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Making Change Happen using TOC Thinking Processes

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Jelena is a Co-Founder and Co-President of TOC Practitioners Alliance TOCPA, CEO and Senior TOC Expert at tocExpert, co-founder of tocExpert Network and TOC Practitioners Worldwide group on Facebook.

Jelena has been involved in TOC since 1999. She is a TOC expert, trainer and consultant, and provides TOC implementation support in production, supply chain and project management. Jelena has worked in various countries all over the world, including Japan, Poland, Germany, Switzerland, Turkey, Italy, Russia, Ukraine, India, China, Chile, Colombia, Mexico.

Jelena is the author of four advances books on TOC Thinking Processes: *Behind the Cloud (2011), Through Clouds to Solutions (2013), Typical mistakes in working with TOC Logical Tools (2014), A Good Strategy & Tactic Tree (2016).* Together with Oded Cohen Jelena has co-authored the book *Theory of Constraints Fundamentals (2012).* She has many publications and video presentations, and has contributed to a number of books on TOC, the TOCICO Dictionary, and the bank of TOC materials on TOCPA portal. Jelena translated and edited several major TOC books.

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Making change happen

What is *Change* in a system?

It is bringing in a new solution

Making change happen

Whenever we speak about "**making change HAPPEN**"

this means that the decision about the change (or a NEED for the change) has been made or is being considered.

This means that we ALREADY know

- What NEW (Change) we will bring (want to bring) to our reality
- What CURRENT in our reality will be stopped or replaced by the NEW (Change)
- What benefits we will gain as the result
- That the NEW (Change) will NOT bring harm to our system.

Making change happen

Then

thinking/planning how to **make change HAPPEN**

is about

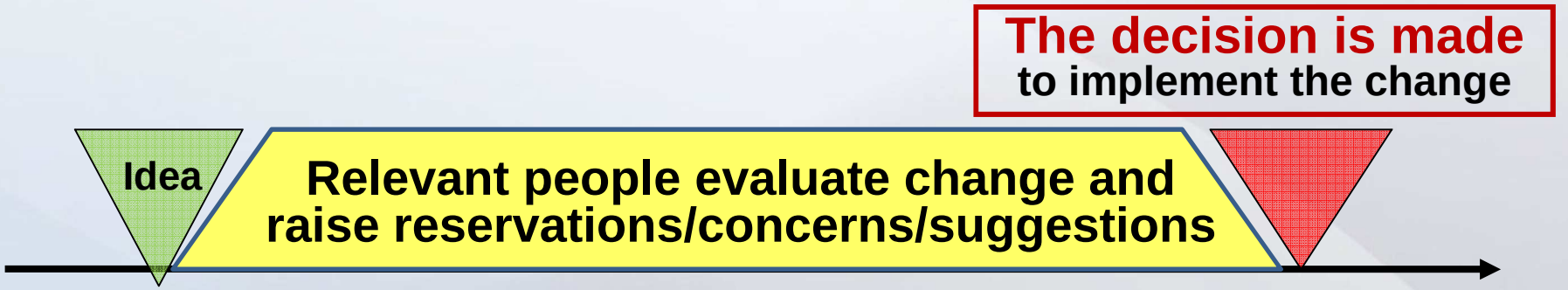
OVERCOMING OBSTACLES of not having enough knowledge of:

- how to implement the change technically
- how to bring people on board

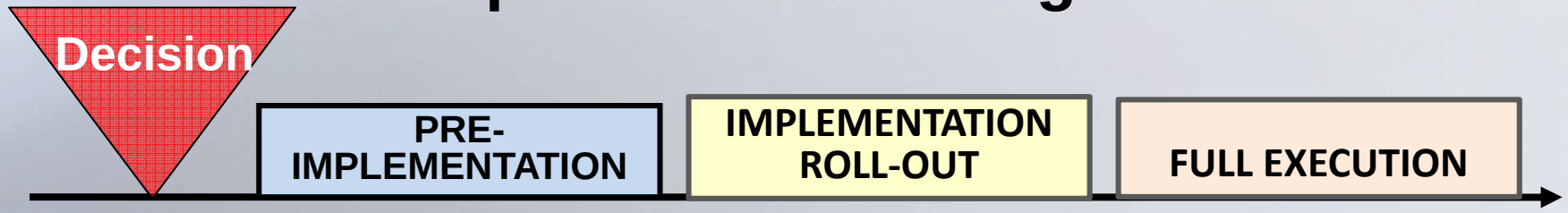
  On different levels – owners, bosses, peers, subordinates, contractors, vendors, clients, investors, etc.

Common confusion between *making decision to implement* and *getting collaboration* of people who are assigned to implement

The pre-decision stage



The post-decision stage



In the post-decision stage there is no room any more to persuade people to implement. The decision to implement has been made by people who are authorized by the company to make such decisions.

6 Layers of Resistance to Change

To address DECISION-MAKERS:

Layers 1-5

1. Disagreement on the problem
2. Disagreement on the direction of solution
3. Disagreement that the solution will bring the desired benefits

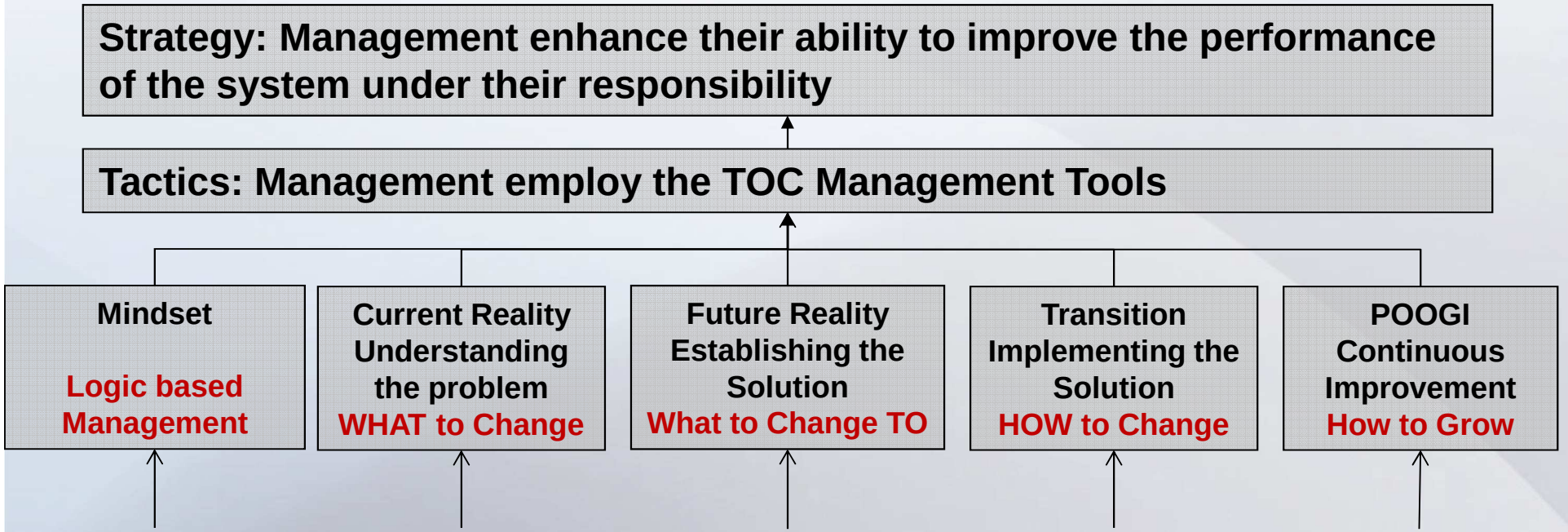
Yes, but…

4. Fear that the solution will result in negative consequences
5. Obstacles to implementation seem to be impossible to overcome

6. Say "Yes" and do nothing

To address RESOURCES: only Layers 4-6

For Change Decision-Makers



TOC Thinking Processes

For Change Decision-Makers

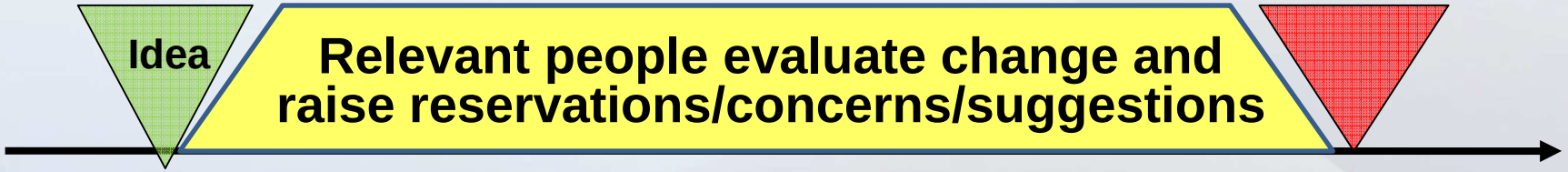
Strategy: Management enhance their ability to improve the performance of the system under their responsibility

Tactics: Management employ the TOC Management Tools

Mindset	Current Reality	Future Reality	Transition	POOGI
Logic based Management	Understanding the problem WHAT to Change	Establishing the Solution What to Change TO	Implementing the Solution HOW to Change	Continuous Improvement How to Grow
• U-Shape • C&E • CLR • Inner Dilemma/ Conflict Cloud	• UDEs • UDE Cloud • Consolidated Cloud • Core Cloud • CRT	• Pivot • Direction • Injections • DE • NBR • FRT	• Ambitious Target • PRT • Detailed plan • S&T	•Fire-Fighting Cloud • Inner Dilemma/ Conflict Cloud

Pre-decision stage – for the level of decision-makers only!

The decision is made
to implement the change



MUST BE KNOWN:

What to change

What to change to

How to implement change – technical side

Mindset	Current Reality Understanding the problem	Future Reality Establishing the Solution	Transition Implementing the Solution	POOGI Continuous Improvement
Logic based Management	WHAT to Change	What to Change TO	HOW to Change	How to Grow

Why is change needed? The only justification is – a clear GAP

PLAN
Measurable & quantified

Our targets

ACTUAL

LOW PERFORMANCE MEASUREMENTS

Why is change needed? The only justification is – a clear GAP

PLAN
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Our targets

ACTUAL

LOW PERFORMANCE MEASUREMENTS

Make to Order:

- Unsatisfactory On-Time Delivery
- Too long Quoted Lead Time

Make to Stock:

- Low Availability (high level of shortages)
- Low Inventory Turns (high level of surpluses)

Why are performance measurements low?

PLAN
Measurable & quantified

Our targets

ACTUAL

- OTIF too low
- Quoted Lead Time too long
- Availability too low
- Inventory turns too low

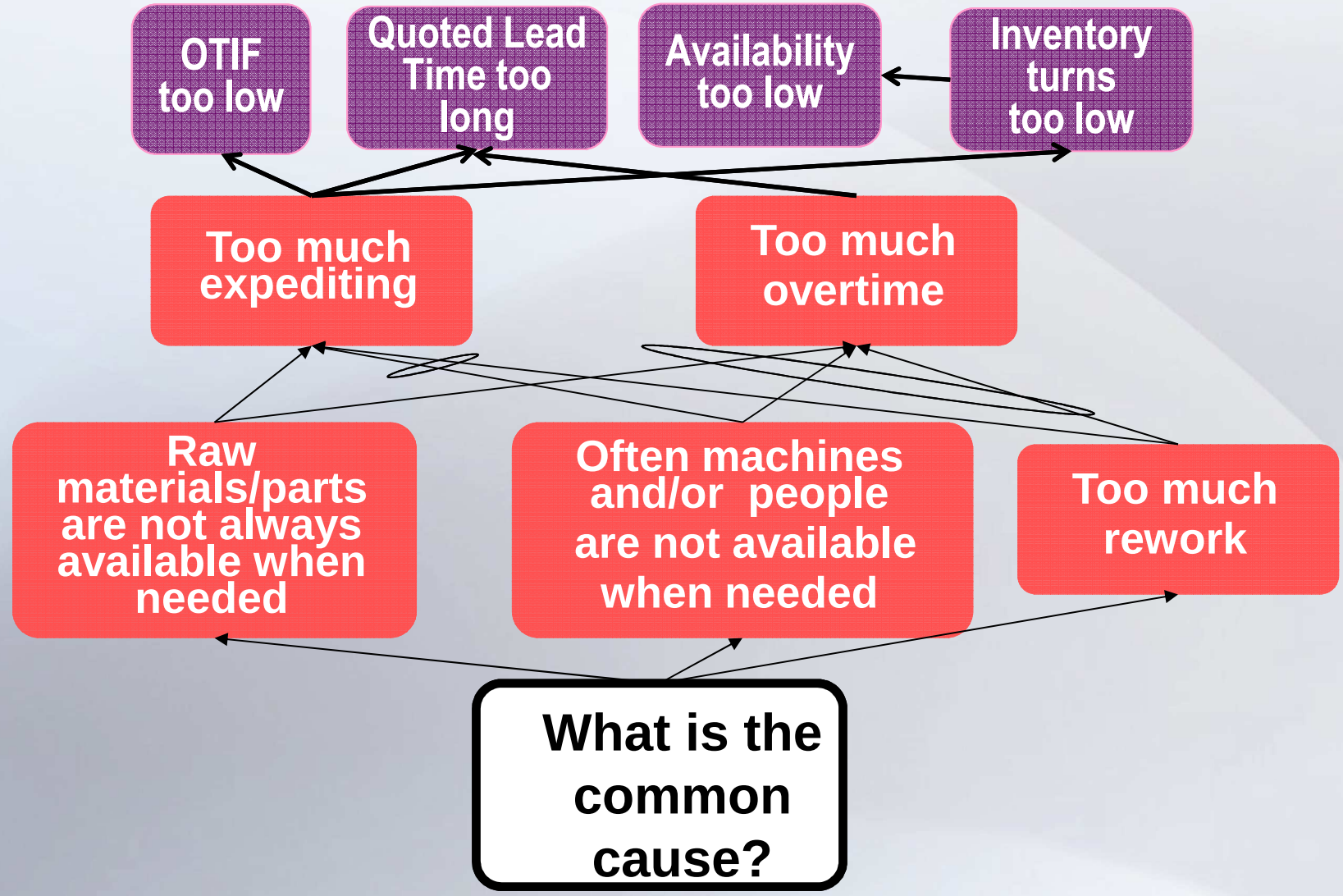
PERSISTENT PROBLEMS THAT DO NOT ALLOW US TO ACHIEVE THE DESIRED TARGET

UDEs

UnDesirable Effects

- Often machines and/or people are not available when needed
- Priorities constantly shift
- Raw materials/parts are not always available when needed
- Too much expediting
- Too much over time
- Too much rework
- Too many SKUs with too high inventory levels
- Too much dead or obsolete inventory

Why are performance measurements low?



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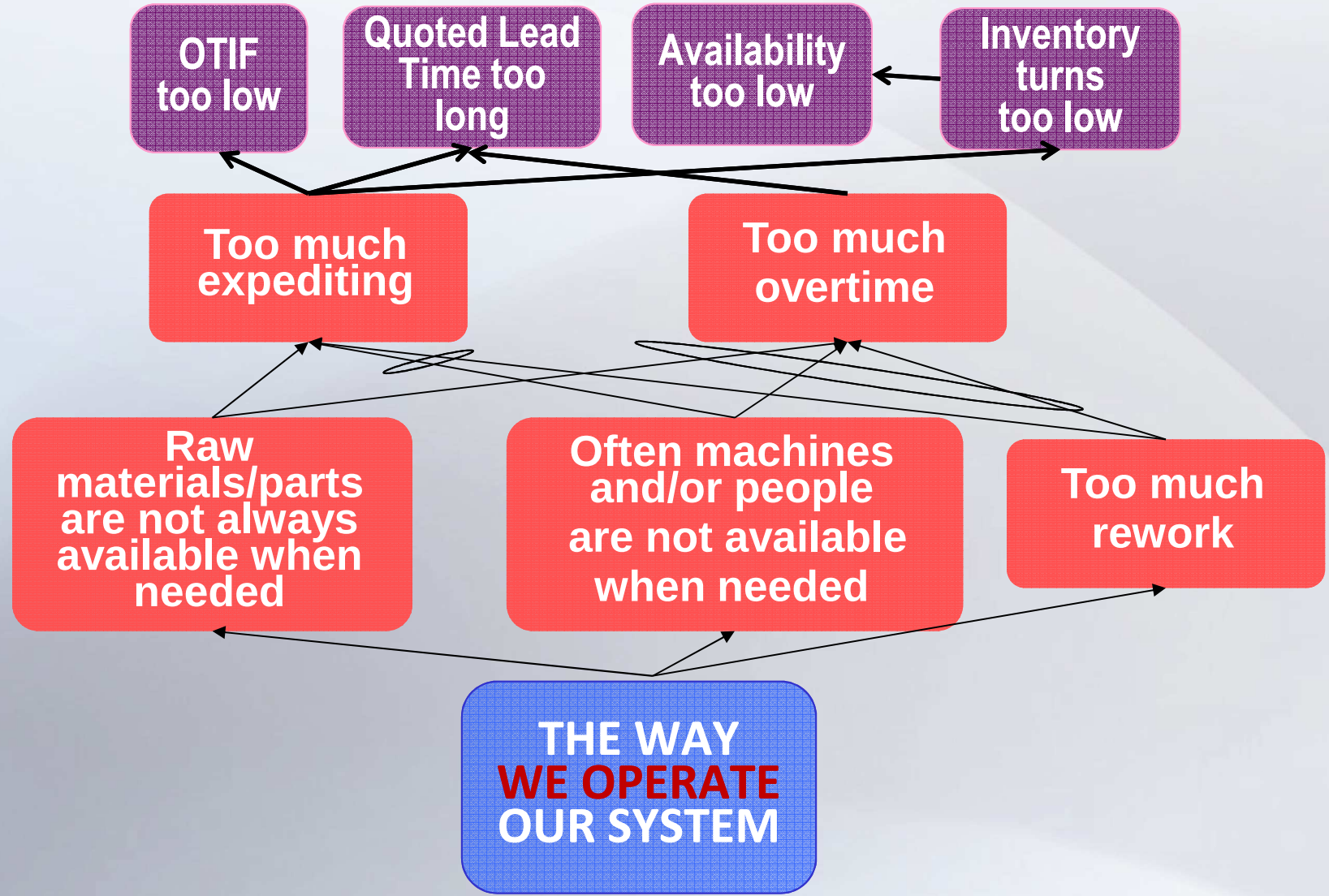
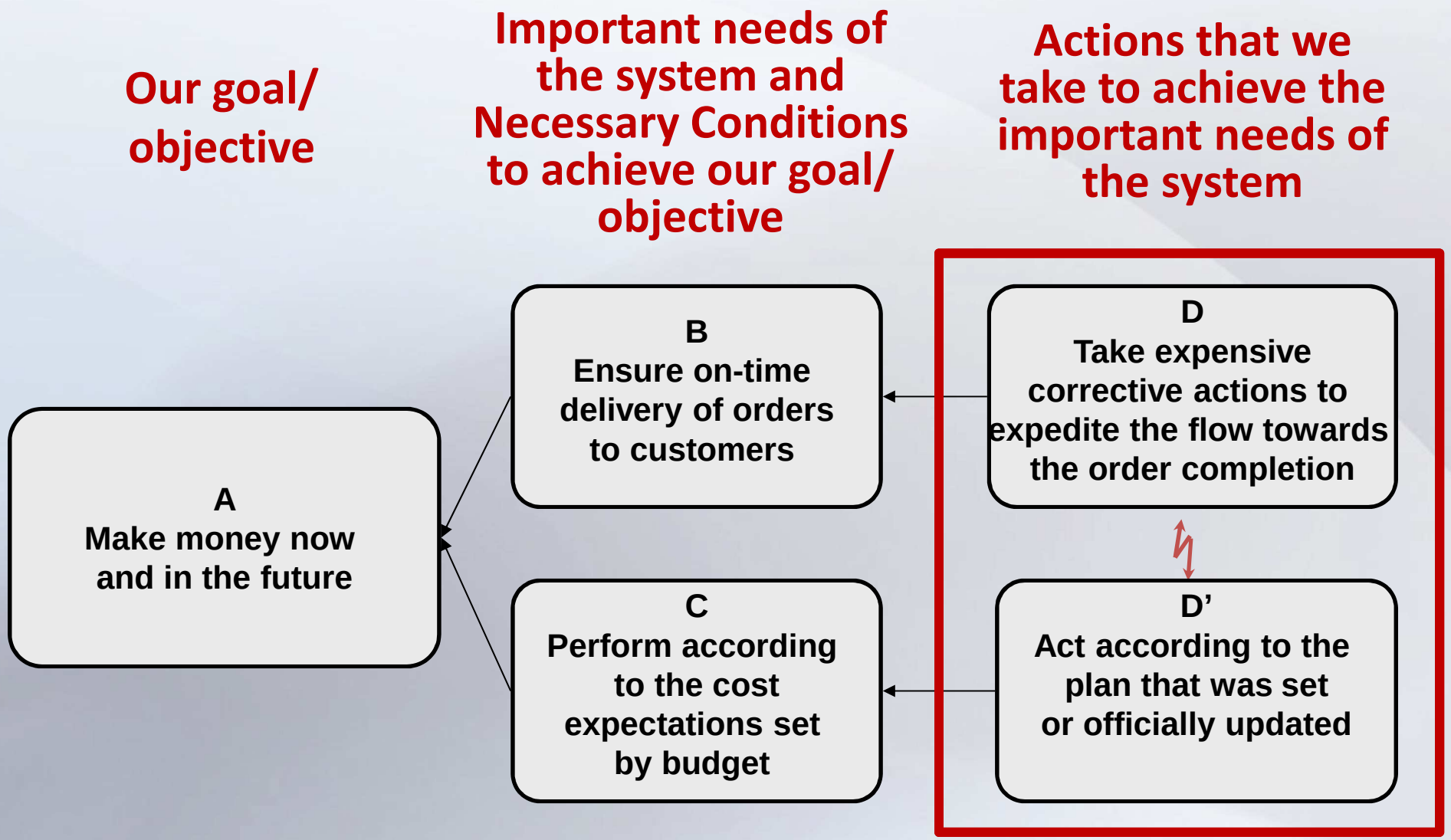


The way we operate our system



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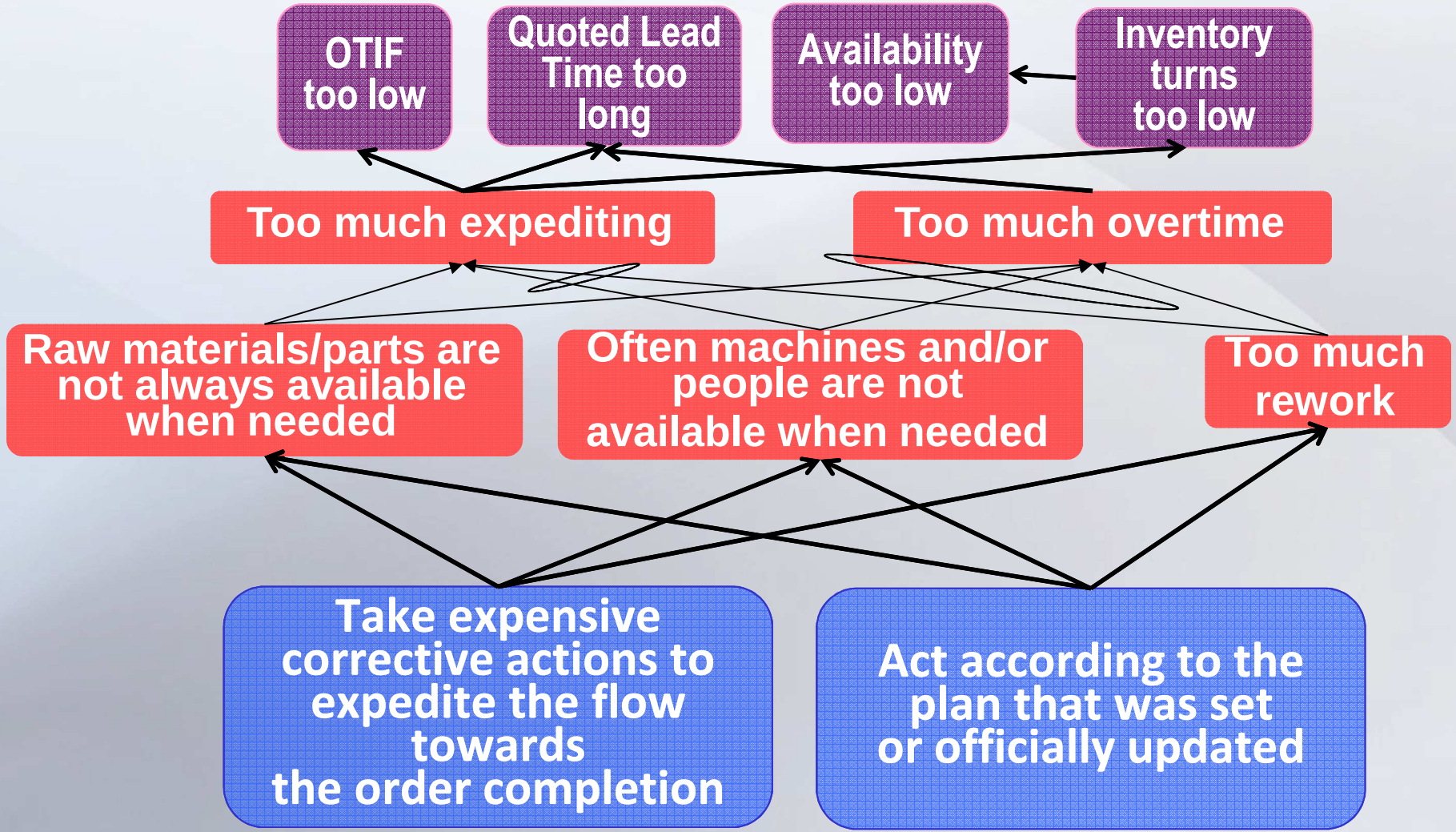
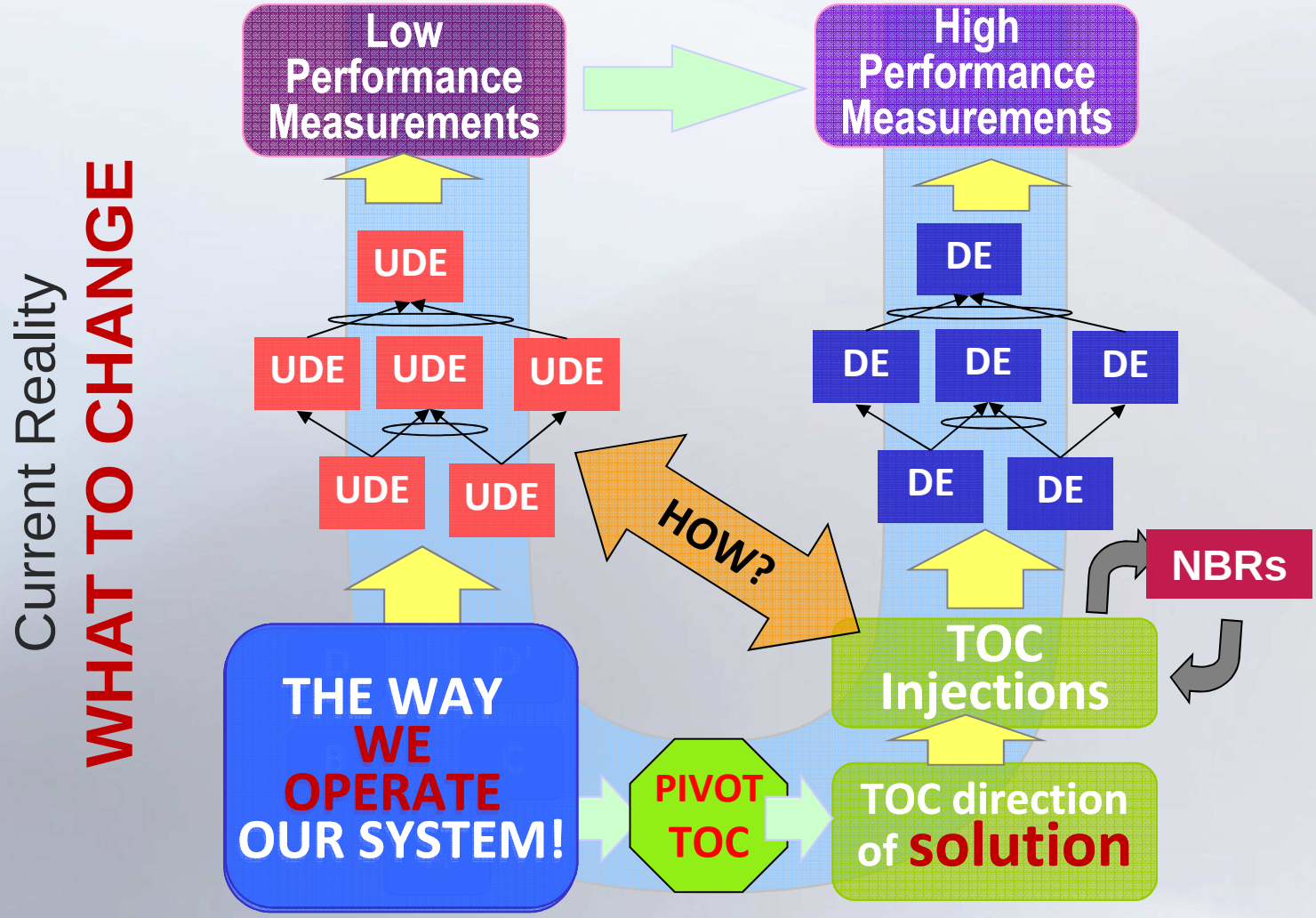


Full picture for Decision-Makers:

From PROBLEM to SOLUTION



Detailing the implementation to sizable and auditable steps

Levels of resistance & U-Shape

Strategy & Tactic Tree

Level of DECISION MAKERS

1. Knowing the problem
2. Knowing the direction of solution
3. Justifying that the solution will bring the desired benefits
4. Removing potential negative consequences
5. Removing obstacles to implementation

WHY THERE IS A NEED TO IMPLEMENT THIS ELEMENT OF THE SOLUTION

WHICH TACTICS WILL LEAD TO ACHIEVING WHICH STRATEGIES

CONDITIONS, EXISTENT OR TO BE CREATED, THAT ENSURE THAT TACTICS WILL ACHIEVE THEIR STRATEGIES

HOW TO REMOVE KNOWN RISKS

DETAILS OF 'HOW' TO THE LOWEST NEEDED LEVEL

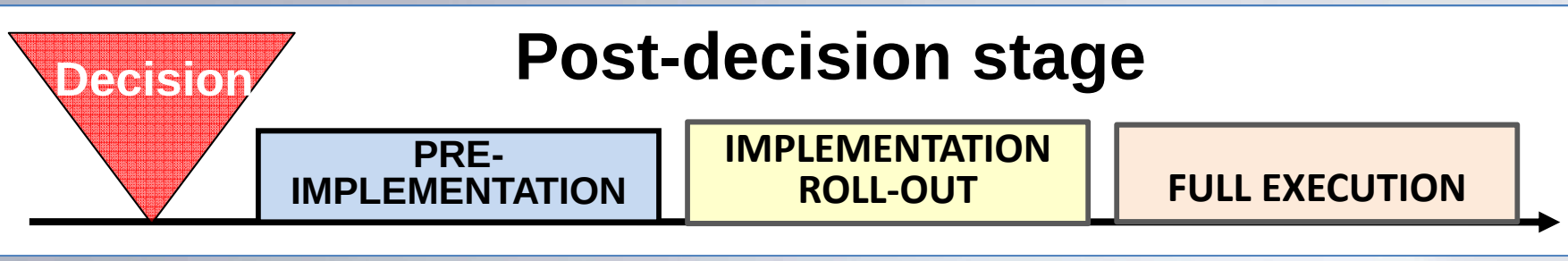
One of the biggest concerns: How to Overcome RESISTANCE of people who are assigned to implement the change?

When someone disagrees/resists, it means that

- They see a severe negative outcome for themselves from doing as told, and they do not know how to prevent this negative

OR/AND

- They see severe obstacles that they do not know how to overcome or have no authority to take actions to overcome the obstacle



Post-decision stage

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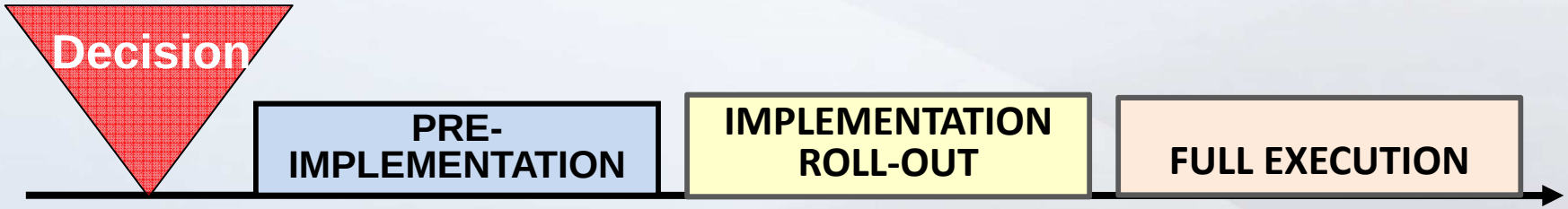


In the post-decision stage it is not about persuading, but about ENSURING that people DO do what needs to be done.

Mindset	Current Reality	Future Reality	Transition	POOGI
Logic based Management	Understanding the problem WHAT to Change	Removing Negative Outcomes	'HOW' & Removing Obstacles	Continuous Improvement How to Grow

Solutions to all known potential negative outcomes and obstacles are developed in the process of change design and captured in the Strategy & Tactic Tree

HOWEVER

- Even when the management works out how to remove potential negative outcomes and obstacles,
- the unavoidable concern of the resources that must implement the change will be that the change will bring disturbance to the person's routine course of life/work/activities and will result in additional load.

This is Layer 4 – a perceived negative outcome, and it has nothing to do with looking at the change from the system point of view.

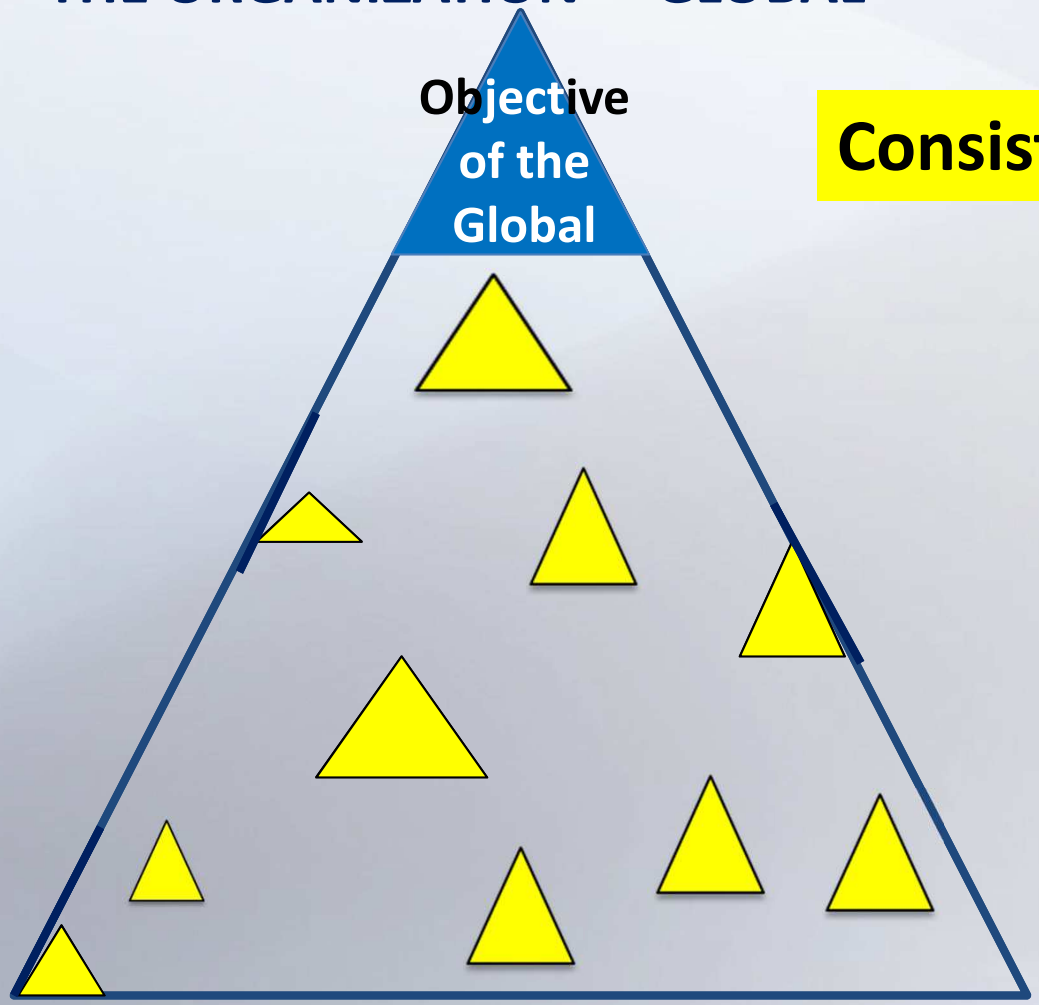
BUT because People WILL NOT speak about it managers interpret is as Layer 6 "Say Yes and do nothing".

Local vs Global

THE ORGANIZATION – GLOBAL

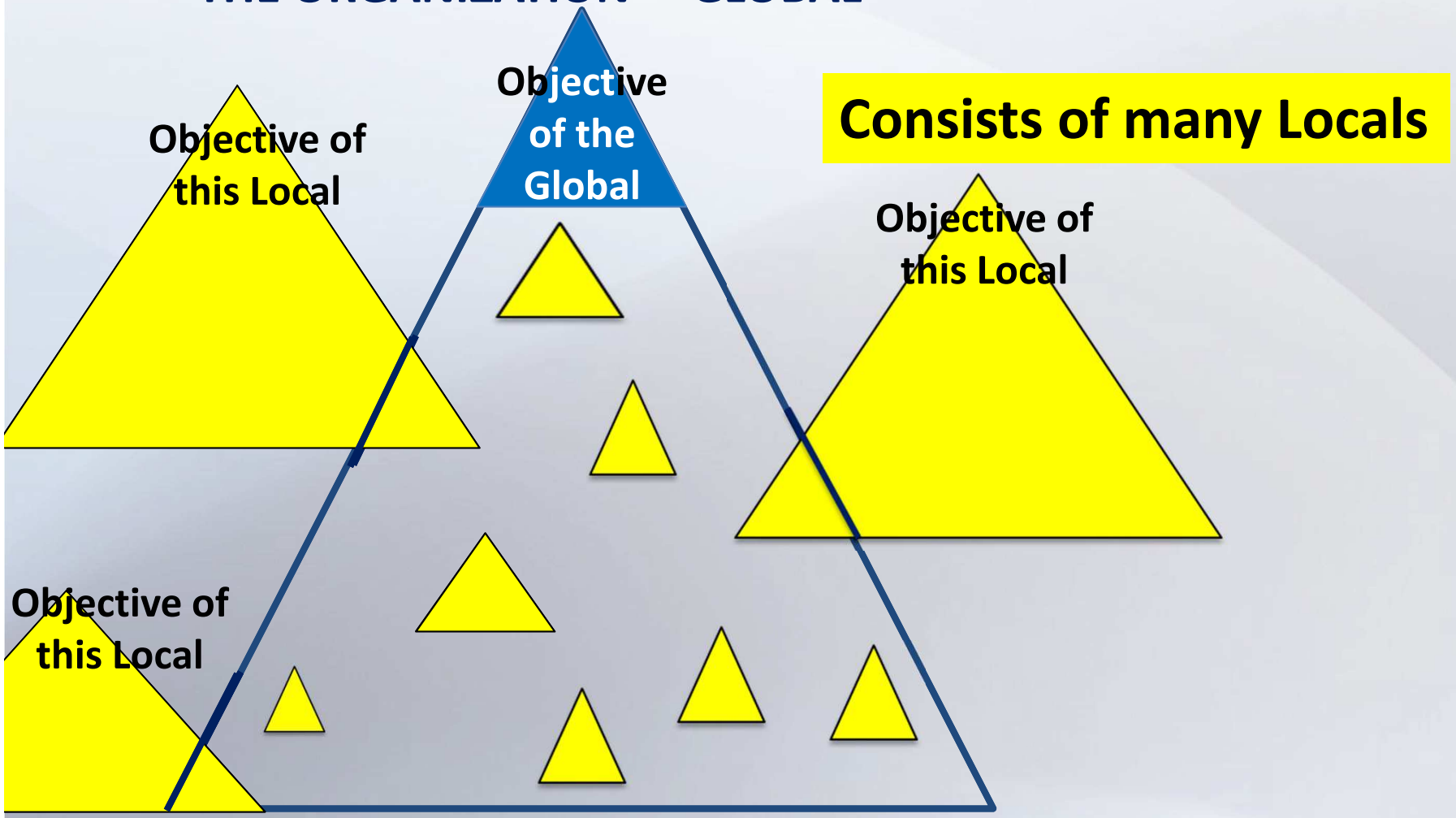
Local vs Global

THE ORGANIZATION – GLOBAL



Consists of many Locals

Local vs Global – not one, but TWO



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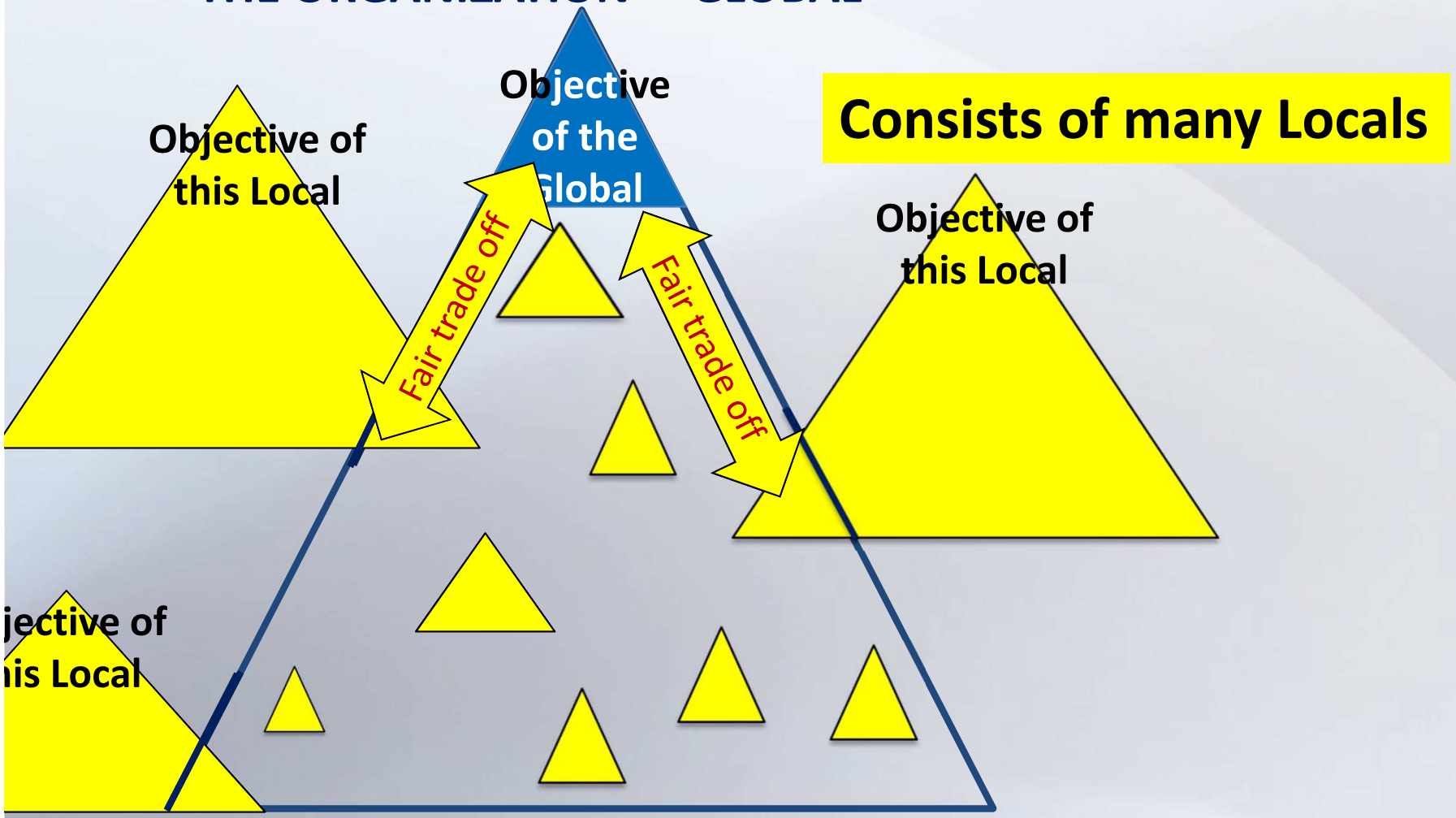

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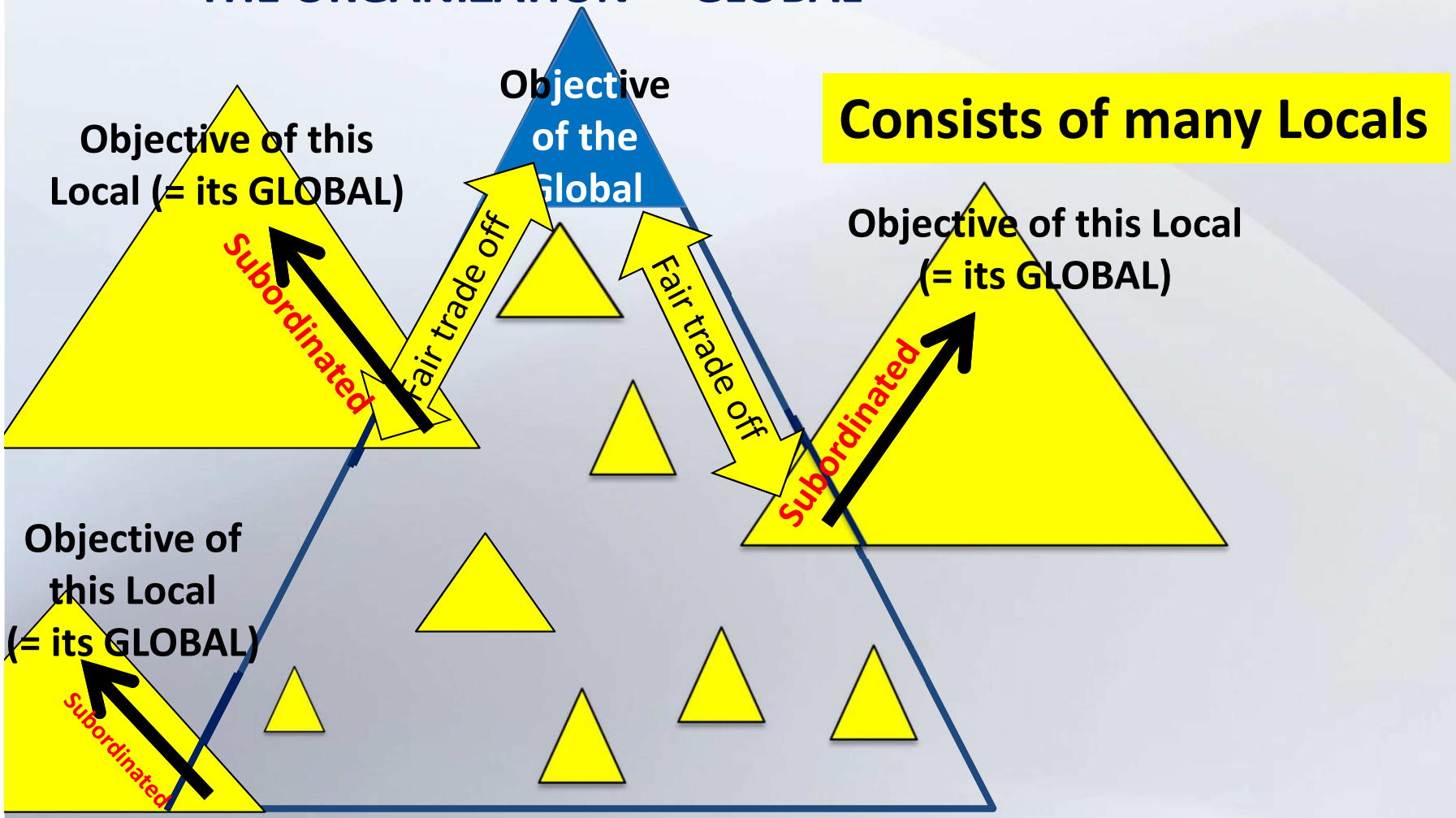
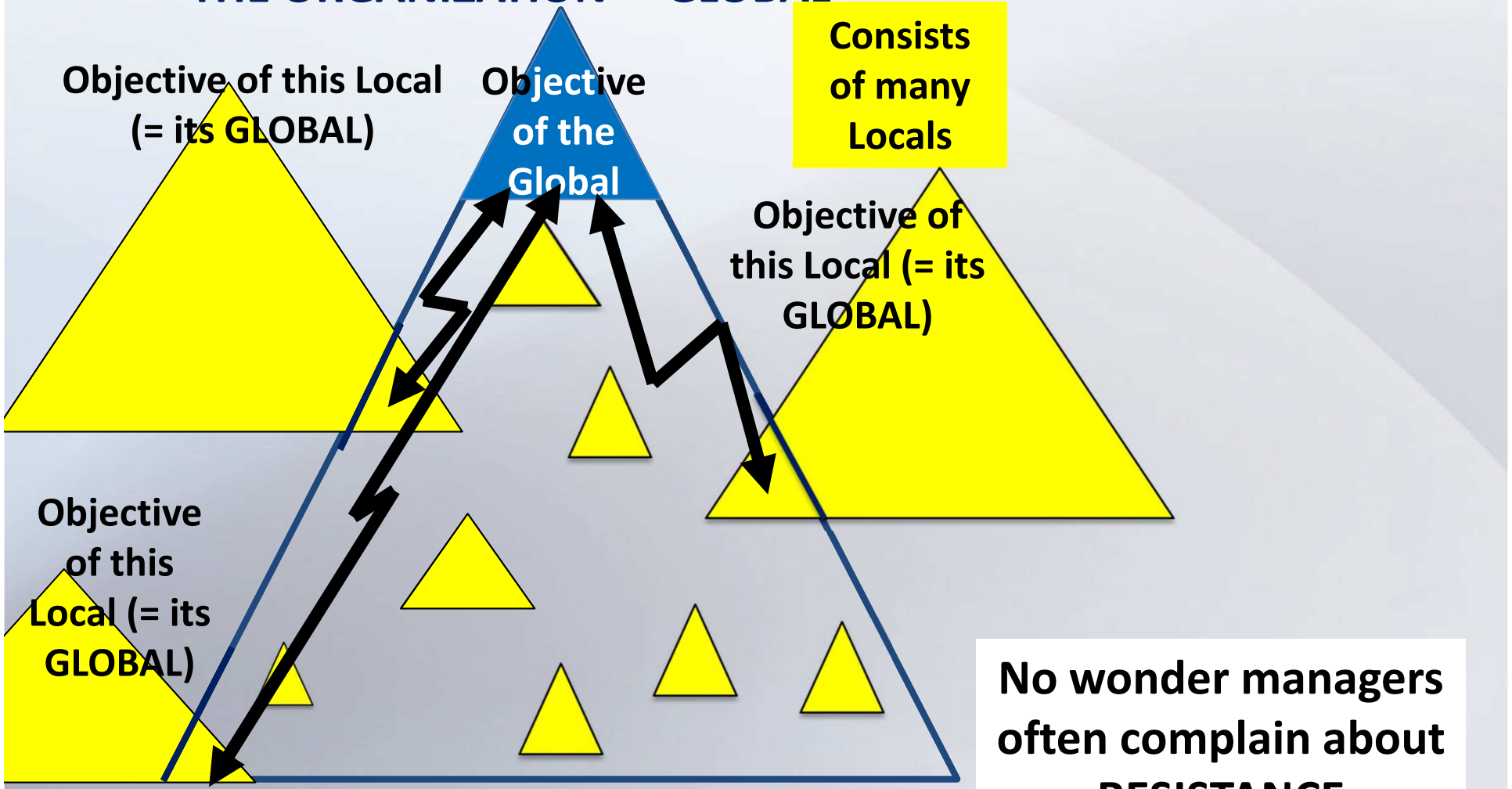
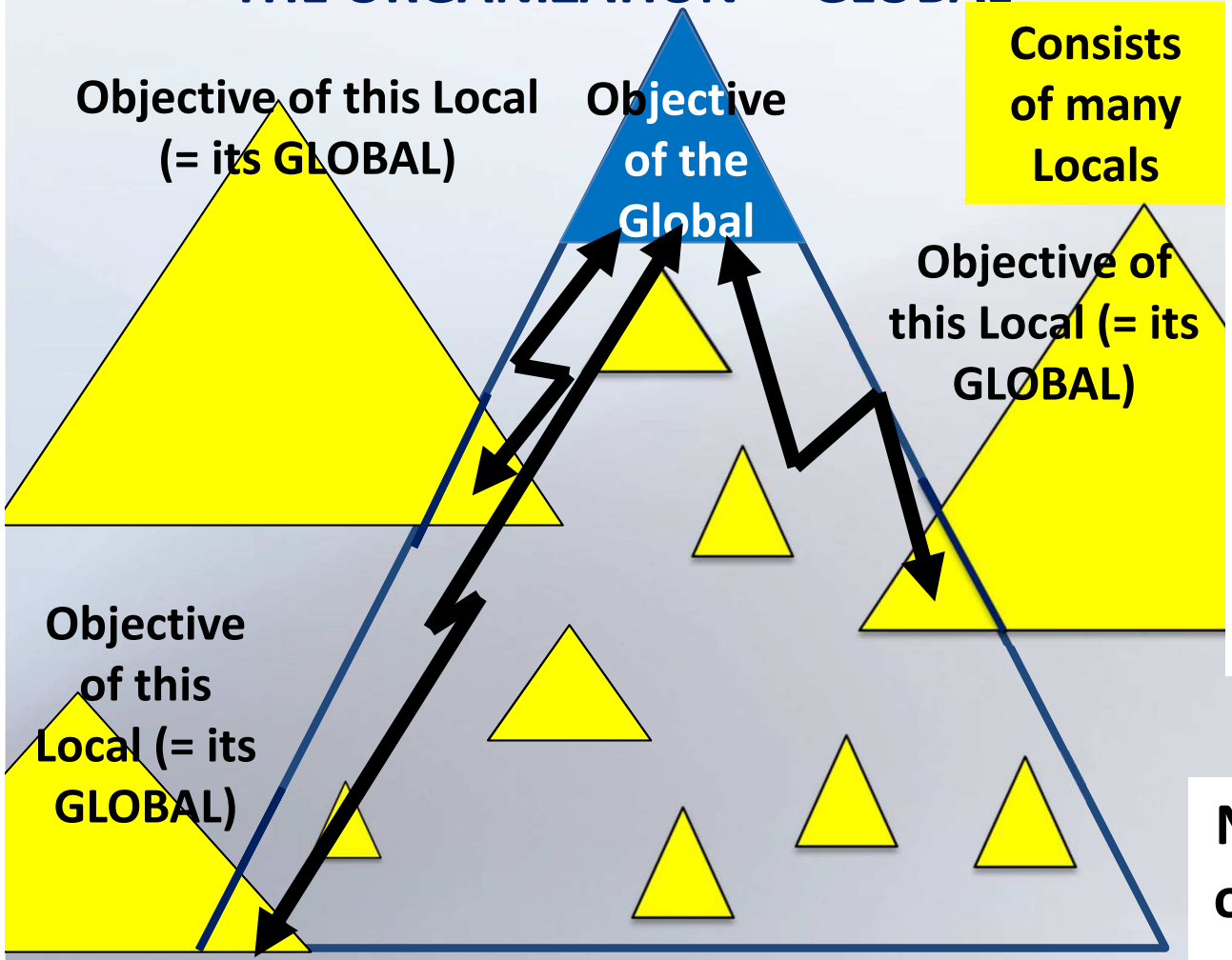


The reality



No wonder managers often complain about RESISTANCE

The reality



The CONFLICT may happen ONLY IF the Local:

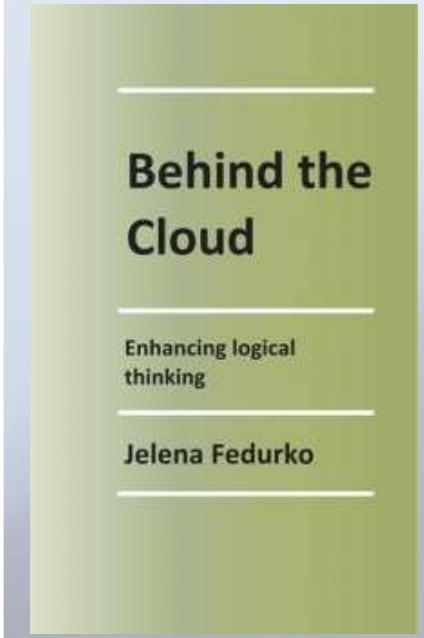
- Interfere with the Global
- Does not contribute to the Global
- Does not contribute ENOUGH to the Global

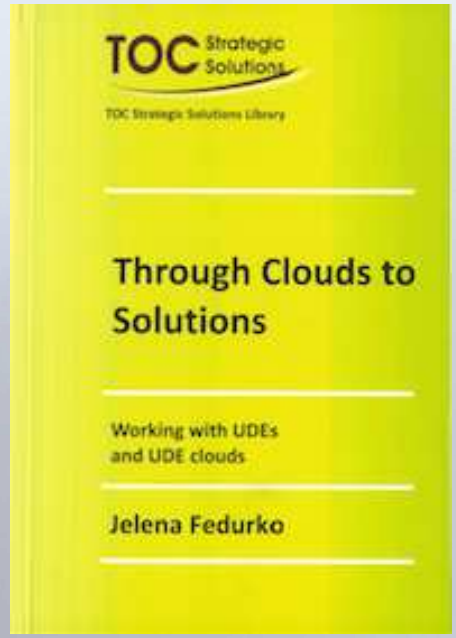
This is reflected in BEHAVIOUR

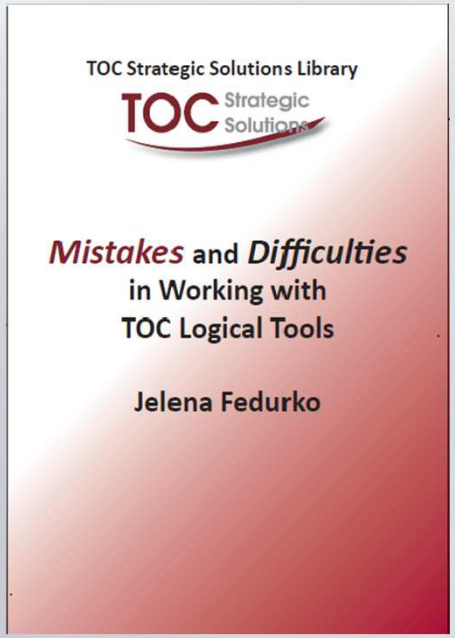
No wonder managers often complain about RESISTANCE

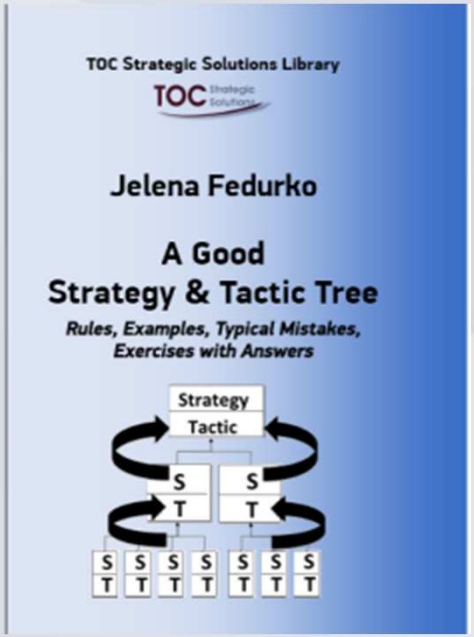
My four books on TOC logical tools

for understanding the problem, developing the solution and structuring the implementation









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