift in its operational fortunes, thanks to leveraging the insight of throughput per constraint unit and OEE of constraint operation.

Have things improved ? Yes, indeed. Are we there ? Have we arrived ? No, not quite - as the goal-post is being moved continuously. Now that we have completed 17 months, did it cross our mind that we have learned all that was there to, and that we now can manage on our own ? Yes, it did ! Did we act on this impulse ? No, Good Lord, no. Without a shadow of doubt, we strongly believe that biggest value that gets delivered to us is by sheer physical presence and personal hand-holding by Goldratt counsellors, week by week, every week. Were we capable of doing it on our own I would not have been writing this letter.

While we have witnessed tipping points on many a count, there is so much more to learn, so much more to explore.

More when I catch up my thoughts in the week-150.

Thanking you,

Yours faithfully,

FOR FLEXITUFF INTERNATIONAL LTD



MAHESH SHARMA
CEO