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TOC Practitioners Alliance – TOCPA**

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**Strategic & Tactic Tree for building an  
aligned strategy  
and developing justification for managerial  
decisions aimed at achieving the strategy**

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**TOC** Strategic  
Solutions



# Jelena Fedurko



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Jelena Fedurko is a Co-Founder and Co-President of TOC Practitioners Alliance TOCPA and International Director of TOC Strategic Solutions.

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, Turkey, Italy, Russia, Ukraine, India, China, Chile, Colombia, Mexico.

Jelena is the author of the following books *Behind the Cloud*, *Through Clouds to Solutions*, *Typical mistakes in working with TOC Logical Tools*. Together with Oded Cohen Jelena has co-authored the book *Theory of Constraints Fundamentals*. *She has contributed to a number of books on TOC, and has many publications. Jelena is the translator and editor of many books on TOC.*



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# Issues of goal-setting in a Company



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Often, in the first meetings with a company, we hear from the top-management :

“Our core problem is that the Company does not have a common goal!”

OR

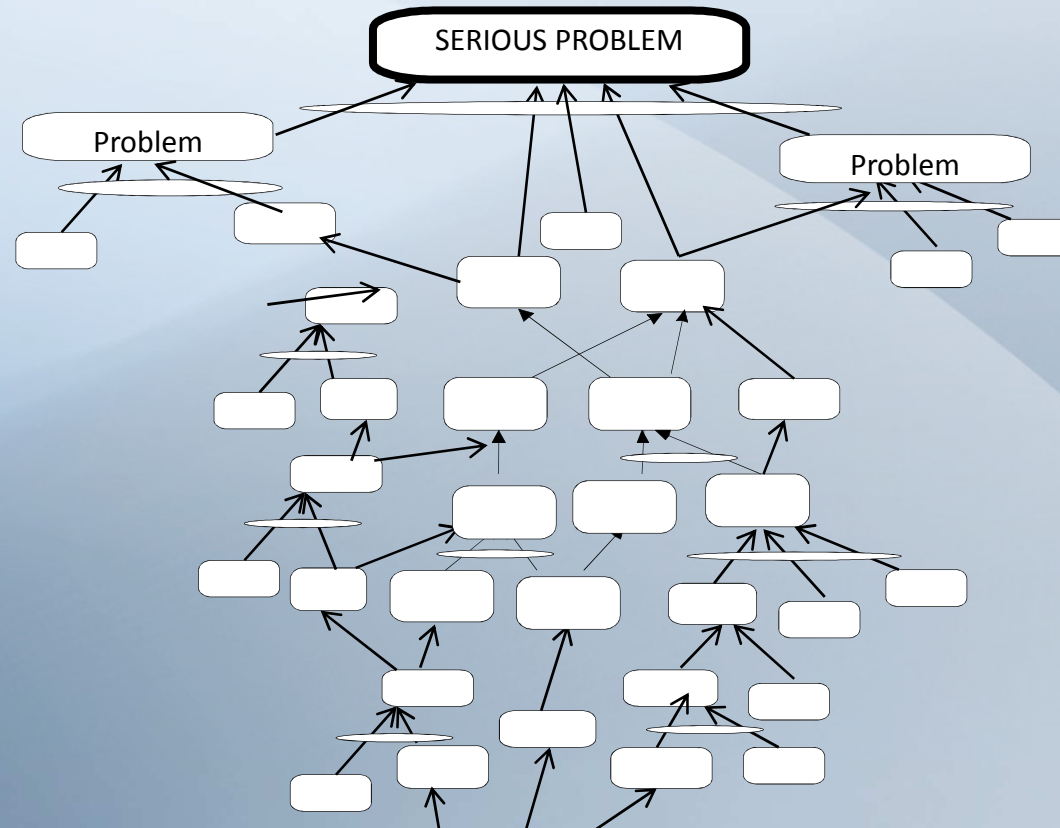
“Our core problem is that the Company does not have a united team!”

# Issues of goal-setting in a Company

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Often, in order to justify the statement of what the “core problem” is, they demonstrate us the following structure:

Current reality



**The Company DOES NOT  
HAVE A COMMON GOAL**

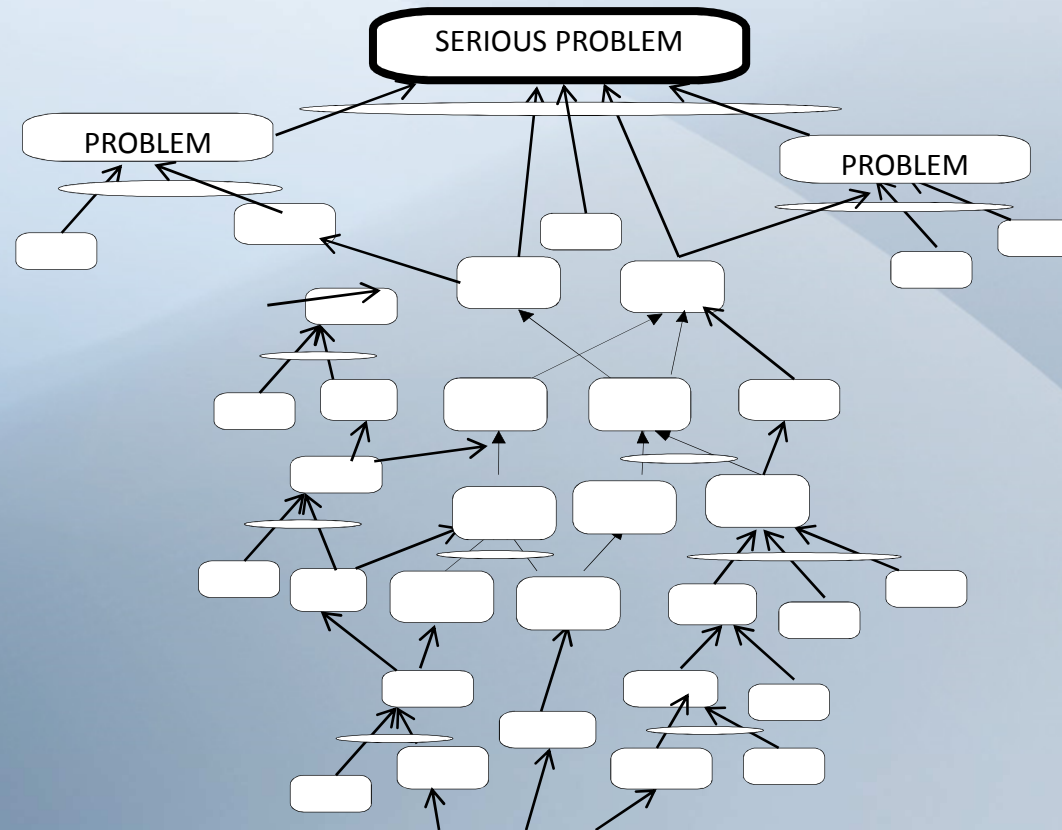
OR

# Issues of goal-setting in a Company

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Current reality

Or a structure like this:

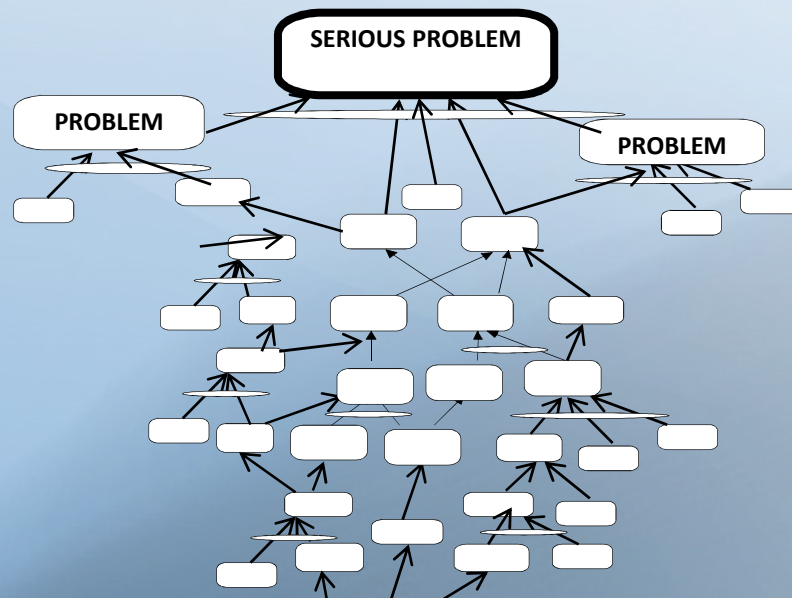


**The Company DOES NOT  
HAVE A UNITED TEAM**

# Issues of goal-setting in a Company

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If that's the case:



then

**The Company does not  
have a common goal**

-Would you tell me, please, which way I ought to go from here?'

**-That depends a good deal on where you want to get to** - said the Cat.

**-I don't much care where** -said Alice.

**-Then it doesn't matter which way you go** -said the Cat.

-...so long as I get *somewhere*, - Alice added as an explanation.

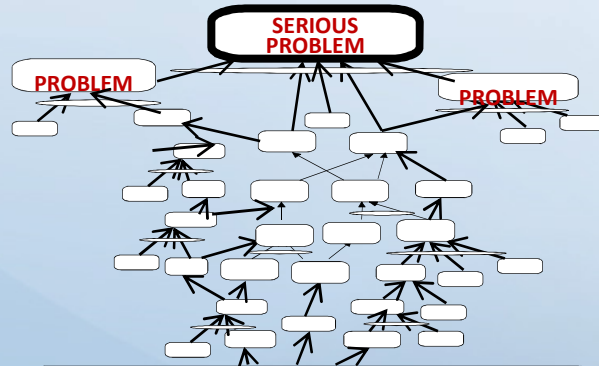
**-Oh, you're sure to do that** - said the Cat -if you **only walk long enough**.

*Lewis Carroll*

*Alice's adventures in wonderland*

# “The Company does not have a united team”

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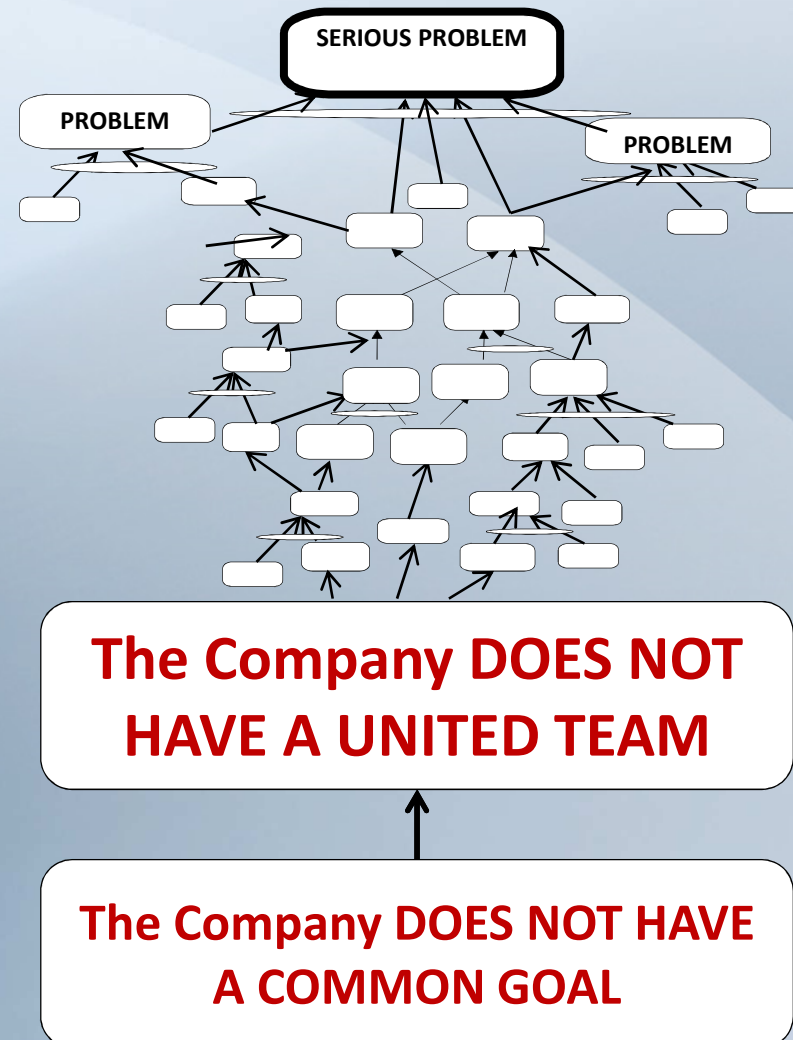
**The Company DOES NOT HAVE A UNITED TEAM**



# Issues of goal-setting in a Company

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As a rule, upon closer analysis of the statement that the Company does not have a united team, the top management of the Company again returns to the issue of goal-setting:



# Goal and the team

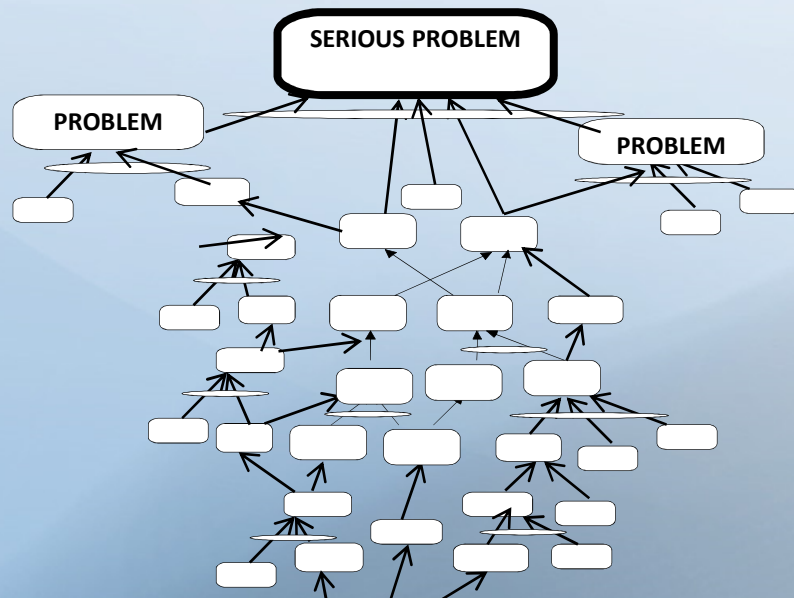
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- **And where are you going to be?**
  - **I do not care...**
- **It is no matter where to go, then**



# Goal and the team

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Under such understanding coupled with “The Company does not have a united team” or “The Company does not have a common goal” **stated as the root cause of the current reality** the following seems logical:

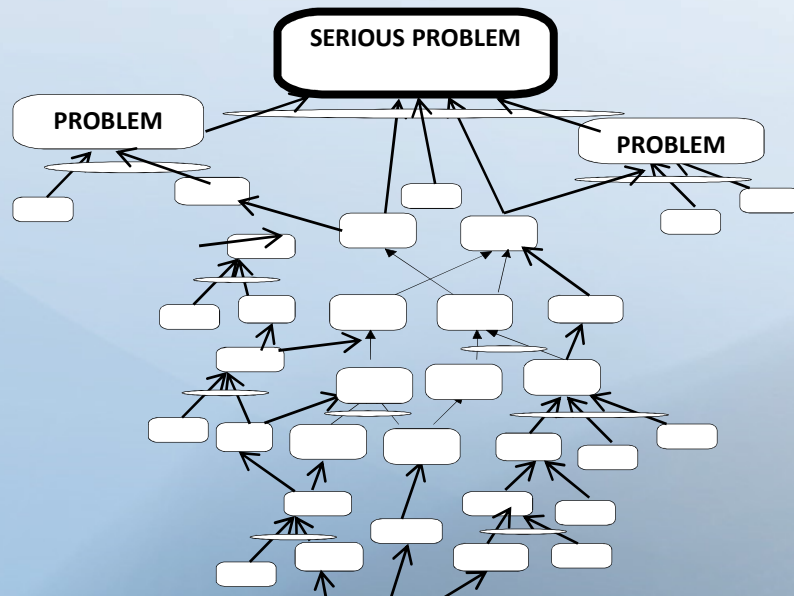
**The Company DOES NOT HAVE A UNITED TEAM**

**DIRECT ALL EFFORTS OF THE MANAGEMENT TO TEAM BUILDING**

Or deeper:

# Goal and the team

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Under such understanding coupled with that “The Company does not have a united team” or “The Company does not have a common goal” **stated as the root cause of the current reality** seems logical:

**The Company DOES NOT HAVE A UNITED TEAM**

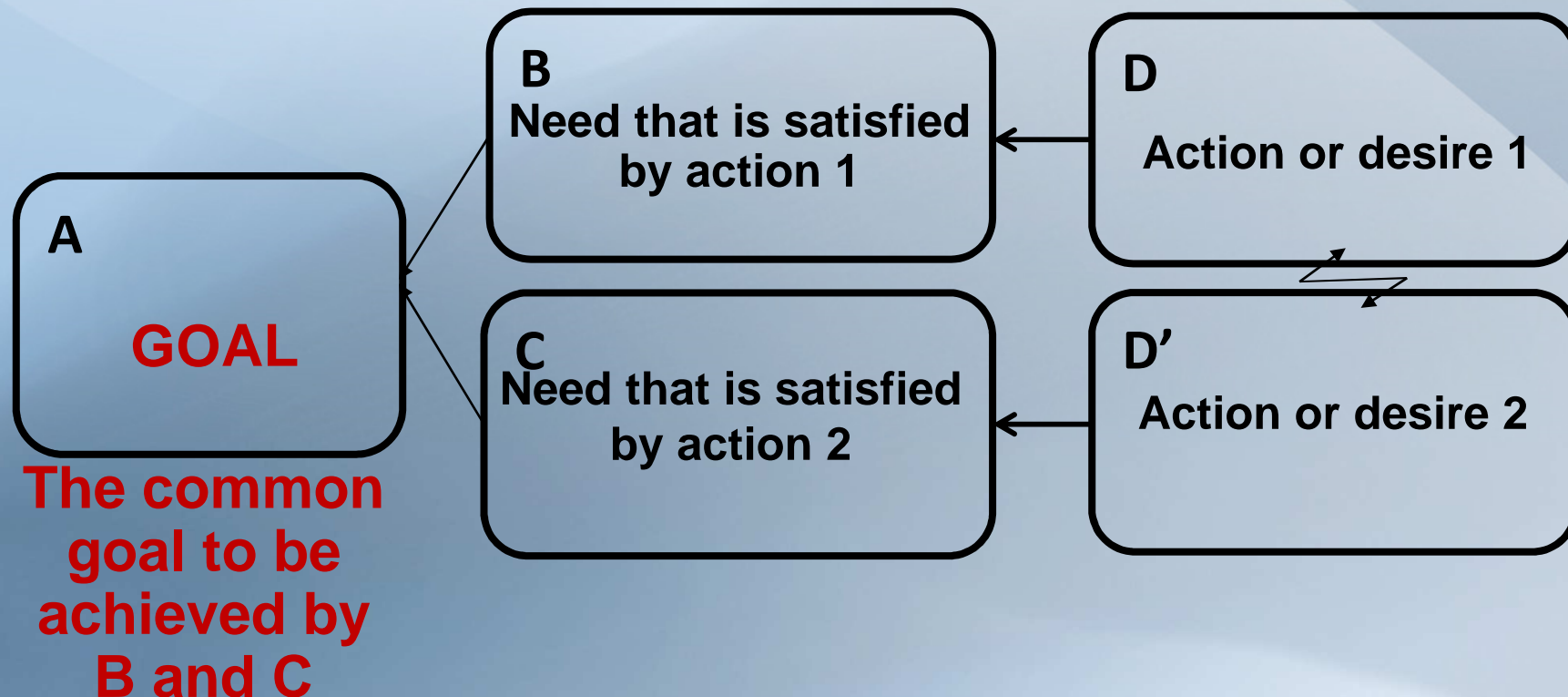
**The Company DOES NOT HAVE ANY COMMON GOAL**

**DIRECT ALL EFFORTS OF THE MANAGEMENT TO DEFINE (WRITE DOWN) THE COMMON GOAL**

## Common mistake –

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# Desire to use the Cloud tool for GOAL-SETTING



# Goal-setting

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**Step 1:**

**GOAL**

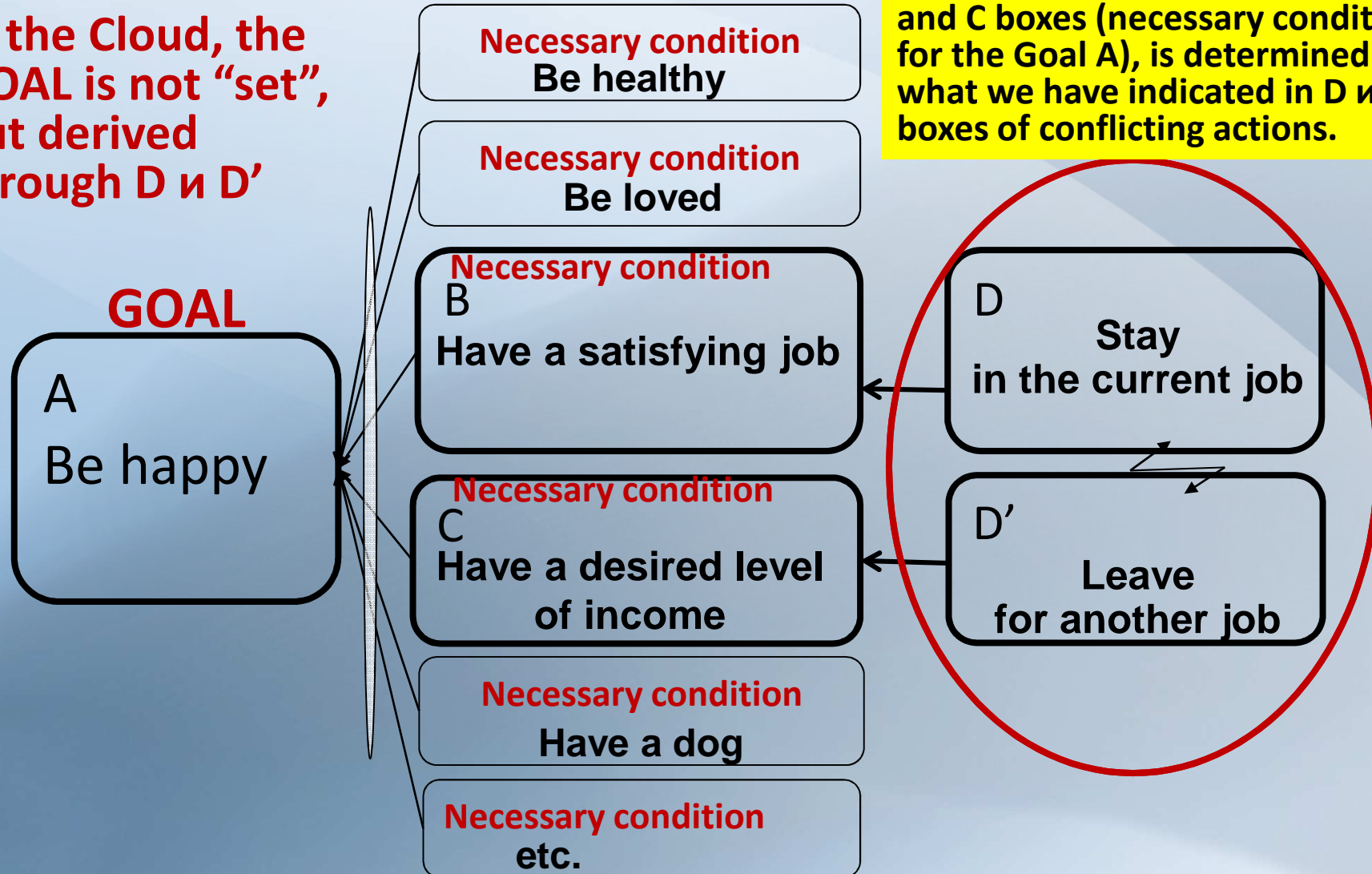
**Step 2:**



# Why it is wrong to use the Cloud tool for goal-setting

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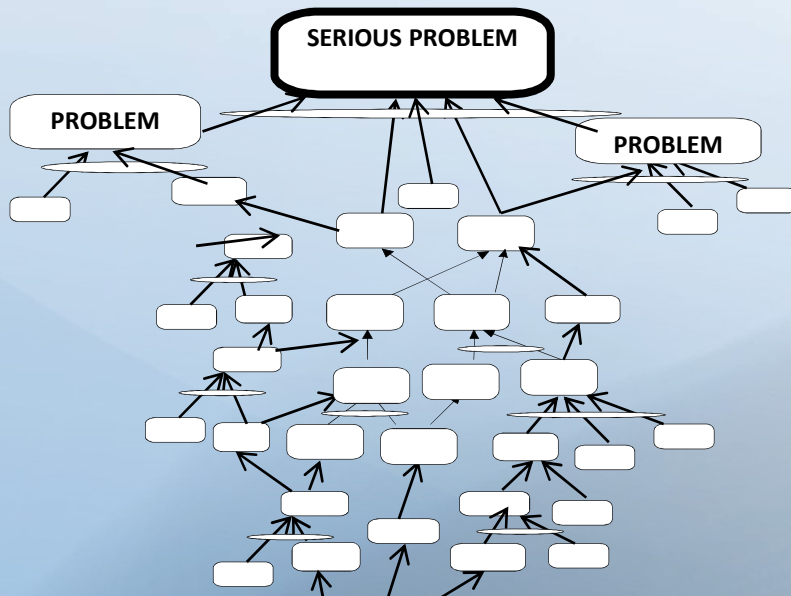
In the Cloud, the GOAL is not "set", but derived through D и D'



Because, what we indicate in B and C boxes (necessary conditions for the Goal A), is determined by what we have indicated in D и D' boxes of conflicting actions.

# The Company does not have a common goal?

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**The Company DOES NOT  
HAVE A UNITED TEAM**

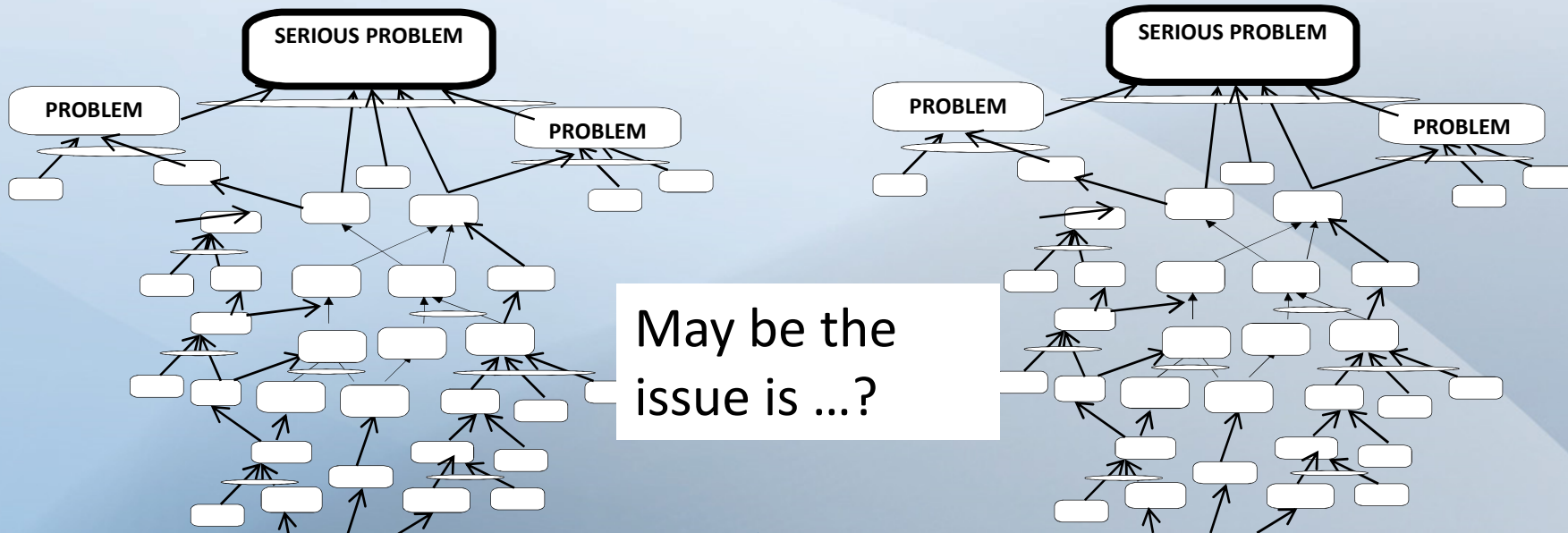
?

**The Company DOES NOT HAVE  
ANY COMMON GOAL**

Is it really so that the Company does not have a common goal?

The owners of the Company did not tell the management, what they wanted to have as a result of investing their money??

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**The Company DOES NOT  
HAVE A UNITED TEAM**

**?**

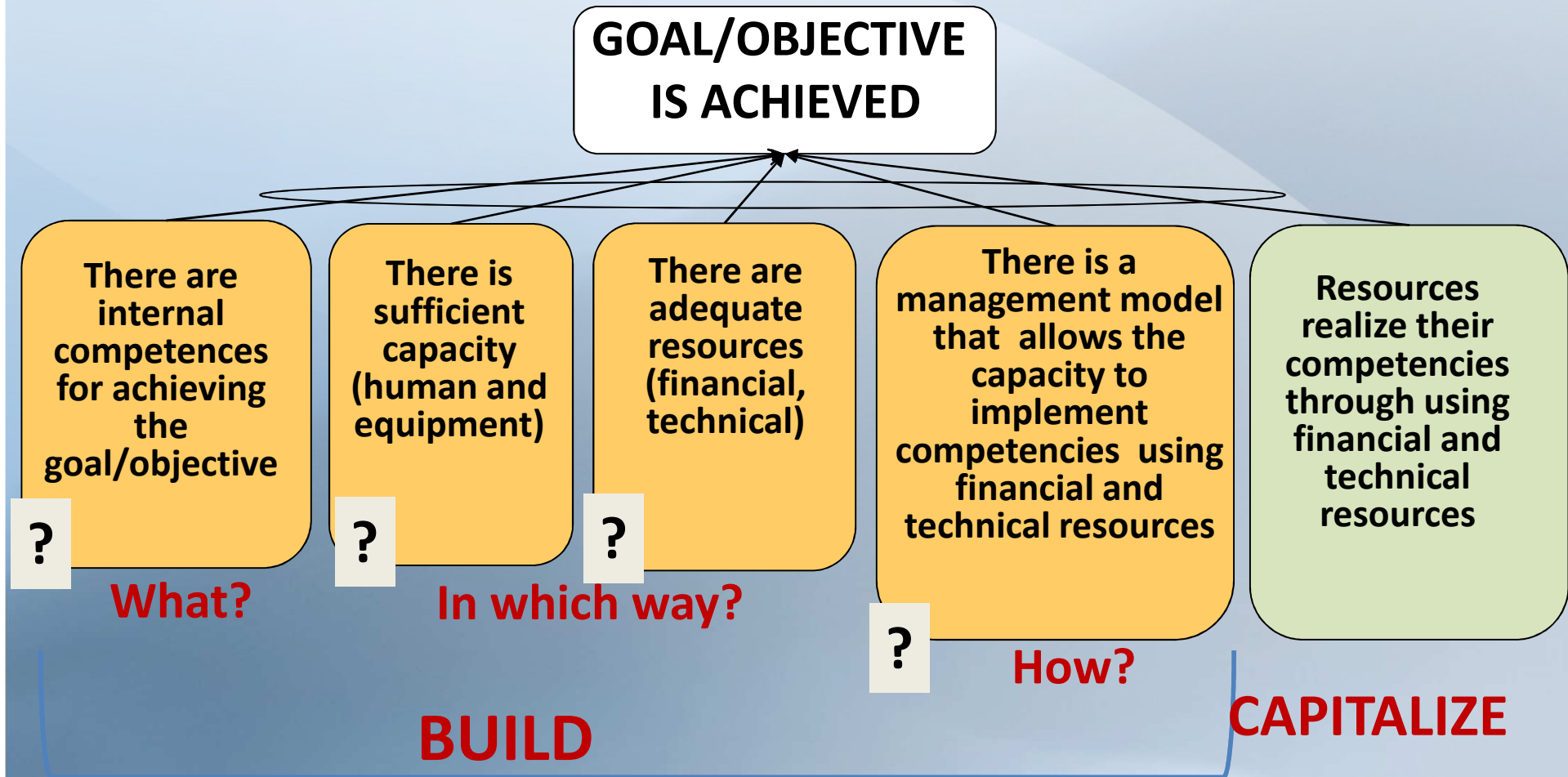
**The Company DOES NOT HAVE  
A COMMON GOAL**

**We do not know/we do not  
have a mechanism, HOW TO  
ENSURE ALIGNMENT OF ALL  
FUNCTIONS OF THE COMPANY  
to achieve the GOAL**

# The generic mechanism for achieving the desired goal/objective

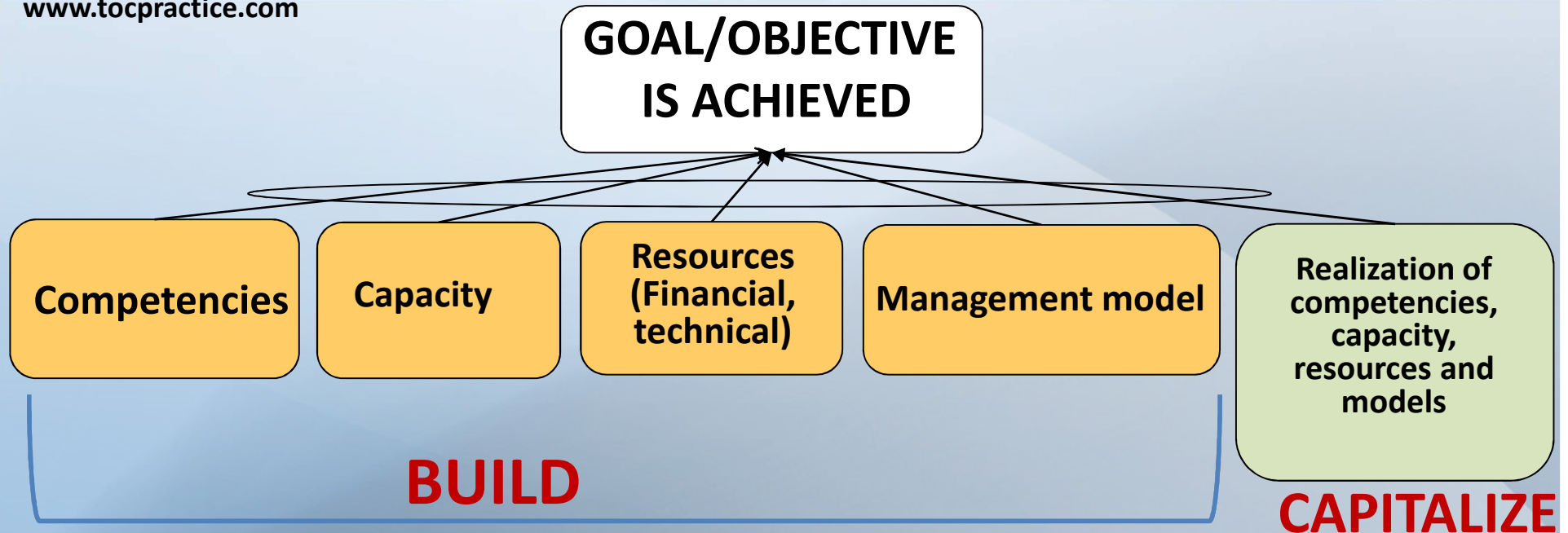
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## NECESSARY CONDITION FOR ACHIEVING THE GOAL/OBJECTIVE



## The common mechanism for achievement of the desired goal/objective

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How we will know that the goal/objective is achieved? The goal was not achieved? The goal was not quite achieved?

## MEASUREMENTS

at the level of necessary conditions



# Format of Strategy & Tactics Tree (S&T Tree)

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The logic structure “necessary conditions leading to the goal/objectives achievement” could be presented as a Strategy & Tactics Tree (S&T).

S&T tree is used for

- structuring of solutions
- accurate record of justification of how the certain planned actions will lead to the desired results
- **creating an alignment among various functions of the Company and various responsibility levels**

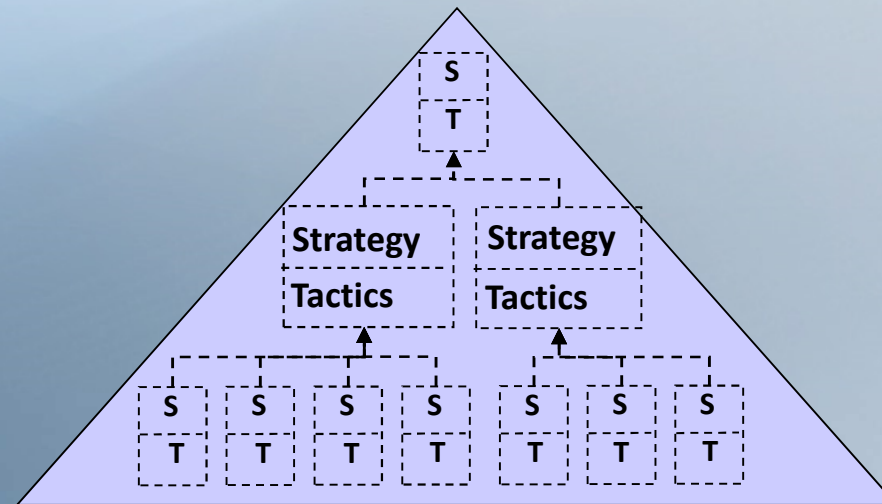
# Structure of S&T Tree

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In TOC Strategy and Tactics are represented as pairs of corresponding logical elements at any “level”.

- What should be achieved - is a **strategy** and
- How we will achieve it - is a **tactic**

These pairs form a cascade structure.

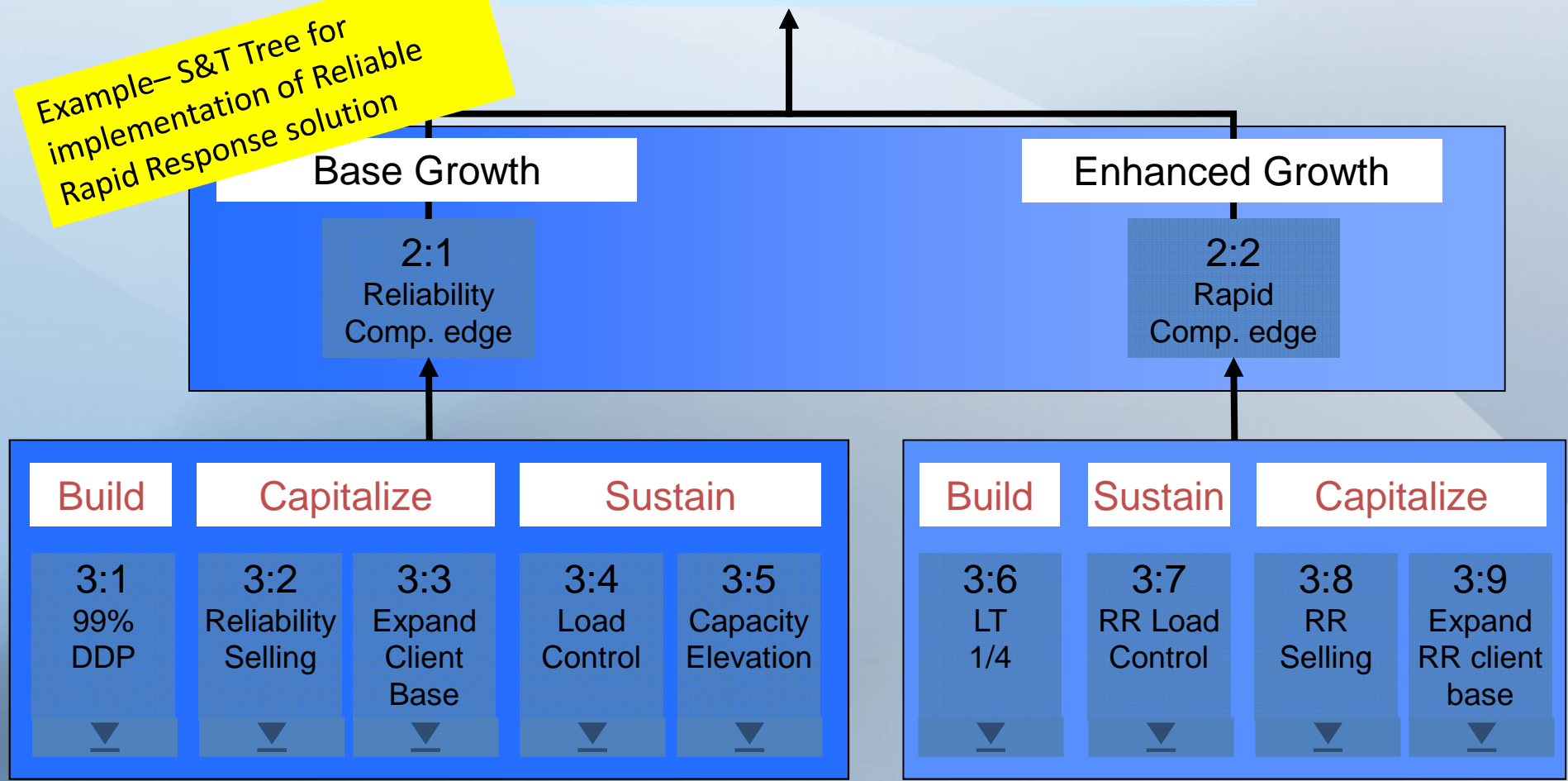


Each S&T Tree has minimum 4 levels. Number of levels depends on the need to detail the required actions.

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## 1. Goal – the quantified result

Example – S&T Tree for implementation of Reliable Rapid Response solution



**Each step at the lowest level is a necessary condition for a higher level step**

# Role of the strategy in S&T Tree

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Achievement of the Strategy on each step and at each level is the **GOAL OF THIS STEP** and a **necessary condition** for fulfilling the Tactics at the next level.



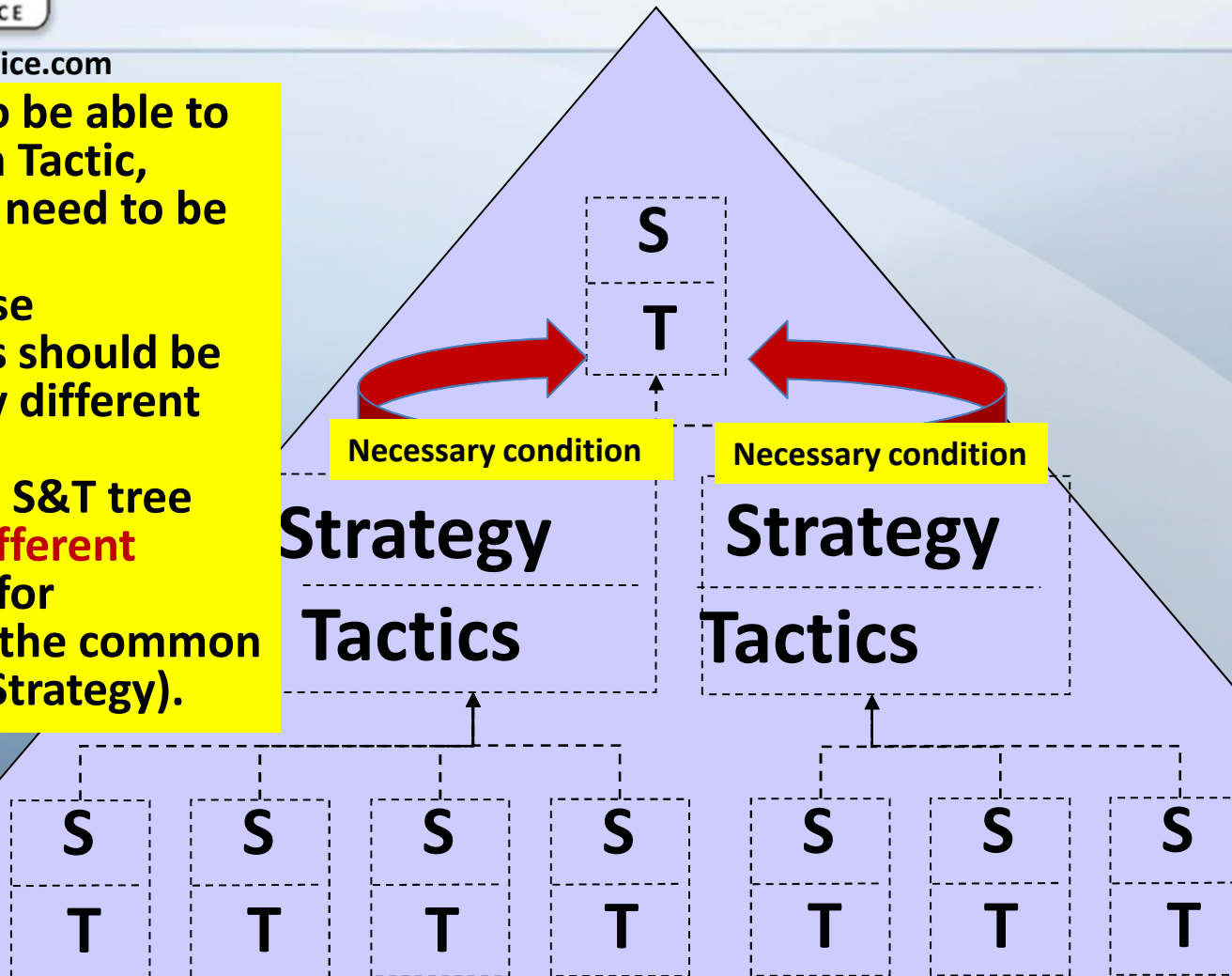
# ALIGNMENT

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In order to be able to fulfill each Tactic, some NCs need to be created.

Often these conditions should be created by different functions.

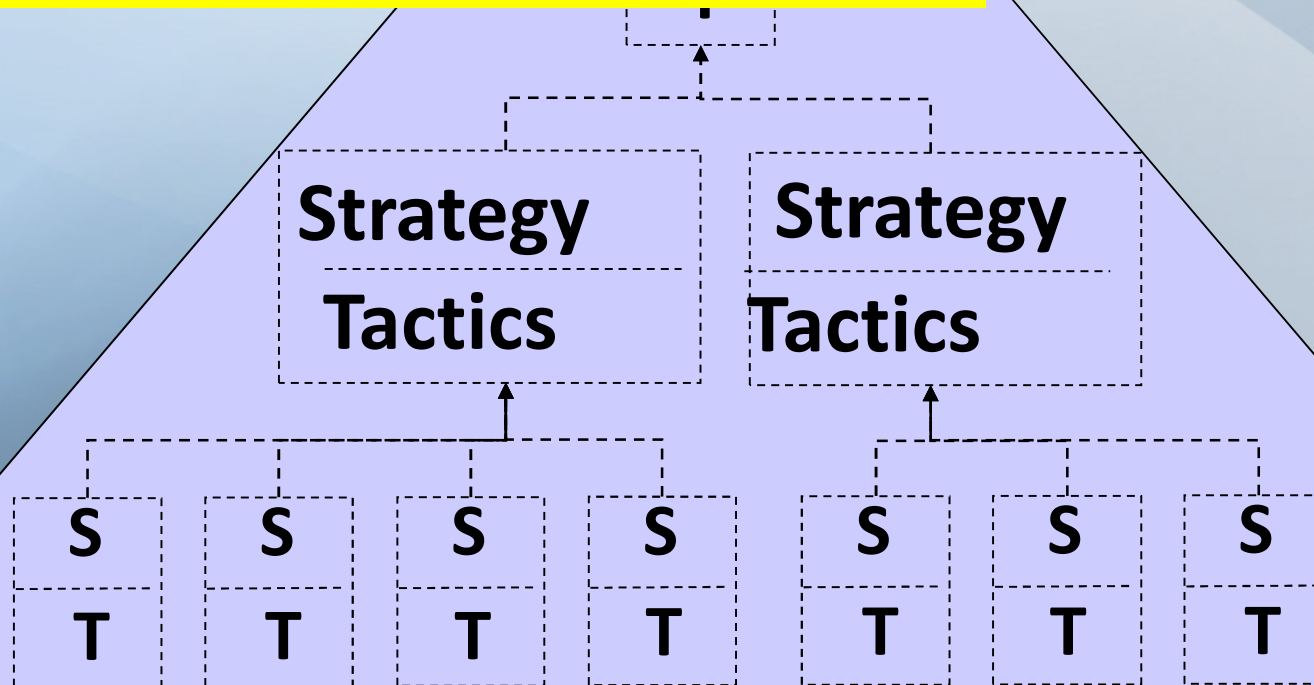
With that, S&T tree **ALIGNS** different functions for achieving the common goal (the Strategy).



# How a managerial decision is connected to the S&T tree

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As a managerial decision is taken for a certain purpose, it can be placed on a S&T tree. Where? In the Strategy box, or/and Tactics box – on each step.





# Structure of the S&T tree step 5 elements

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**Necessary  
Assumption**

**Strategy**

**Parallel  
Assumptions**

**Tactics**

**Sufficiency  
Assumption**



# While making a managerial decision



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## Strategy

- What do we want to achieve?  
- GOAL

## Tactics

- How will we achieve it?



# While making a managerial decision



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**Strategy**

*Managerial decision: Stop  
losing the market share (GOAL)*

**Tactics**

- **How will we achieve it?**

The statements such as “do all the best”, “use best endeavours”, “make every possible effort” - are only nice statements, and not Tactics.



# While making a managerial decision



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## Strategy

- What do we want to achieve by this Tactic? – What is the GOAL?

## Tactics

- *Managerial decision: Reduce prices to the level of our closest competitor.*

# While making a managerial decision

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Strategy

Parallel  
Assumptions

Tactics

Justification

- What do we want to achieve?  
–GOAL
- On what basis do we claim that the Tactics will ensure the achievement of the Strategy?
- How will we achieve it?



# While making a managerial decision



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## Strategy

- What do we want to achieve by this Tactic? – What is the GOAL?

## Tactics

- *Managerial decision: Reduce prices to the level of our nearest competitor.*



# While making a managerial decision



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## Strategy

- ***GOAL: Stop losing our market share***

## Tactics

- ***Managerial decision: Reduce prices to the level of our nearest competitor.***

# While making a managerial decision

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Strategy

Parallel  
Assumptions

Tactics

- ***GOAL: Stop losing of market share***
- **On what basis do we claim that the Tactics will ensure the achievement of the Strategy?**
  - Parallel Assumptions do not only ensure justification of the decision, but also allow to make a focused audit of decision implementation
- ***Managerial decision: Reduce prices to the level of our nearest competitor.***