

TOC □ Application at SNL

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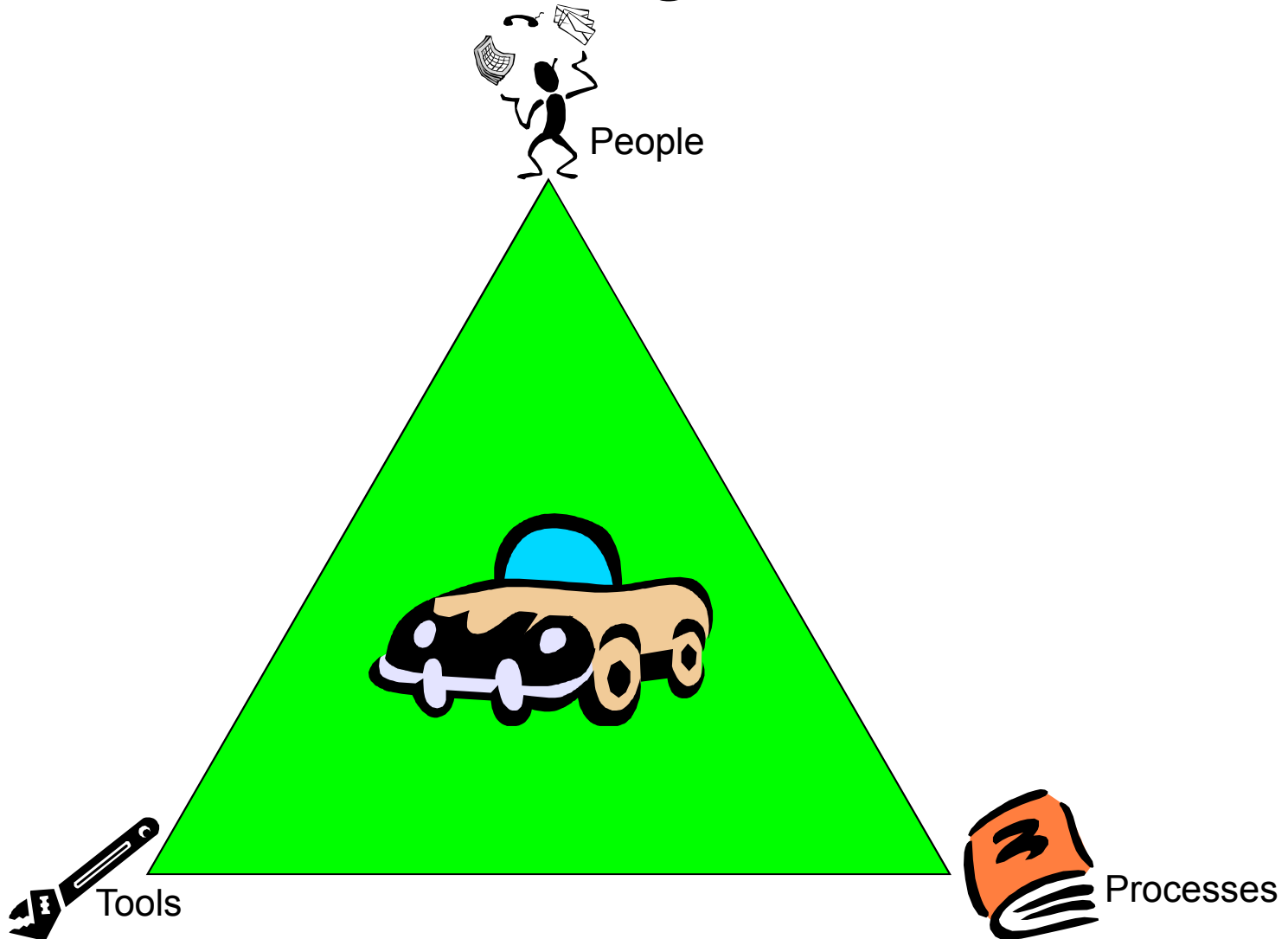
Objectives

- Why TOC?
- Overview of TOC application for a not-for-profit organization
- What worked
- What didn't work
- Lessons learned

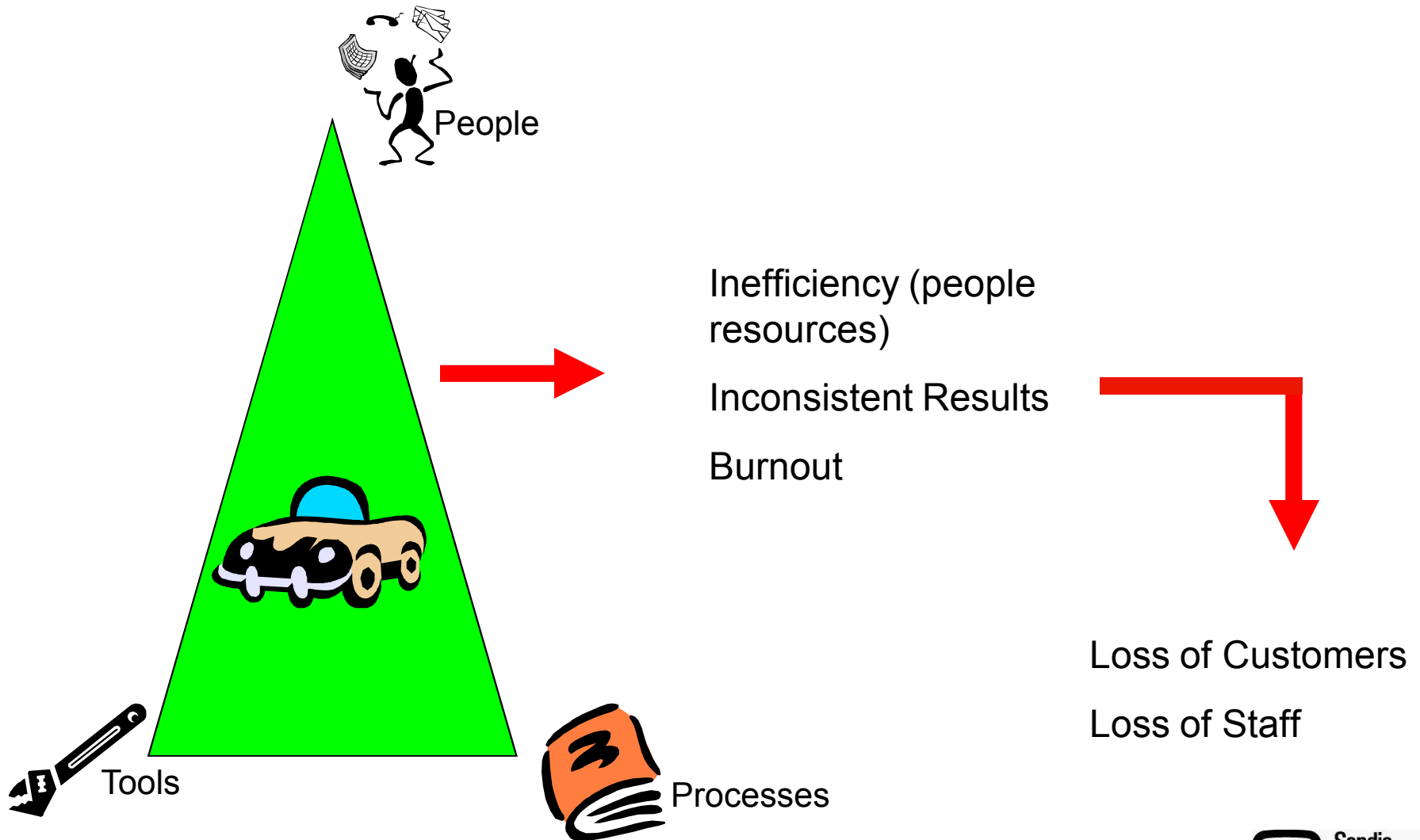


Why TOC?

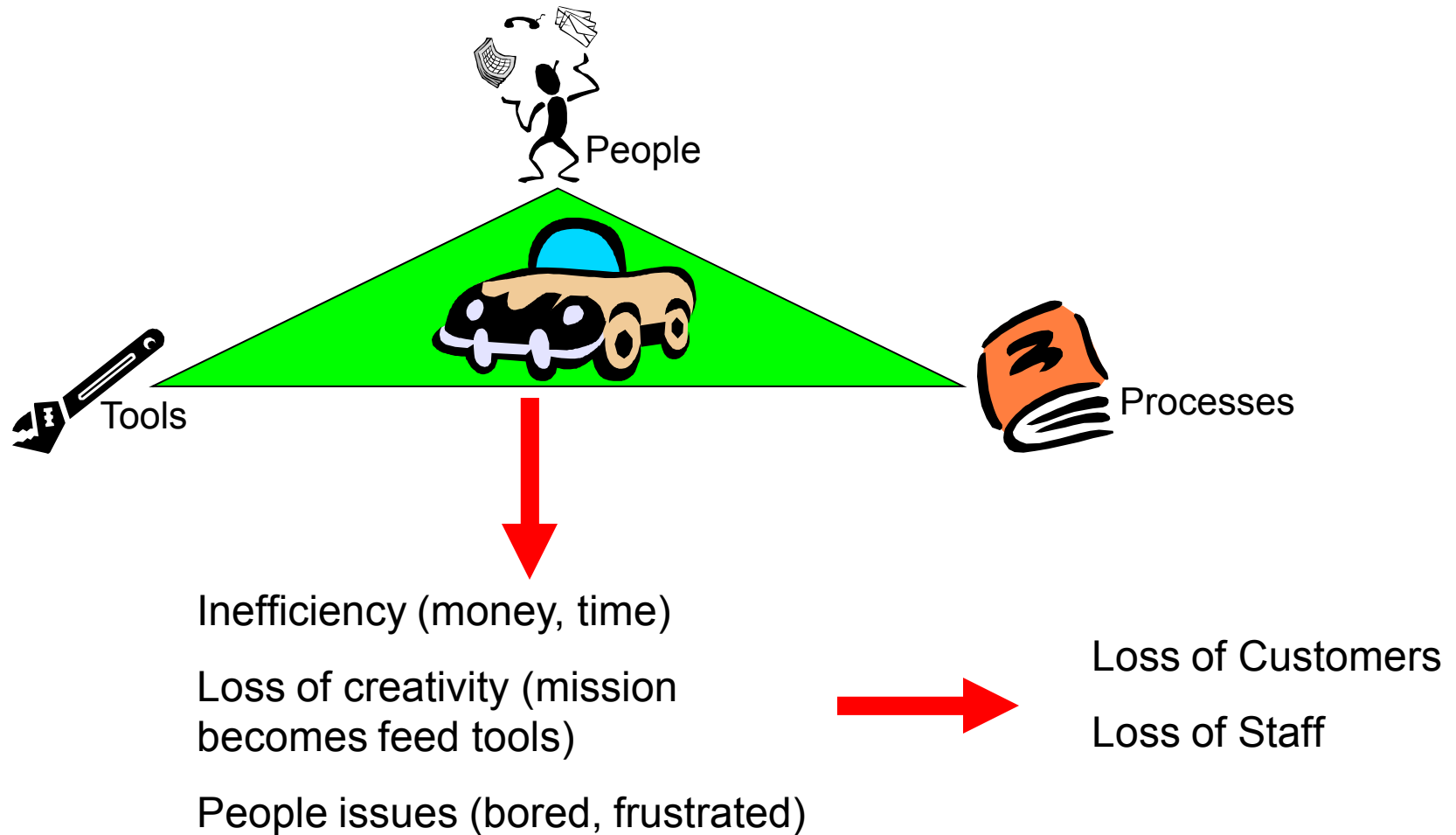
Balanced organization



Heavy Reliance on People



Heavy Reliance On Tools and Processes



Needed to answer

- How do we determine if we are balanced?
- How do we become balanced?

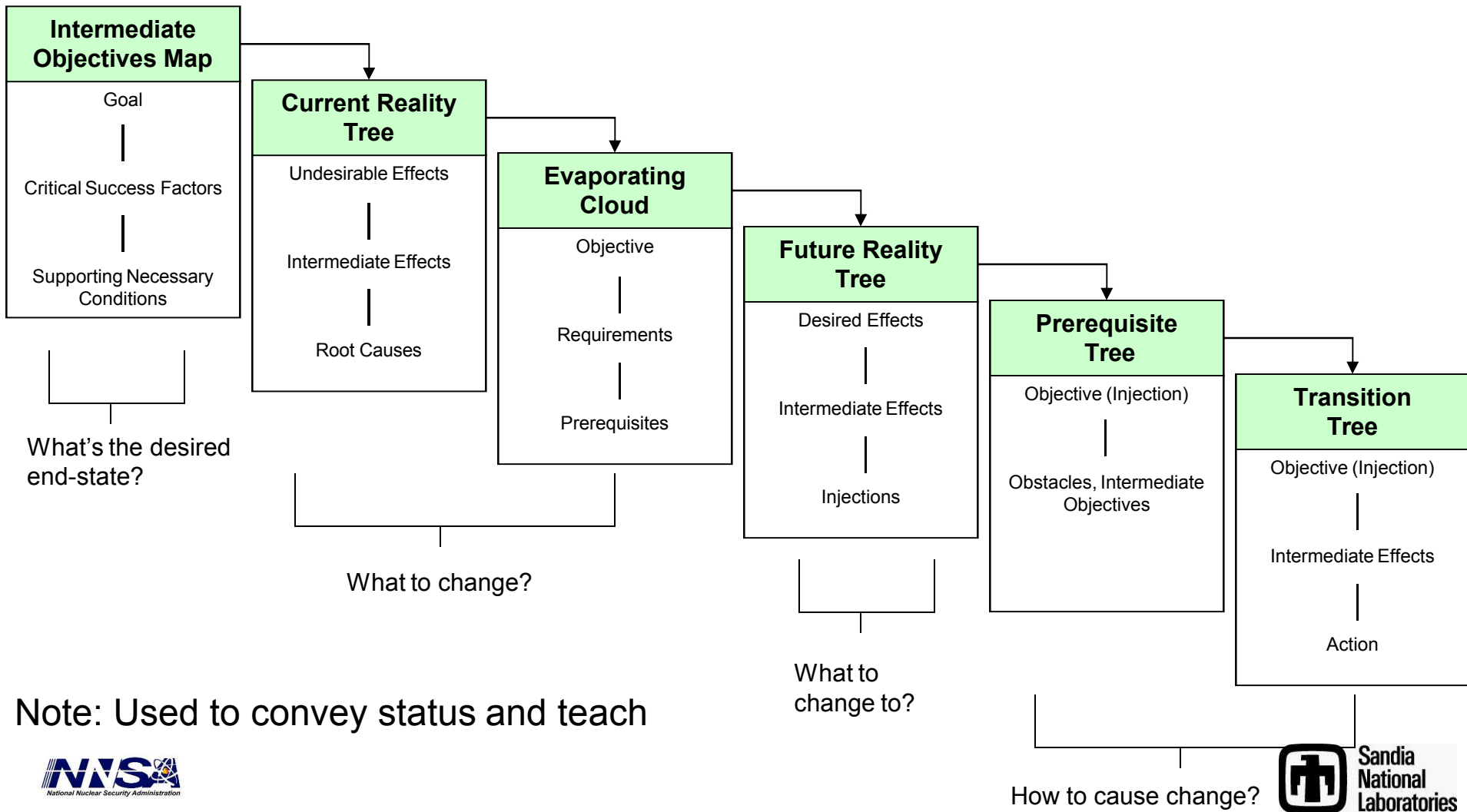




Methodology

- Needed method to organize and understand the data
 - Found the Theory of Constraints
- Which is a technique to identify:
 - What to change?
 - What to change to?
 - How to cause the change?

TOC: An Integrated Thinking Process to Manage Change





Overview



Defining the Goal

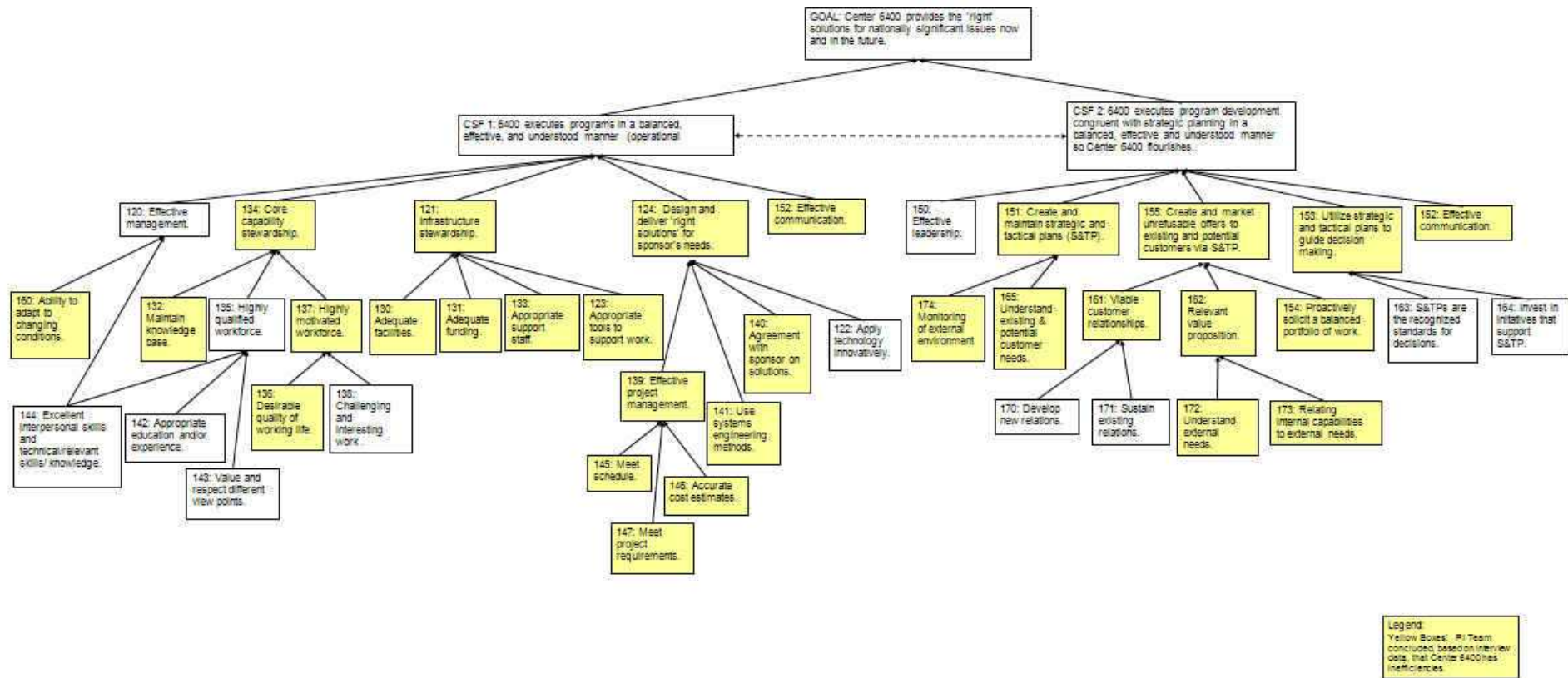
- Center's Vision
 - The cornerstone for our Nation's Security Solutions
- Center's Mission
 - Our mission is to provide innovative and cost effective solutions to the nation's security problems, including:
 - the protection of nuclear and other vital assets,
 - the security of American citizens, and
 - the mitigation of crime, fraud, and theft.
- Unlike the vision or mission statement, in TOC, the goal statement is a condition or system state that drives all system performance improvement initiatives



Goal & Critical Success Factors

- **GOAL:** Center provides the 'right' solutions for nationally significant issues now and in the future.
- **CSF 1:** Center executes programs in a balanced, effective, and understood manner (operational excellence).
- **CSF 2:** Center executes program development congruent with strategic planning in a balanced, effective and understood manner so Center flourishes.

Intermediate Objectives Map





Undesirable Effects (UDEs)

- **UDE 1:** Communication among personnel is often poor.
- **UDE 2:** Quality of working life is decreasing.
- **UDE 3:** Some operational policies/practices are ineffective.
- **UDE 4:** Some necessary infrastructure is lacking.
- **UDE 5:** Technical knowledge and core capabilities are decreasing.
- **UDE 6:** The Center's strategic direction is unclear.



Common Theme: Roles & Responsibilities

- Unclear roles and/or responsibilities shows up in 3 of the 5 UDEs worked.
 - UDE 1 – communication (unclear who needs information?)
 - UDE 3 – operational practices (unclear who's responsible?)
 - UDE 4 – infrastructure (unclear who should support work?)



Common Theme: Strategic Direction

- Lack of strategic direction shows up in all of the 5 UDEs worked.
 - UDE 1 – communication (strategies not shared)
 - UDE 2 – quality of working life (lack of agility)
 - UDE 3 – operational practices ('fire-fighting')
 - UDE 4 – infrastructure (sponsors vs. partnerships)
 - UDE 5 – core capabilities (meeting short term needs vs. long term needs, e.g. technical knowledge capture)



Common Theme: Prioritization

- Inadequate prioritization shows up in all of UDEs worked.
- Characterized as CUSTOMER FIRST/US MAYBE
 - UDE 1 – communication (time for “good” communication is often lacking)
 - UDE 2 – quality of working life (excessive hours worked)
 - UDE 3 – operational practices (lack of needed procedures)
 - UDE 4 – infrastructure (inadequate facilities)
 - UDE 5 – core capabilities (lack of succession planning)

Stress

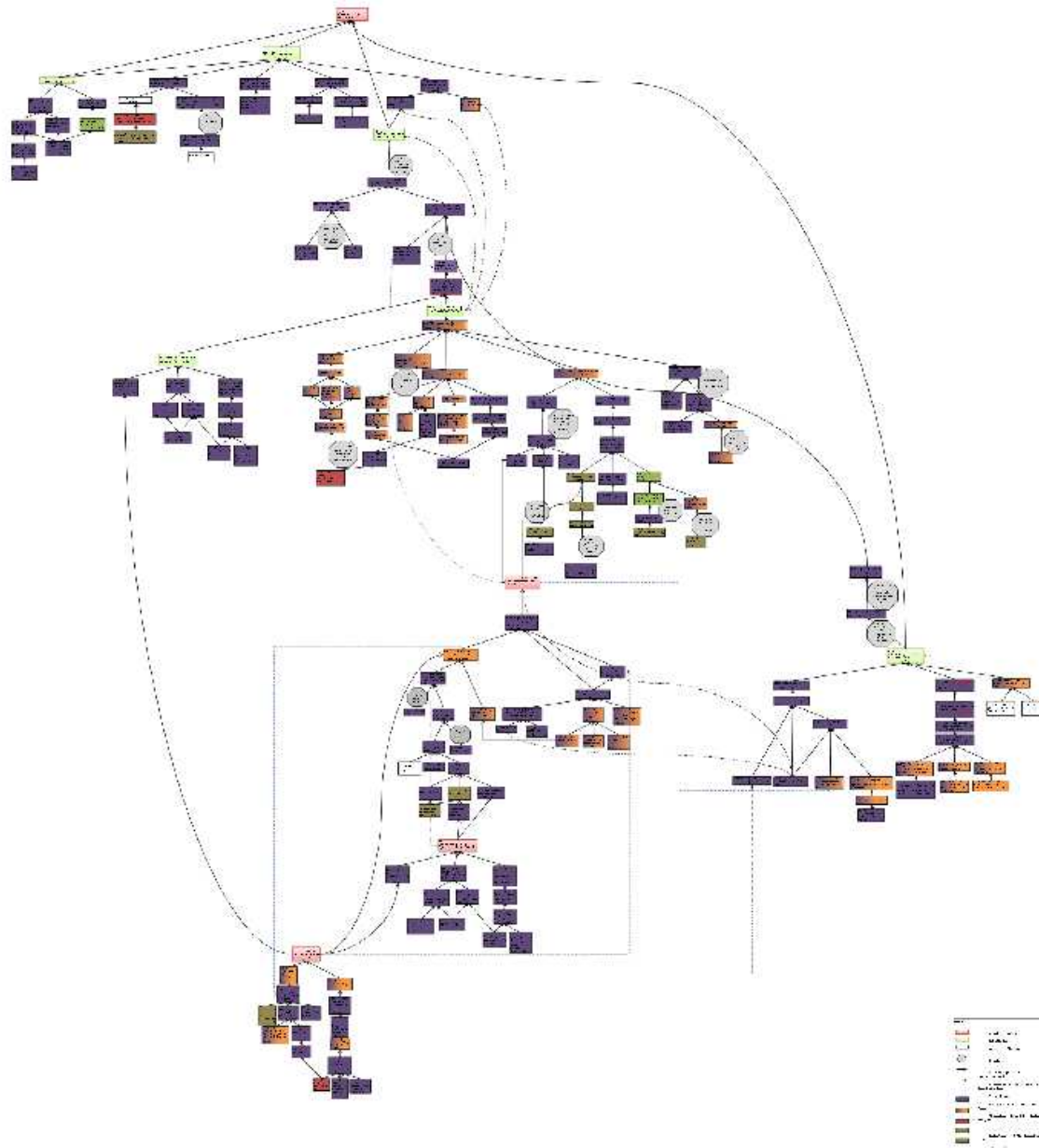




Stress



Prerequisite Tree with Accountabilities Highlighted





Center's System Constraint

- In TOC, a constraint is defined as ‘anything that limits a system’s higher performance relative to its goal’.
- The major determinate for overall system performance in the Center is
 - Management’s capacity and capabilities.
 - In other words, the single factor that limits the Center’s performance is, the time and energy of management. Hence, **Management Time is the Constraint!**



Recommended Actions

- Director:
 - Clearly state the strategic direction
 - Decide how to implement
 - Decide how to track progress
 - Communicate strategic direction to entire Center
 - Clearly articulate value system by which the Center will operate
- Devote resources to
 - Business Intelligence Activities
 - Core Capability Sustainment (Development would follow Business Intel)



Tools Used

- IO Map
 - Current Reality Tree
 - Evaporating Clouds
 - Future Reality Tree
 - Pre-requisite Tree
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- Strategic and Tactical Trees were NOT developed while this activity occurred



What worked:

- Made difficult conversations possible
 - Provided framework
 - Took focus away from individual
- Logic based method
 - Center managed by engineers – TOC toolset complemented their natural thinking process
- Realization that Center issues were not Center-specific but were scalable to SNL
- Identification of root causes – focus on right things to change
- No surprises - most revelations in the process were known but were derived from more than just the opinion or pain of the moment
- Senior leadership has embraced key findings and is moving toward implementation



What didn't work:

- Tools built for business
 - Not for profit examples few and far between
- Non-common terms
 - Required constant refreshers for senior managers
 - Difficult to communicate results with individuals who did not participate
- Time
 - Team did not engage full-time (entire process took over a year to complete)
- Team not responsible for implementation
 - Follow-up has been slow



Lessons Learned

- Need leaders willing to be proactive in making decisions and driving the organization
- Need clear roles, responsibilities and accountability at all levels
- Need to communicate findings early and often/get buy-in
- Assure implementation is tracked and decisions are based on the TOC trees