

*Paul Hoyt's "Office Hours" Series*



paul  hoyt

Office Hours

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[www.PaulHoyt.com](http://www.PaulHoyt.com) \*\* 877.For.Hoyt \*\* 415.997.8001



## Welcome to Office Hours

- A relaxed, informal mentoring program
- Held every Monday at Noon Pacific Time
- All recordings, slides, and exercises are archived in our member's area
- All recordings are available on my YouTube channel:

[www.YouTube.com/user/PaulHoyt](http://www.YouTube.com/user/PaulHoyt)

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## The Reasons

- Being a successful small business owner can be a great experience!
- But it's tough - you need Education, Training, Tools, and Team to be successful
- I want you to get to know me

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## The Reasons

- First and most importantly, I want you to know that I care about you.
- I want you to succeed in every area of your life, whatever that means to you.
- I want you to find the **greatness**, the **happiness**, the **divinity** within yourself, and then remember it, embrace it, and live it every day.

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## My Passion

- To increase the survival rate...
- Accelerate the growth rate...
- And reduce the struggle rate of businesses in America

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## My Vision...

- To help millions of CEOs and Entrepreneurs accelerate their business growth and enjoy greater harmony and balance in their lives
- You can help by passing the word

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## Office Hours Agenda

- In depth discussion of a business success principle
- Closing remarks, special offers, and invitation for next weeks session
- Open Q&A and coaching

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## Join Us!

- Brilliant Business Groups on Facebook and LinkedIn
  - <https://www.facebook.com/groups/BrilliantBusiness/>
  - <http://bit.ly/BrilliantBusinessGroup>

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## Join Us!

- Business Success Principle of the Day postings on both Facebook and LinkedIn
- Energy of the Day posting on Facebook
- Make comments, ask questions, share insights and “takeaways”
- “Like” my business page on Facebook

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# Special Announcement



## The **Awakened** CEO

- An Introduction to “The Awakened CEO System”
- Webinar on **March 18, 6 PM PT**
- **Watch your emails**  
for signup information

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## Today's Topic:

# The Goal: Eliminating Your Constraints

Based on "The Goal:  
A Process of Ongoing Improvement"  
by Eli Goldratt (1984)

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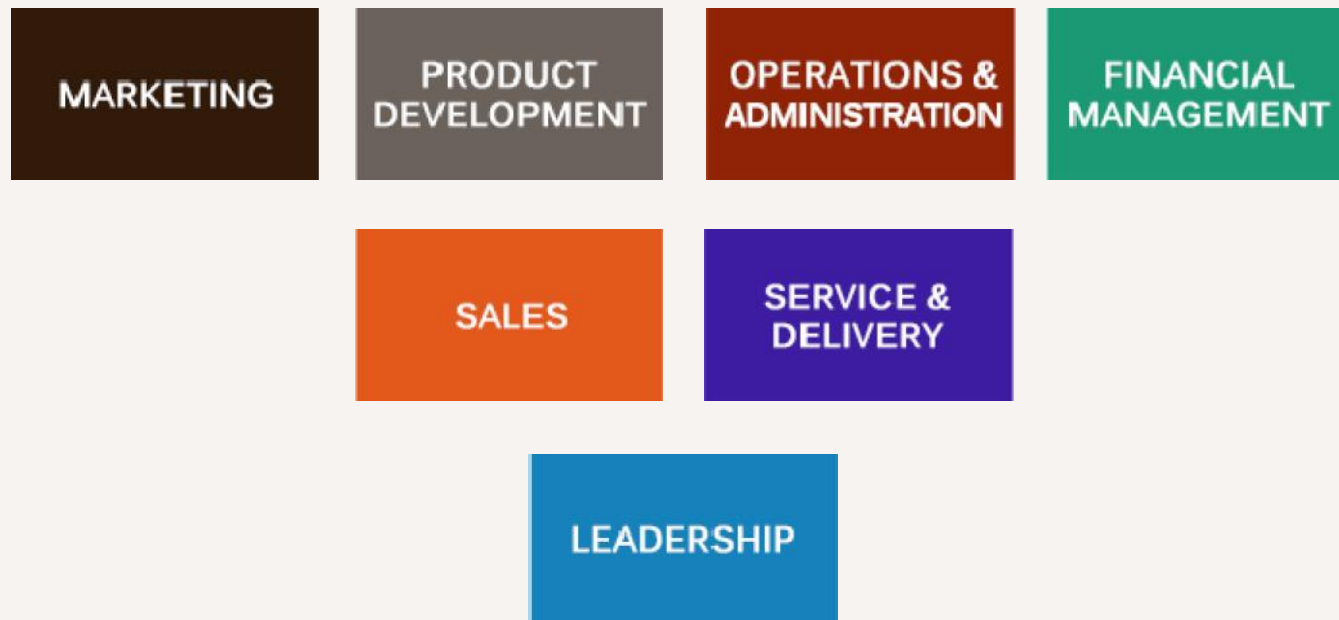
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# The Key Performance Areas



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# The Key Performance Areas



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# The Key Performance Areas



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## Agenda

- Overview of the Book
- A Word about Goals
- Key Concepts
- The TOC Process
- TOC for Small Business
- The Bottom Line

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## Overview of The Goal

- A “business novel”... and a movie
- The story of Alex Rogo, a plant manager
- Faces personal and professional challenges
- Mentored by former professor, Jonah
- Step by step, Jonah guides Alex to discover principles about The Theory of Constraints

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## Why Have Goals?

- Direct decision making
- Allows measurement of progress
- When clearly communicated, they enable teamwork and collaboration

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## Alex's Goals

- Make product
- Increase market share
- Produce quality products
- Produce efficiently
- Increase stockholder value

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## Jonah's Goal

- Revenue throughput
- Ability to generate cash
- “The goal is to reduce operating expense and reduce inventory while simultaneously increasing throughput. The most powerful effect is to increase throughput.”

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## Key Concepts

- **Inventory:** all the money the company has invested to produce products (assets)
- **Throughput:** the rate at which the system generates money through sales
- **Operational Expenses:** all the money spent to convert inventory to throughput
- **Bottleneck:** Any resource whose capacity is less than its demand

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# The Theory of Constraints (TOC)

- Individual work center / department productivity doesn't matter nearly as much as the productivity of the system
- Balance the flow with the demand
- To increase throughout, focus on the bottlenecks
- An hour lost at a bottleneck is an hour lost by the entire system

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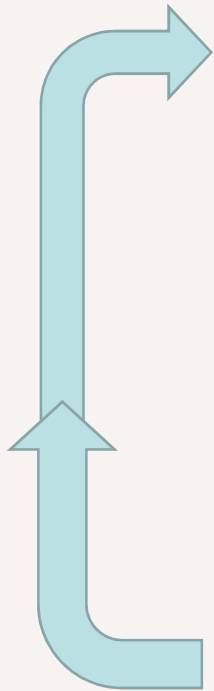
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## The TOC Process



- Identify the constraint
- Make everything else subordinate
- Increase the performance of the constraint
- Increase the capacity of the constraint
- Repeat the process

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# The Boy Scout Hike



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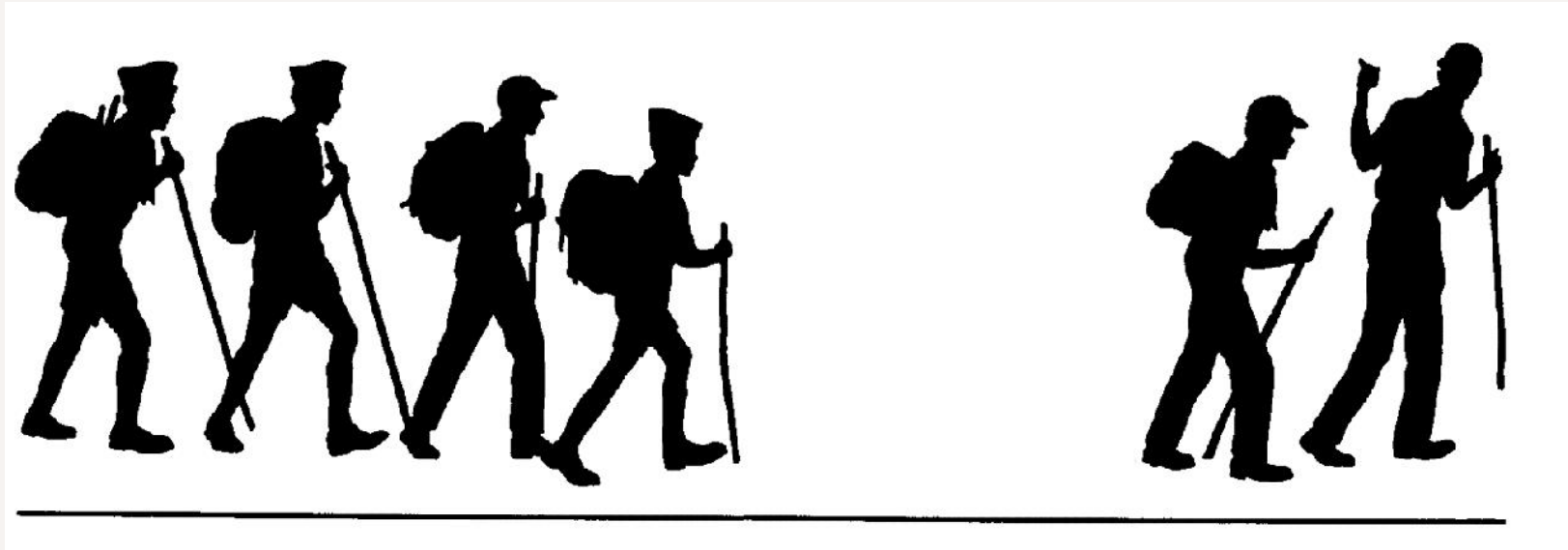
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# The Boy Scout Hike



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# The Boy Scout Hike



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# The Boy Scout Hike



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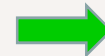
# TOC for Small Businesses



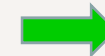
Leads



Sales



Prep



Delivery

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# TOC for Small Businesses

- The number of leads doesn't matter if they just fall on the floor
- You have to sell or you break the chain
- Then you have to prepare and deliver



Leads



Sales



Prep



Delivery

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# TOC for Small Businesses

- Increasing the effectiveness of a work center doesn't matter unless it is the constraint
- You have to do what is necessary to increase throughput



Leads



Sales



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## The Bottom Line

- Every system has constraints
- Most systems are unbalanced in the capacity of individual work centers
- You can improve your performance by focusing on managing your constraints to increase the throughput of the system

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- TOC for Small Business
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## Homework / Exercises

- Get “The Goal” and read it!
- Identify your constraints
- Use the TOC process to increase your capacity by managing your constraints
- Get coaching and support to manage the process

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## Open Q & A and Coaching – in a minute

- Comments and questions on the topic of the day, then any other issues
- Tell me what your biggest “take-aways” are and what insights you gained from this presentation
- Tell me what you are going to focus on

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## Our Support Services

- Education
- Training
- Consulting
- Coaching
- Growth Management
  - A “Do it With You” service!

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# Our Support Services

Service	Teach You	Do It With You	Do it For You
Education	X		
Training	X		
Coaching	X		
Advising / Mentoring	X	X	
Consulting		X	X
Growth Management		X	X

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## Reminder: The Awakened CEO System



### The **Awakened** CEO

- Introductory webinar on March 18!
- Check emails, social media, or call me for more information



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## Next Office Hours: March 30th

- Skipping a week!
- Topic is: **Live Group Coaching**
- Let me know what topics you would like for me to address: [www.PaulsSurvey.com](http://www.PaulsSurvey.com)
- Do your homework!

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## Open Q & A and Coaching

- Comments & questions on the topic of the day, then any other issues
- Contact Me at [paul@paulhoyt.com](mailto:paul@paulhoyt.com)  
call or text: 415.997.8001
- [www.SchedulePaul.com](http://www.SchedulePaul.com)

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