Drum -Buffer-Rope

Skorkovský

## Traditional Approach: Divide and Conquer

- Division of Labor breaks down linkages complex systems into manageable chunks.
- Which is harder to manage? Left or Right?



## We Measure Operational Efficiency

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

Market
Request
11


Capability Parts per Day


## Reward Based on Efficiency

- Work flows from left to right.


Capability P/D

7
9
5


6

Both found ways to look busy and appear to have a capacity of 5 parts/day.

## In reality...

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

| Process | A | B | C | D | E |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Potential |  |  |  |  |  |
| P/D | 7 | 9 | 5 | 8 | 6 |
| Reality | 5 | 5 | 5 | 5 | 5 |

## 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: Inventory

- Put a day of inventory at each process!

Variable
Process $\quad 52 \quad 52 \quad 52 \quad 52$


## System Variability Takes Over--Chaos

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


Process

## 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.

## System Variability Takes Over--Chaos

Process
WIP


Variable
52
52
52
52
52
Process
Shifting work-in-process creates large queues at some locations. This makes work wait longer to be processed. Other workstations can be starved for work. The work they could be doing is delayed because it is not there. They can't take advantage of their extra capability. So...

## System Variability Takes Over--Chaos



| Variable | 52 | 52 | 52 | 52 | 52 |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- |
| Process |  |  |  |  |  |

So... Management Helps! Management puts in more work (Inventory) to give everyone something to do!
Result: It takes longer and longer from time of release until final shipping. More and more delay!

## Attempts to Control WIP

- Use Kanban Cards-JIT


Variable 52525252
Process
Just-In-Time uses Kanban Cards to limit the queues building in the system.
No more than 5 parts are allowed at any station.
Looks good, but is it?

## Effects of Inventory Limits on Production

- What does a Kanban card of 5 Mean?



## Operation's Dilemma



## Injection: Put a large inventory where its needed and low everywhere else!

## TOC Steps to <br> 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)
Step 2. Exploit the Constraint (Buffer the Drum)
Step 3. Subordinate Everything Else (Rope)
Step 4. Elevate the Constraint (\$?)
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 ebb and flow within the buffer
- 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



Time until Scheduled at Constraint

## Problem Identification



## 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


## Additional Buffers

## Ropes



## Manufacturing is an integrating discipline

TOC
Thinking Processes Physical Systems Behavior

People
Organizations Performance Measurement Assignments Quality

Finance Capital Projects Uncertainty Investment Measures


Projects
Full Theory
Scheduling
Manage
Quality
Design for
Experiments

Operations Optimization Simulation Decisions Reliability
Supply Chain

