

TOC ExpertSM Business Assessment

The core constraint of virtually every organization AGI has worked with over the past 16+ years is that organizations are structured, measured and managed in parts, rather than as a whole. The results of such suboptimization are lower than expected overall performance results, difficulties securing or maintaining a strategic advantage in the marketplace, financial hardships, seemingly constant fire-fighting, customer service expectations being rarely met, the constraint constantly shifting from one place to another and chronic conflicts between people representing different parts of the organization, to name a few.

Once the barriers that block those parts from working together as an integrated system are removed, the result is significant and sustainable improvement in each and every problem mentioned above.

What blocks organizations from tearing down these barriers? Organizations are often so consumed by the pressures to achieve their short-term performance targets, that taking the time to plan for the future is a luxury they can't afford. Or, they have plans for the future, but are faced with the difficulties of balancing the risks of change with the opportunities they create – “if it ain't broke, don't fix it!” In either case, hiding from the fact that everything around them is changing at a faster and faster rate becomes more difficult with each tick of the clock.



Is it possible to use change to create a competitive advantage? Is it possible to do that quickly, without risk and while creating a reliable platform from which to seize the opportunities of tomorrow?

For organizations that have no choice but to put the pressures to perform before change, the **TOCExpertSM Business Assessment** is about taking a short timeout to explore the opportunities created by an integrated strategy supported by prudent tactics, and the resulting impact on the bottom line.

For organizations that see change as a vital part of their portfolio for remaining competitive, the **TOCExpertSM Business Assessment** is about mitigating risks by creating a reliable platform from which to realize the full benefits of one's investment opportunities.

For a more detailed introduction to the Theory of Constraints (TOC) see the white paper on *The Theory of Constraints and its Thinking Processes*.



Format

The TOCExpertSM Business Assessment is a three-part process:

In Part One, background information about the business and its operations is gathered via a dialogue between the TOC Expert and a selected representative of the organization's management team. This information includes the organizational structure, size, products, product-related services, product flow and the current general business situation.

In Part Two a determination is made as to whether there is sufficient potential bottom-line value to warrant exploring the development of a strategy and tactics based on a "systems framework." This consists of a one to one-and-a-half day meeting with the management team and key personnel representing all business functions. Starting with an overview of the Theory of Constraints, the TOC Expert brings everyone present to begin to see how his or her problems/ opportunities are interrelated. Prompted by questions and answers, the group examines those problems/opportunities from the unique perspective of each of the organization's parts, i.e., each manager's area of responsibility. This results in the group having a shared understanding of their system today and the bottom-line impact of addressing those problems/opportunities.

The meeting continues with the TOC Expert describing how the organization would operate if reconfigured to work as an integrated system. As the desired relationships between the links of the organizational chain become clearer, so too does the path to realizing the predicted bottom line results. Assuming sufficient bottom-line value is identified, the assessment continues on to Part Three.

The outcome of Part Three is agreement of the

management team and key personnel that the proposed systems strategy and supporting tactics are viable, and its corresponding bottom-line value can be realized. Part Three consists of short meetings, interviews and/or discussions with the TOC Expert and individual key managers to gather some additional information about the problems/ opportunities identified in Part Two and to discern the details needed to flesh out and more fully develop a viable systems strategy and supporting tactics.

The time and effort required to gather the necessary data/information, construct the strategy and tactics and prepare the findings is a function of:

- The specific problems/opportunities identified,
- The size and structure of the organization, and
- The need to further verify and quantify the bottom-line value.

Part Three concludes with a one-day meeting during which the management team, key personnel and the TOC Expert review the data/information gathered, the resulting strategy and tactics and the bottom line value of the change.

Outcome

Agreement on an integrated business strategy, supporting tactics and expected bottom-line impact. Next steps are discussed as appropriate.

Duration

The timeframe for the assessment is dependent upon the specifics of the organization. The conclusion of Part Two will include an estimation of the time necessary to complete Part Three of the assessment process.



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