

#### System not controlled (neregulovaný systém)



Based on pictures taken from CH.Hohman show

#### System not controlled and modification DBR





Based on pictures taken from CH.Hohman show

# Rope opened raw material valve





Based on pictures taken from CH.Hohman show

We Measure Operational Efficiency

Work flows from left to right through processes with capacity shown.



**Reward Based on Efficiency** 

### Work flows from left to right.



## In reality...

#### Processes A and B won't produce more than Process C for long.



P/D=parts/day

## Then Variability Sets In

 Processing times are just AVERAGE Estimates



# What's an Average? 50%

 Half the time there are 5 or more per day at each process--Half the time less



Previous Solution (not good one !): Inventory

#### • Put a day of inventory (WIP) at each process!



WIP= Work in Progress = NV=Nedokončená výroba

#### System Variability Takes Over→Chaos

Inventory (WIP) quickly shifts position. Inventory manager tries to smooth it out. Distribution problems result. Costs go up !!!



#### System Variability Takes Over--Chaos

An Average of 5 means sometimes 3 and some times 7



#### Process

Shifting work-in-process creates large queues at some locations. This makes work wait longer to be processed. (based on Little s law)



Shifting work-in-process creates large queues at some locations. This makes work wait longer to be processed.

Other workstations are starving for work (B) The work they could do is delayed because they have no input material. They can't take advantage of their extra capability. So......?

#### System Variability Takes Over--Chaos



Process



TOC Steps to Continuous Improvement

- Step 1. *Identify* the system's constraint.
- Step 2. *Exploit* the system's constraint.
- Step 3. Subordinate everything else to the above decision.
- Step 4. *Elevate* the system's constraint.
- Step 5. If a constraint is broken (that is, relieved or improved), go back to Step 1. But don't allow *inertia* to become a constraint.

#### Five Steps Applied to Flow Operations



#### **Five Focusing Steps**

- Step 1. Identify the Constraint (The Drum) CRT
- Step 2. Exploit the Constraint (Buffer the Drum) time reserve
- Step 3. Subordinate Everything Else (Rope) feedback
- **Step 4. Elevate the Constraint (\$?->extra costs)**
- **Step 5.** If the Constraint Moves, Start Over

#### Understanding Buffers



- The "Buffer" is Time!
- In general, the buffer is the total time from work release until the work arrives at the constraint.
- Contents of the buffer alters (see below)
- If different items spend different time at the constraint, then number of items in the buffer changes
- but Time in the buffer remains constant.

#### We need more than one Buffer



There is variability in the Constraint. To protect our delivery to our customer we need a finished goods buffer.

There is variability in our suppliers. We need to protect ourselves from unreliable delivery.

#### Buffer Time is Constant-Predictable



#### Buffer Management



#### **Problem Identification**



Time until Scheduled at Constraint

#### **Additional Buffers**

- Constraint Buffer (as we discussed)
  - Protects the Constraint from running out of work
- Finished Goods Buffer
  - Protects customer delivery from Constraint variation
- Raw Material Buffer
  - Protects the Release of material from suppliers
- Assembly Buffer
  - Facilitates speedy flow of products

See interesting video

https://www.youtube.com/watch?v=8yehd2ZsKH0