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 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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Perfect competition leads to the Pareto-efficient allocation of economic resources. Because of this it serves as a natural benchmark against which to contrast other market structures. However, in practice, very few industries can be described as perfectly competitive. The arrival of new firms in the market causes the demand curve of each individual firm to shift downward, bringing down the price, the average revenue and marginal revenue curve. In the long-run, the firm will make zero economic profit. Its horizontal demand curve will touch its average total cost curve at its lowest point. The Demand Curve in Perfect Competition. A perfectly competitive firm faces a demand curve is a horizontal line equal to the equilibrium price of the entire market. Learning Objectives. Find many great new & used options and get the best deals for The Perfect Engine: How to Win in the New Demand Economy by Building to Order with Fewer Resources by Anand Sharma, Patricia E. Moody (Other book format, 2001) at the best online prices at eBay! Free delivery for many products! Using three case studies - Maytag, Pella and Mercedes Benz - Anand Sharma and Patricia Moody demonstrate how the use of their manufacturing technique, 3P Kaizen Breakthrough, has led to dramatic manufacturing results. Product Identifiers. Publisher. 1. A rise in aggregate demand. Aggregated demand can increase for various reasons. Governments often over-estimate how much they are able to increase productivity growth. Most of the technological progress comes from private sector without government intervention. Supply-side policies can help increase efficiency to some extent, but it is debatable how much they can actually increase growth rates. Most productivity growth is determined by the private sector. With a few exceptions, most technological improvements come from private firms. It is the private sector which develops new technology which enables the vast majority of productivity growth we see in the UK. In an open economy with perfect capital mobility and a flexible exchange rate an increase in international interest rates will lead to: (a) No changes in trade deficit Note that a greater desire to save implies a reduction in the autonomous component of consumption demand. Lower consumption demand means lower expenditure, hence the IS curve shifts to the left. Output is therefore lower. 5.