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LEADING AN AMERICAN MANUFACTURING RENAISSANCE



Inc.

Drew Greenblatt | Inc.com contributor

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The Man Who Saved My Company

Transformation comes in unexpected places. I met the father of the 'Theory of Constraints' just once, but his impact was profound.



Johnny Valley/Getty

Sometimes, you get saved in the most unexpected ways.

A few years after I'd bought a bagel basket factory in the late 1990s, I was in the gutter--beaten down by subsidized Chinese imports, substandard facilities and the squashing of the bagel business by the low-carb Atkins' diet. I was searching for a way out, short of folding the business. Then, by serendipity, an engineer from Boeing approached with a request to make a wire basket to hold small aircraft components for an assembly process. It seemed an odd job, and we didn't embrace it right away. The order required much greater precision than a bagel bin, but helped it lead us out of the business wilderness we'd found ourselves in.

Soon after, I ran into a business consultant at a conference--we were the only two folks from Maryland and we started chatting. I asked him about any useful books he'd recommend and he mentioned Eliyahu Goldratt's. I listened.

Goldratt was a physicist and management theorist whose iconic management book, *The Goal*, had already sold 3 million copies by then. His fictionalized account about how a beleaguered plant manager succeeds by discovering "lean manufacturing" is required reading not just on factory

floors but in hospitals, schools, halls of government and corporate board rooms. That book--and Goldratt himself--were transformative for my company.

Realizing "The Goal"

The man from Boeing had simply said, "I need a basket," but the lessons from *The Goal* helped me grasp that this was the new market I had to pursue. The book describes a plant manager who turns to the aid of a former college professor--a man a lot like Goldratt. The professor's guidance about the need to focus on bottlenecks helps the manager come to realize that "The Goal" is money, always money. In short, anything that helps a factory make money is a positive. Anything that doesn't is unnecessary. While that probably sounds like common sense, the discipline of Goldratt's book and its passion for lean manufacturing led us to discontinue wasteful practices. We focused on trying to discern and solve the customer's biggest problem--even if the customer hadn't yet identified it. This turned my business around.

So I considered it a big deal with I got to introduce Goldratt before he spoke to a business group in Baltimore a couple of years ago. I brought nearly a third of my company to hear him. He talked about how too many manufacturers swim in a "red ocean," where everyone's dying to be a penny cheaper than their competition, profit margins are slim and lifestyles are hellish. Strive instead for "blue oceans," he said, where you have no true competition because your offerings are superior. You have healthy profits to reinvest in the company and can treat employees well.

Goldratt's Takeaways

I wrote down other wisdom from him that morning:

- People don't resist change on instinct. They judge the change first and then resist.
- Excess capacity must be used to grow the business, never to lay off people. Loyalty is a two-way street.
- Identify the core conflict that is the root of every other problem: That takes courage.
- The important metric in project management is not time and deadline, but the amount of mutual trust between managers and producers. The success of a company is determined by the harmony of the relationships within it.

After the speech, Eli's associate asked me if I wanted to ride back with him in his limo to the hotel. I jumped at the invitation. Eli said he was touched that I'd shared with the group how profoundly his lessons had helped us. His writings are probably better known in Japan than in America, but he wanted U.S. manufacturing to thrive again and we discussed ways we could partner. When we reached his hotel, he reached out and enveloped me in a big hug.

A Legend Has Passed

Not eight weeks after that bear hug--On June 11, 2011--I sent the following e-mail to my staff with great sadness:

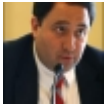
"A legend has passed: Eliyahu M. Goldratt. He helped our company. We were lucky to have met him."

He died at the age 64 at his home in Israel. [I passed on to my employees](#) an Eli Goldratt quote:

"People are good. ...Every conflict can be removed. ...Every situation, no matter how complex it initially looks, is exceedingly simple. ...Every situation can be substantially improved; even the sky is not the limit. ...Every person can reach a full life. ...There is always a win-win solution."

Rest in peace, my mentor and friend.

<http://www.inc.com/drew-greenblatt/the-man-who-saved-my-company.html>



***Drew Greenblatt** is the president of [Marlin Steel](#), a U.S.-based manufacturer of wire baskets and sheet-metal fabrications. Marlin has grown 25% over the past three years and has a record of 1,422 days without a safety problem.*

Marlin Steel 2640 Merchant Drive, Baltimore, MD, USA 21230-3307

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