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Goldratt's Theory of Constraints Yields Award-Winning Results... Again

Both 2005 and 2006 Winners of Prestigious Franz Edelman Award Applied TOC Principles

LONDON— September 8, 2006— The Institute for Operations Research and the Management Sciences (INFORMS) recently awarded its 2006 Franz Edelman Award for Achievement in Operations Research to Warner Robins Air Logistics Center. The 2006 award winner has one thing in common with the 2005 winner, General Motors. Both companies achieved their outstanding results by applying Dr. Eliyahu M. Goldratt's Theory of Constraints (TOC) concepts to restructure their processes.

General Motors implemented an improvement program that rapidly identified and improved bottlenecks, leveraging a fundamental TOC principle. They achieved increased assembly throughput, higher productivity, and faster launches. GM estimated the savings generated by this effort to be over \$2 billion. Warner Robins applied TOC Critical Chain theories to dramatically shorten its C-5 transport aircraft repair and overhaul process time by 33%, keeping more aircraft in service, and generating incremental revenue of \$50 million per year. .

Mr. Kenneth Percell, the Executive Director of Warner Robins Air Logistics Center, will present his organization's successes at the upcoming Theory of Constraints Annual Conference to be held in Miami on November 4-7. Dr. Goldratt will also speak at the TOC conference.

Theory of Constraints, made famous in Dr. Goldratt's global bestseller, *The Goal*, is a strategic approach to achieving performance breakthroughs in large, complex environments with high degrees of uncertainty. TOC focuses on improving throughput, reducing inventory, and increasing sales and profits and delivers significant financial gains within a relatively short time.

Thousands of companies around the world have implemented TOC-based improvements and generated substantial results. However, Dr. Goldratt believes that for a company to get the full financial benefit from TOC, the entire enterprise must be engaged, including the senior management team.

Viable Vision is Dr. Goldratt's newest TOC innovation designed to help companies get the maximum financial payback from their TOC-based improvements. Says Dr. Goldratt, "When I do a **Viable Vision** analysis with a company, I am satisfied only when I see how it can, in less than four years, grow net profits to be equal to current net sales."

Business leaders facing new and more complex business threats, such as international competition and spiraling costs, have been receptive to Dr. Goldratt's ideas since traditional approaches are not as likely to inspire the breakthrough thinking these organizations require. Plus, Dr. Goldratt's credibility and the pay-for-performance component of the *Viable Vision* offer make it a low-risk, must-consider proposition.

Dr. Goldratt is traveling the world inviting business leaders to learn about *Viable Vision*. The next Viable Vision Offer Event schedule is as follows:

- Monterrey September 6
- Toronto September 26
- São Paulo September 28
- Tokyo October 17
- Taipei October 19
- Beijing November 29
- Warsaw December 4.

Viable Vision Offer Event registration information is available online at www.media.goldratt.info. Information about the TOC Annual Conference is at www.tocico.org.

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