

Evaporating The Cash Constraint (in < 100 days) The TOC Way

Theory of Constraints ...

The performance of every system is governed by the performance of its weakest link.

Who should attend? This seminar is focused exclusively for organizations having **Cash-constraint**. Hence only the owners, decision-makers, CEOs, CFOs of such organizations should join this.

Seminar details:

Evaporating Cash Constraint

When: Dec 18th. Time: 9:30am to 5:30pm

Where: Hotel Intercontinental Eros (Earlier Park Royal), Nehru Place, New Delhi 110019

Investment: Rs. 17,000 per participant (inclusive of 12.36% service tax)

For booking and confirmation of your seat, please get in touch with

Mr. Sudhanshu Saraf, Director, Goldratt India, Mobile-+91-9818384506, Email: sudhanshusaraf@goldrattindia.com

Service Guarantee: Full refund at the end of seminar if not satisfied.

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Many organizations sometimes get into the most undesirable situation of running out of cash. Almost the entire time and attention of the top management is consumed in fighting one payment crisis after another.

Cash shortage is not the same as **Cash-constraint**. An organization is said to be in **Cash-constraint** only and only if it has sufficient orders, sufficient manufacturing capacity, right vendors but the vendors have stopped supplying due to their payments being delayed significantly due to cash shortage. This situation could threaten the very existence of the organization. **In most cases it is possible to reverse this life threatening situation within less than 100 days through the application of Dr. Goldratt's Theory of Constraints (TOC).**

Mr. Ravi Gilani, Managing Consultant - Goldratt India, will be sharing this path-breaking methodology step-by-step, with diverse examples (case studies) of situations and geographies. He presented this paper for the first time at the Theory of Constraints International Certification Organization (TOCICO) conference at Miami in 2006. Since then there has been a regular ask from hundreds of CEOs for a repeat presentation at every annual TOCICO conference.

"This is to acknowledge your contribution in turning around our organization, Hari Machines Limited from a loss making unit to profit generating unit in a short duration of 100 days through the application of Theory of Constraints."- R H Dalmia, Director, Hari Machines Limited

"Using TOC, our on-time deliveries improved from 5% to 95%; Lead time reduced from 13 weeks to 2 weeks; Sales increased by 25%; we moved from cash loss to cash profit, and our bank borrowings reduced by 40%" - Zoru Bhatena, Director, Nat Steel Equipment Pvt. Ltd.

"With this transformation, I am confident that we can set standards surpassing many big names in our line of business" - P. K. Ranade, Jt. MD, Indo Asian Fusegear Ltd.

How about creating a solution that:

- 1. Increases your cash significantly within weeks**
- 2. Has practically Zero-Risk and investment**
- 3. Can be initiated within 24 hours**

Reference material

JMS-10 - Indo Asian Fusegear Limited

Presenter:

Ravi Gilani, AGI Associate, Time 'n' Cash presenting on behalf of Vivek Mahendru of Indo Asian

Located in India, Indo Asian Fusegear Limited has been manufacturing electrical and lighting products since 1958. By September 2001, the company had hit bottom. Their on-time-in-full delivery performance was less than 10%. Payroll was a month behind. Payables were more than 90 days past due and suppliers were questioning whether or not to continue supplying to the company. There was a severe cash shortage. Sales were declining due to poor performance. And for the year 2000-2001, the company lost money – for the first time in 42 years.

In September 2001 Indo Asian was introduced to TOC. Prior to this they perceived their problem to be in the market – not enough customers. After their initial exposure to TOC they realized that timely order fulfillment was the key to their success. They agreed to a pilot TOC implementation in their plants. The focus changed from “production” – number of items produced – to “dispatch” – numbers of orders executed in full. The plants were no longer allowed to dispatch incomplete orders. Marketing was now only allowed to pass on actual orders to the plant – not orders based on forecast.

The company also implemented an unrefuseable offer with a key customer that resulted in a favorable payment arrangement. Indo Asian was being paid in full on delivery of orders (within six days of the order) rather than after the usual 60+ days. In return, Indo Asian reduced their prices to this customer, and this customer only, by 50%. This resulted in significantly improved cash flows.

Today, Indo Asian has increased its on-time-in-full deliveries from less than 10% to 84%. Most orders are delivered within ten days. The company is no longer losing sales due to shortages in raw materials, and in fact has increased sales by 18%. Employees have renewed hope, everyone is happy with the direction of the company, and profits again are being realized.



Price: \$65.00

[Presentation on Evaporating Cash Constraint for Indoasian Fusegear at TOC WORLD 2002](#)

[Presentation on Evaporating Cash Constraint at TOCICO Miami in 2006](#)

[Video Presentation on Evaporating Cash Constraint at TOCICO Miami in 2006](#)

[Voice of Customer](#)