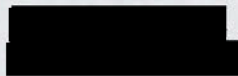


A Division of Lockheed Corporation
Marietta, Georgia 30063

24 August 1995

Ronita E. Woolsey
Managing Editor
Production and Inventory Management Journal



Dear Ms. Woolsey,

Here is a revised version of "Agile Manufacturing: Beyond Lean?" I have incorporated the suggestions of the referees with the following reservations:

1. (First referee's General Comment Number 3.) As the referee notes, the terms "reengineering," "agile manufacturing," and "flexible manufacturing" have been so loosely used that meaningful distinctions have been lost. In fact, as David Upton points out in the Jul-Aug *Harvard Bus Review*, different (but common) meanings of just one term, *flexible*, imply vastly different production systems and associated corporate strategies. We are beyond the point where I could clear up anything. The concept of *agility*, however, is unique in that strategists accept a broad meaning, as I indicated in the first three pages of the paper, and this meaning has proven extremely useful in deciding conflict. My purpose is to help agility resist the slide towards meaninglessness that has befallen its sisters by making manufacturers aware of its demonstrated power in competitive situations. I have revised the abstract and parts of the paper to try to make this purpose clearer.
2. (Same comment, last sentence) This is an unusual comment from an organization that recently proclaimed that "Business is War." It's not, of course, and the metaphor can be abused. But business and war are both examples of conflict, and lessons in one sphere often apply to the other. This paper describes one of the more useful concepts in modern strategy, but I believe that in order to apply it, manufacturers need to know where it came from and what purpose it served there.
3. (Second referee's comment) I have augmented the illustrations of agility in business to include Honda, Union Pacific, General Electric, Motorola, and Toyota, all consistently agile performers in the strategic sense described in the paper. Many other examples are given in the references. As for the how, I mention this on p. 4, but because it's not the main theme of this paper, chose to limit the discussion. The

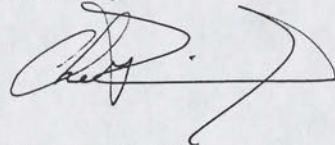
best description (as immodest as it may sound) of how and why agility works in business appears in my paper, "Riding the Tiger." Stalk & Hout also have a good analysis. Also, performance changes over time: Nothing spoils agility like success.

4. (First referee's Specific Comment no. 10.) The referee's comment is well taken, and I appreciate the chicken-and-egg nature of this question. However, I have chosen to leave the argument basically intact because, from the standpoint of making manufacturing an active player in an overall agile organization, the important thing is a functioning, just-in-time type production system, not the elimination of inventory *per se*. I have included references to this effect in this version.

As you can see, there are lots of interesting side issues that really don't fit well in the text, without writing a book, but might be of considerable use to various subsets of your audience. Originally, I put these in the endnotes, which is standard practice in most strategy publications (although it can be distracting, as your referee mentions). Since I have converted to a reference page format, many of these have had to go.

In any case, I appreciate the effort and care the referees put into their reviews (I never realized I was using so many quotes!) and look forward to hearing from you. By the way, I would be happy to provide the final version on disk.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Richards', with a long horizontal flourish extending to the right.

Chester W. Richards