



*Illuminating the way to utopia for individuals, organizations and society.*SM

Utilizing the Real Power of the Strategy and Tactics Tree to Cause Change in Organizations

by Lisa A. Ferguson, PhD

Introduction

Change is difficult to achieve. The *Strategy and Tactics (S&T) tree* is a powerful tool for addressing the question of "How to cause the change?" in an organization. If you are considering implementing any kind of change, such as an initiative, project or functional Theory of Constraints (TOC) implementation, you will learn in this paper more about how to utilize the S&T tree as a compelling enabler of change. When implementing a change in an organization, the basic requirements for success are communication and effectively synchronized actions in the plan. The S&T tree is the asset for achieving the goal of the organization or the initiative because it presents all the logic of the plan and is easy to communicate to others. The focus of this paper is a description of how various types of change can be implemented using the S&T tree. It provides an overview of how you, as a department or store manager or project or initiative leader, can utilize the S&T tree.

The three questions that must be answered to successfully enable change are 1) What to change?, 2) What to change to? and 3) How to cause the change?. The S&T tree provides answers to all three of these questions. However, the emphasis is on answering the third question. The Insights and Goldratt Satellite Program provide very good answers to the first two questions.¹

My book chapter in the TOC Handbook is a great resource for understanding the fundamentals of S&T trees.² I am assuming that the readers of this paper have either already read my book chapter or are familiar with how to read S&T trees and the basic concepts underlying them.

Implementing TOC functional applications

First, I begin by briefly explaining how to utilize existing S&T trees for implementing a TOC functional application.³ Five generic S&T trees are in the public

¹ The TOC Insights and Goldratt Satellite Program are available at www.toc-goldratt.com.

² My book chapter is available for under \$6 in the Amazon Kindle store as an electronic document.

³ I highly recommend reading the appropriate section of the TOC Handbook for the latest, most informative content on the functional applications of TOC. The book is available as a Kindle book and as a hardcover book.



*Illuminating the way to utopia for individuals, organizations and society.*SM

domain: Projects, Make-to-availability (Consumer Goods), Make-to-order (Reliable Rapid Response), Retailer and Pay-per-click (PPC).⁴ Each of these S&T trees typically has multiple, synchronized functional TOC implementations, such as logistics (production/operations, distribution and/or project management), marketing and sales. (Note: I highly recommend reviewing the Insights and TOC Handbook chapters for the particular TOC application(s) you are planning to implement while reviewing the appropriate S&T tree.)

The Projects S&T tree provides an excellent description of how to successfully implement any type of project using the TOC application of Critical Chain Project Management (CCPM).⁵ This S&T tree can be utilized in an organization which focuses on implementing projects (e.g. construction, software development, consulting) or within an organization that is implementing internal projects or initiatives.

The Retailer S&T tree can be utilized within any type of retail organization, though some minor modifications to customize it may be required for particular types of retailers. Even a department manager within a shop can implement many of the changes required to successfully adopt the TOC application for replenishment, which is referred to as Pull Distribution. The manager needs to have the ability to decide how much inventory to order or influence how much inventory is ordered of each SKU. The ability to share daily sales data with suppliers would be useful.⁶

For plant or operations department managers, the Consumer Goods and Reliable Rapid Response S&T trees provide the implementation plans for the TOC application of Drum-Buffer-Rope (DBR), the production/operations solution.⁷ The Consumer Goods S&T tree also describes the distribution solution of TOC (Pull Distribution) for replenishment of inventory through the entire supply chain.

Utilizing an S&T tree

First, you should fully review and understand the appropriate Insights and S&T tree you plan to implement or adapt for implementation. Next, you need to fully understand how to implement the part of the S&T tree you intend to. It is important to realize that the connections within the S&T tree are focused on ensuring that the actions implemented achieve the results desired and enable the organization to better achieve its goal or strategic objective. Be sure not to ignore the impact on other areas

⁴ These five S&T trees are available online by downloading the free Harmony software viewer at www.goldrattresearchlabs.com and to members of the TOC International Certification Organization at www.tocico.org.

⁵ This S&T tree was covered in detail in the Goldratt Webcast Program on Project Management, which is available at www.toc-goldratt.com.

⁶ I recommend reading *Isn't it Obvious?*, a novel for retail as well.

⁷ I recommend reading *The Goal*, a novel for operations as well.



*Illuminating the way to utopia for individuals, organizations and society.*SM

of the organization and try to work with those in charge of those departments if possible to coordinate efforts.

Next, we need to address how to customize or write an S&T tree for your change initiative. Most likely, your initiative will begin with a step written at level 3 of the S&T tree. You could begin by writing that step (or utilizing or modifying a step on an S&T tree in the public domain). Then, you would write the corresponding steps below the step you wrote. You will need to write level 4 and possibly level 5 steps as well. Then you need to write the level 2 step above your step and the L1 step above it. These steps do not need to be perfectly written. These steps are not within your area of control for implementation. However, it is important for you to ensure that your initiative is aligned with the organization achieving its strategic objective, which is in level 1. The level 2 step above yours indicates a key high-level approach for how to accomplish more of the strategic objective, such as how to achieve a particular decisive competitive edge in your industry.

It would even be a good idea to then try to think about other steps that are needed under the level 2 step you wrote, at least what other steps are needed on level 3 of the left side of the S&T tree. This would enable you to understand what the other functions or departments of the organization would need to change in order to fully support your initiative. Collaboration with those departments would enable your initiative to have a more powerful positive impact on your organization.

About the Author

Lisa A. Ferguson, PhD, is the founder and CEO of IlluminutopiaSM, an organization that is focused on "Illuminating the way to utopia for individuals, organizations and societySM" (www.illuminutopia.com). Professor Ferguson has spent several years training consultants in different countries, as a faculty member of Goldratt Schools, to become Theory of Constraints (TOC) Experts and Supply Chain Logistics implementers. Professor Ferguson has a PhD in Operations Management from Arizona State University and an MBA. Dr. Ferguson taught operations management full-time in a university business school for 10 years. Dr. Ferguson is a TOCICO board member and is TOCICO certified in Supply Chain Logistics, Project Management, and the Thinking Processes (www.tocico.org).