

THE FABLE OF THE AJAX MINING COMPANY

The AJAX mining company owned a gold mine in North Dakota and a gold refinery in Nevada. Every day they sent 100 carloads of medium grade ore from North Dakota to Nevada.

The company came on hard times so the President, concerned about transportation costs, hired a Transportation Manager, and charged him to investigate and recommend means to improve transportation efficiency.

In the course of his investigation, the TM found there was a simple, inexpensive process called "SEPARATION" by which the medium grade ore could be separated into two components, 40% "High Grade" and 60% "Low Grade". Having had some experience with HOV lanes he immediately spotted the potential and proposed a "High Grade Train" program. The ore would be "separated" at the mine, then shipped in SEPARATE " HIGH GRADE " and "LOW GRADE" trains. He assured the president that this would improve transportation efficiency .

The President said,

"You're crazy. We'd still have to ship 100 cars per day".

To which the TM replied

"Trust me chief. Let me prove it with a demonstration project."

So the demonstration project was authorized. Now they shipped 40 cars of separated high grade ore in the HIGH GRADE train and 60 cars of low grade ore in the LOW GRADE train.

Next month the TM was able to report:

"THE PROJECT IS A BIG SUCCESS. THE HIGH GRADE TRAIN IS NOW CARRYING 50% MORE RECOVERABLE GOLD AND DOING SO IN 33% FEWER CARS THAN THE LOW GRADE TRAIN".

The President pulled out his calculator and confirmed the numbers but was still a little skeptical and muttered something about
"... still 100 cars ..."

But the TM finally convinced the President by pointing out that

"THIS IS EXACTLY THE SAME PRINCIPAL THAT HOV LANES WORK ON, AND AS YOU KNOW, THEY HAVE BEEN VERY SUCCESSFUL."

What do YOU think?

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