

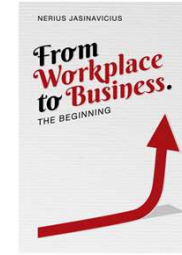


Using TOC implicitly at the Board of non-TOC company

28 January, Tuesday, 17:00 UK time



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About the presenter

- “Forced” into TOC in 2000, trained by Goldratt Schools in 2005, TOCICO certified in 2007
- Founder of *TOC sprendimai*
- Founding Member of *TOCPA*
- Consultant for unique clients
- Member of the Board at Achema Group

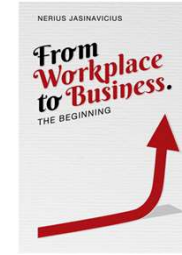
- I want to help at least 1 million small and medium business owners to go from *Workplace* to *Business*



NeriusJ



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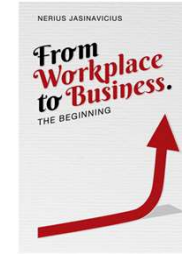


“Proposal”



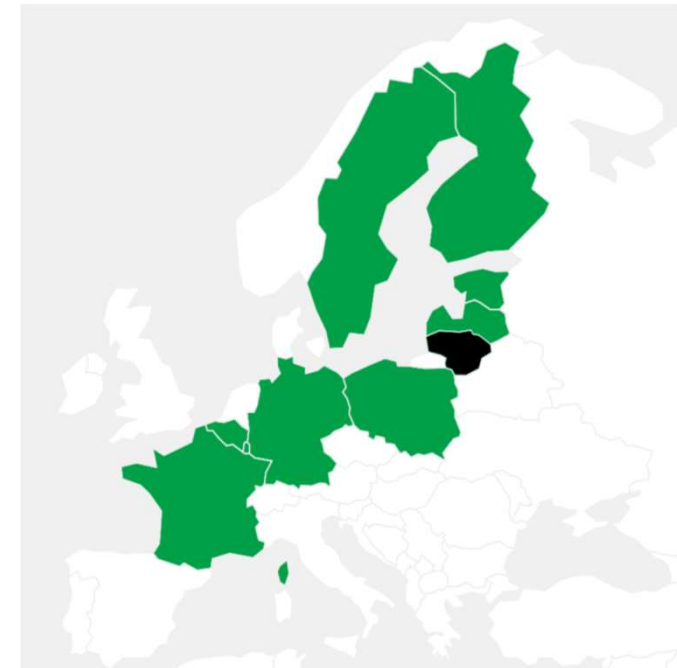


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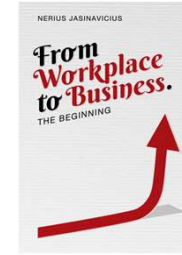
About Achema Group

- Production and distribution of ammonium fertilisers
- Production and distribution of technical gases
- Agribusiness (chemicals and grain)
- Stevedoring, storage, tug and forwarding services at the Baltic Sea port of Klaipėda
- Rail freight services
- Electricity production from renewable energy sources
- Other (radiostations, hotels, engineering)





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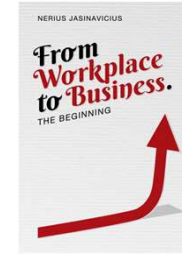
About Achema Group

- Annual sales ~ 1.500 MEUR (1.650 MUSD)
- The biggest consumer of Natural Gas in Lithuania (~65%)
- 3% of Lithuanian GDP
- Commodity business, big dependence on external factors
- Significant dependability on main company (fertilizers production)
- Silo-mentality





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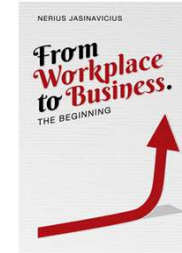


Where to start?





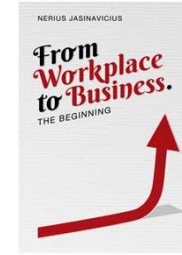
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Where to start?



Trust the TOC process



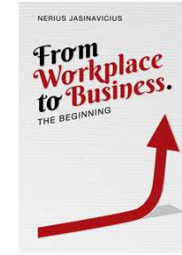
The goal of the company

- Make money now as well as in the future
 - EBITDA
 - EBT
 - Dividends
 - ROE
- Necessary conditions
 - Employees
 - Environment (clients, supplier, society)



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Strategic focus

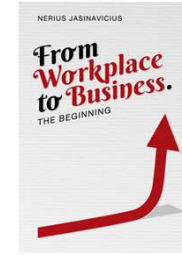


- Which business to keep?
 - ROE
 - Strategic – DCE
 - Synergy (strategic importance)





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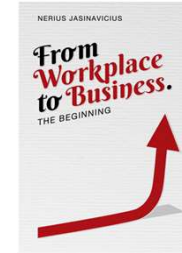


Making financial decisions

- Pricing
 - For external clients
 - For internal clients (transfer pricing)
- Profitability of products / services / business units
- Evaluation of the investments
 - Operational
 - Strategic



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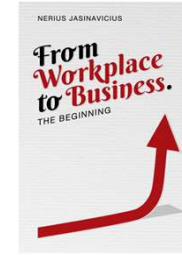
Making financial decisions

Do not fight “classical cost-accounting”



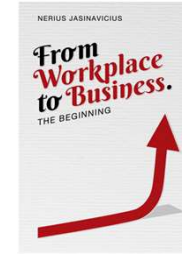


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Making financial decisions

- Separation of different levels of costs
 - Direct costs
 - Production costs
 - Full costs
- Asking for “what-if” scenarios

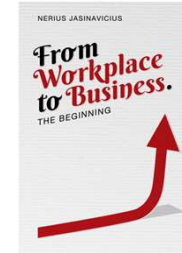


Transfer prices

- Distributor (part of the company) sells fertilizers
 - Produced by our factory
 - Transported by our RW company
 - Loaded to vessel by our port company
 - Packed into BigBags produced by our company
- Everybody has to maximize their profits



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Prioritize & Execute

Even the greatest of battlefield leaders could not handle an array of challenges simultaneously without becoming overwhelmed. That risked failing at them all. I had to remain calm, step back from my immediate emotional reaction, and determine the greatest priority for the team. Then, rapidly direct the team to attack that priority.



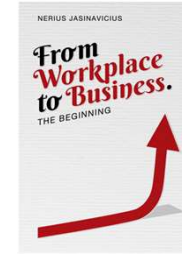
Jocko Willink

Extreme Ownership: How U.S. Navy SEALs Lead and Win by Jocko Willink

<http://amzn.to/2jMr5Xj>



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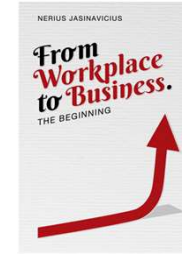


What next ?

- Strategy for the group and the companies (what is DCE)
- Plan, metrics, KPIs
- Choosing and implementing new ERP system groupwide



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To be continued 😊



<http://amzn.to/2jPQLIW>