**Education Through Reading**

In this article, I have provided brief summaries of some wonderful books and articles about operations and market strategy. Many of these are older publications, but they are timeless. Also, they are readable; they’re not one of those boring business books that cause you to fall asleep after reading three paragraphs. All are available online through Amazon, etc. If not through Amazon, I will provide the web site address.

**Market Strategy**

***What is Strategy?*** is an article published in the Harvard Business Review authored by Michael Porter. Basically, Porter states that operational effectiveness is not a strategy, rather it is a component of a strategy if it aligns with market/customer needs. Strategy starts with understanding and prioritizing what your customer/market wants from you (product and services). You then need to do activities that provide what the customer wants. Markets typically are too broadly defined, causing conflicting needs. So, you need to make sure you are defining your markets properly. This article provides clear insights into how to do this through real life examples. This is available at HBR.org, search on “Michael E. Porter, What is Strategy?.

***3HAG Way*** by Shannon Susko, defines how to understand market opportunities and niche domination. The book lays out a 3-year plan methodology, because as the author states, 5 years is too long and one year is not enough time to establish and implement a market domination plan. The book has step by step instructions for plan development that are easy to follow. It also provides website reference links to free tools that are shown in the book that will help with your planning. I read this book is two sessions over two days. ***3HAG Way*** is a must read.

**Operations Improvement**

***The Goal*** by Eli Goldratt is the basis for constraint management. This book is a classic, written as a novel so it is also an easy read (one of my clients read it in one sitting). It is also written in a manner where the reader starts to anticipate the solutions. So, the learning of the methodology is exceptional. The book explains that every company has a constraining activity that controls growth of throughput (defined by Goldratt as revenue minus variable costs). Companies need to identify this constraint and take the steps necessary to improve its capacity.

***The Race*** is by Bob Fox and Eli Goldratt and this book describes a basic production scheduling method called Drum-Buffer-Rope (DBR) that is extremely effective. This book is also easy to read. It is helpful, although not required, to have read ***The Goal*** before this book. Basic principle in the book is that there should be a production cadence (this must be at the constraint) and to protect that cadence, a buffer is put in place. A buffer is inventory that represents a period of time, such as 8 hours, to protect the cadence in case the areas feeding the drum have problems. This means then, that the areas have 8 hours to fix the problem before the problem disrupts the cadence. This book explains how these three concepts work together.

***Lean Thinking*** by James Womack and Dan Jones was one of the first books written on lean manufacturing. It covers the 7 Wastes concept and different tools (such as set-up reductions, kaizen events, 5S, value stream maps, etc.) that are used to improve operations in companies. The basis of the book is that companies need to focus their efforts on those things that create value for their customers. It also covers the method of producing to demand instead of producing to stock. Overall, this book is very good, but some of the examples used in it might be a bit drastic.

***Leadership and the New Science*** by Margaret Wheatley is essentially about the role of leadership to create an environment where all people in the company clearly understand the goals of the company so everyone can make decisions to move the company in that direction. Spontaneous decisions are made hundreds of times in companies every day. They need to be the right decisions, i.e., those that help move the company in the direction it wants to go. Rigid decision making is slow and frequently results in sub-optimal performance. Speed is of the essence, but equally important is the quality of the decision.

***Extreme Lean*** is another book that tells you how to combine all the above into a focused effort to align operations with your market strategy. It explains the various tools, when they should be used and how to put them together to make your company highly effective in its chosen marketplace. The book is based on 30 years of operations improvement work and focuses on the practical and effective, not theory.

\_\_\_\_\_\_\_

**About the Author:** Bob Krausert is the owner of STRATE***X***, a Twin Cities based firm that works nationwide. Bob is the author of the book, ***Extreme Lean***, published in 2018. Bob has worked with over 60 printing companies, mostly mid-sized companies, but also with larger companies like Jostens and RR Donnelly. During his career, Bob has trained over 12,000 people at both public and private events. Bob has been working with PIM since 2010, periodically providing educational seminars for its members. Bob can be reached at stratexlean20@gmail.com or by phone at 612-743-8706. If you would like to have a specific question or topic covered in one of the monthly articles, feel free to make the suggestion!