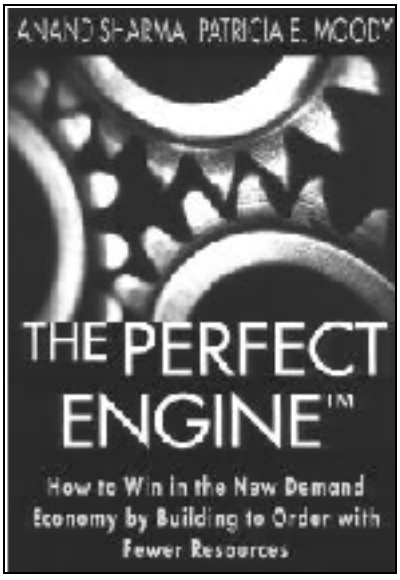
The Perfect Engine; How to Win in the New Demand Economy by Building to Order With Fewer Resources

By Anand Sharma and Patricia E. Moody,
The Free Press, A Division of Simon and Schuster, Inc., New York, 2001, $30.



The book is about implementing the tools that lead a company toward lean manufacturing by eliminating many wasteful activities. The primary methodology described is kaizen, which in turn employs many other tools as required in implementing improvements. The book does not get around to describing the perfect engine.

The book leads the reader through a description of a Better Way, What Doesn't Work, Lean Leadership, Preparing for Transformation, and into the Lean Production System in successive chapters. The chapter on value chain analysis is reserved until the next to the last chapter and should have been part of preparing for transformation. Value stream mapping is actually performed very early in the process of implementing lean in order to identify the priorities of waste and where the company may choose to begin. Chapter Two on "What Doesn't Work" should have been next to last since, by then, the reader would know something about the tools and successes of the lean system, and what doesn't work would have more meaning.

The strongest points in the book are the description of the Lean Production System, The Design for Lean Sigma (including process and product design), and maintaining the gains after success. Many books do not recognize sustaining the improvements, which, after all, is the essence of the continuous improvement mission. Concurrent process and product design still haven't caught on in American manufacturing and the authors wisely devote a full chapter to the subject.

The book is for manufacturers already on the road to lean. Those companies will find nuggets throughout the book useful and instructive. Some examples are: Trust your senses of sight, smell, hearing, and touch to identify problem areas in a plant In the "Whack! What Doesn't Work and Why" chapter); or "Focus Narrow and Deep" on product line improvement when implementing lean, in the chapter on "Preparation for Transformation and Innovation." Such examples will be useful for the lean practitioner.

However, manufacturers just starting the journey to lean will not find a focused process among the illustrative cases nor advice on when and in what circumstances to use the tools. Several cases cited in the book are instructive but are related mostly as stand-alone events that fit the company situation, or they lack a conclusion.

The term "Lean Sigma" will confuse the newcomer. Lean is already well understood as the objective of eliminating all wastes and creating predictability of the outcome of work with any or all of the tools required to get there (such as Six Sigma, Total Productive Maintenance, quick changeover, teams, and some tools perhaps to be discovered later).Combining the name sigma with lean doesn't appear to add to the body of knowledge. Companies already well on the road to lean management will understand Six Sigma as only one of the tools for evaluating the root cause of process variability and will glean useful nuggets from the book.

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The Perfect Engine. How to Win in the New Demand Economy by Building to Order with Fewer Resources. This edition published in October 16, 2001 by Free Press. First Sentence. "Stepping into the huge kitchen cabinet assembly plant, you are assaulted by the sights, sounds, smell, and by-products of a very busy operation." The Physical Object. Format. Hardcover. Number of pages. 304. Dimensions. Demand and Supply: How Prices are determined in a Market Economy. REVIEW: For review exercises click HERE. Introduction. Structural Adjustment Policies.Â In order to minimize costs, producers must know the prices of the resources. If these resource prices are determined by demand and supply then they will reflect the relative scarcity of the resources and their relative importance (more scarce and important resources will have a higher price) and the economy can achieve productive efficiency. In a capitalist society prices are determined by the interaction of demand and supply.Â A change in quantity demanded caused ONLY by a change in the PRICE of the product. On a graph it is represented by a movement ALONG a SINGLE demand curve. Start studying The Demand for resources. Learn vocabulary, terms and more with flashcards, games and other study tools.Â The expenditures that firms incur in acquiring economic resources flow to households in the form of: A. wages B. rent C. profit D. stocks E. costs F. interest. -profit -rent -interest -wages. The elasticity of demand for a resource is high when the proportion of _ accounted by the resource are large. A. total supply B. total output C. total production costs D. marginal costs E. total fixed costs. C. total production costs. In order to _ profit, a firm will purchase or hire a resource in an amount at which the resource's marginal revenue product equals its marginal resource cost (MRP=MRC). Maxi