A FUTURE WITH NO SHORTAGES

Current and future reality at the speed of light

Ian Larsen

20th Annual TOCICO International Conference

©Copyright TOCICO. All rights reserved. No part of this recording may be reproduced, distributed, or transmitted in any form by any means, including photocopying, recording, or other electronic or mechanical methods, without the prior written permission of the TOCICO. Except in the case of brief quotations embodied in critical reviews and certain other noncommercial uses permitted by copyright law. Any claim, controversy, dispute or cause of action shall be governed by construed in accordance with the Laws of the United States of America and the State of New York. For permission, please contact the TOCICO at admin@tocico.org

© TOCICO. All Rights Reserved.

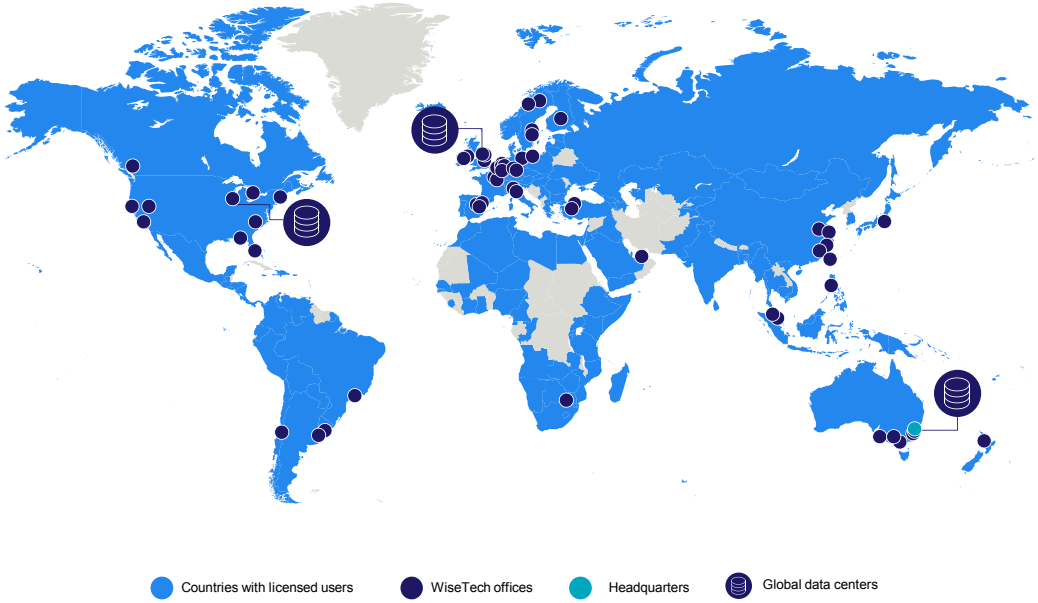
Agenda

- WiseTech Global overview
- Our TOC story
- Druids
- TOC at the speed of light

© TOCICO. All Rights Reserved.

We have experienced significant, sustainable growth from IPO in 2016

	2016	2022
People	525 people	2,000+ people
Offices	14 offices	50 offices
Countries	7 countries	35 countries
Revenue	$102.8m revenue FY16	$632.2m revenue FY22
EBITDA	$31.5m EBITDA FY16	$319.0m EBITDA FY22



© TOCICO. All Rights Reserved.

WiseTech and The Theory of Constraints

2005-2007

- Connected with Ballistix/Justin Roff-Marsh and discovered TOC
- Enrolled in Viago's Black Belt in Thinking
- Built FRT and plan to grow and IPO

2008-2015

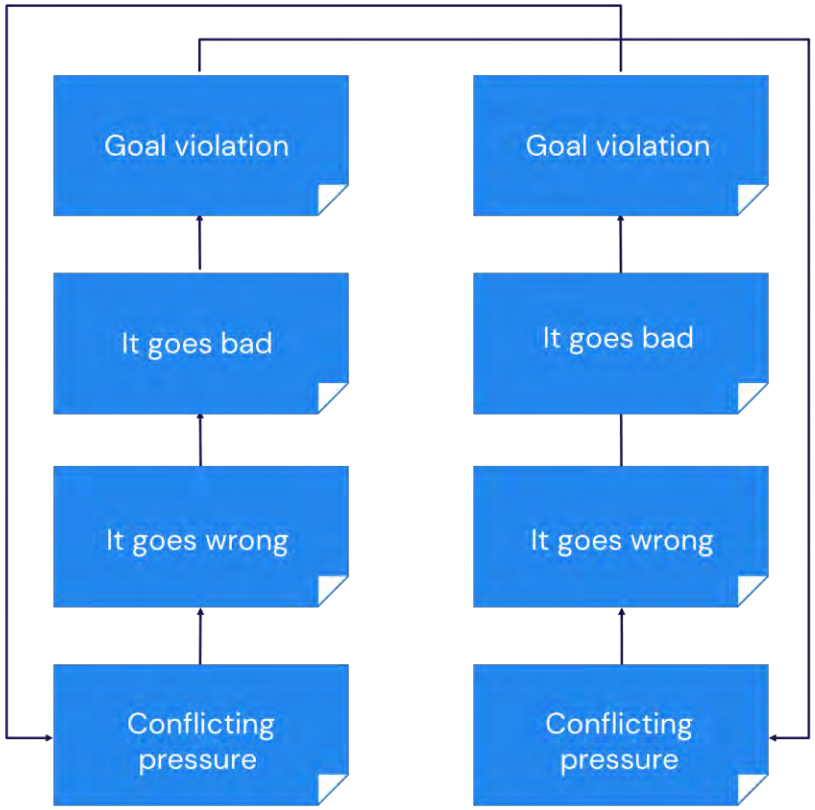
- FRT stage 1 – Internal software development model
- FRT stage 2 – External sales and commercial model
- James Powell designed our Productivity and Visualisation Engine (PAVE) – Using Drum Buffer Rope, NCN & CCPM

2016 & beyond

- Acquired 30+ business to expand our geographic and market coverage (injection to overcome growth constraint)
- Developed Druid's & TOC at the Speed of Light (injection to overcome WTW adoption constraint)
- DBR implemented in Sales, Development, HR & Talent. Over 450 staff trained in Thinking Processes via BBiT

© TOCICO. All Rights Reserved.

Figure-8 loops – aka Druids

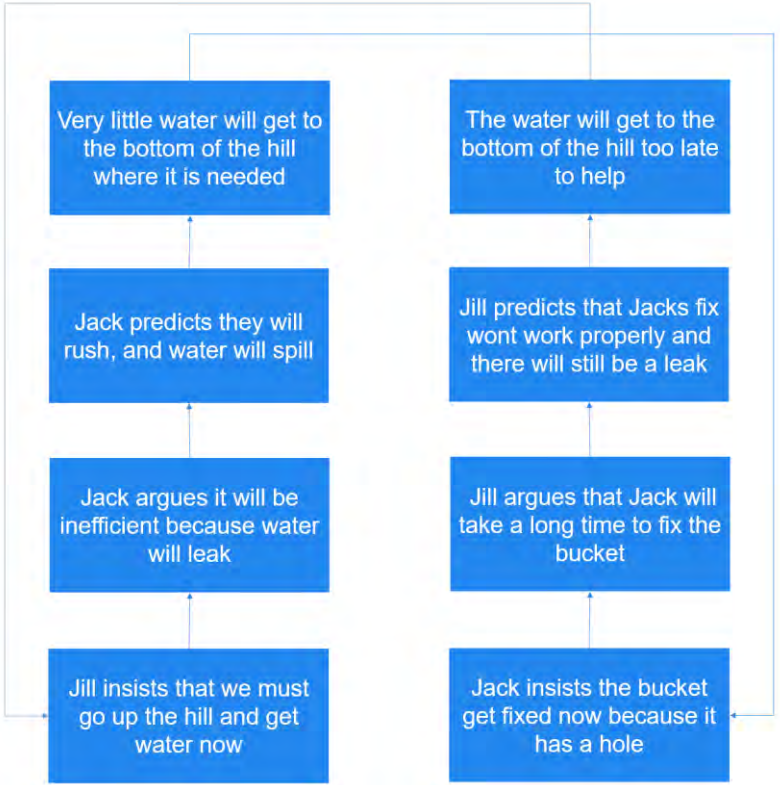


© TOCICO. All Rights Reserved.

How figure-8 loops work – Jack & Jill

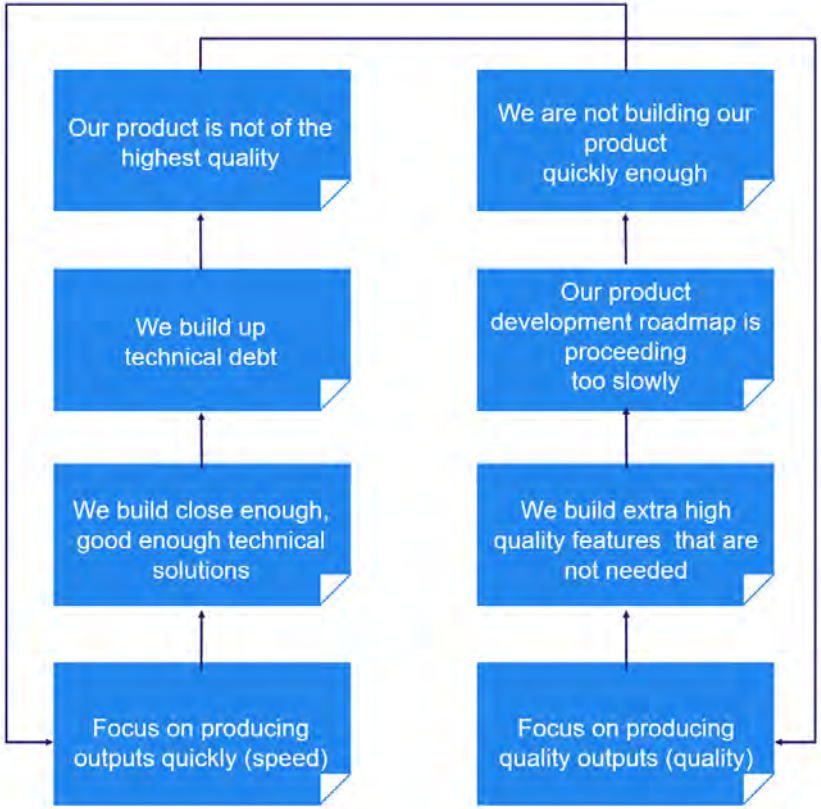
Persistent conflicts & repeated debates

- Person A takes a position
- Person B then argues that something will go wrong, then get worse, then their goal will be violated, therefore we must do another thing
- Person A then argues that something will go wrong, then get worse, then their goal will be violated, therefore we must ….



© TOCICO. All Rights Reserved.

Speed vs. quality: the core conflict



> “We cannot build a high-quality solution, quickly enough.”

© TOCICO. All Rights Reserved.

"The conflict between speed and quality is endemic to all human endeavour."

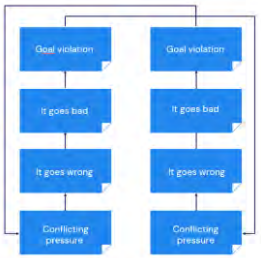
Richard White, Founder & CEO, WiseTech Global

© TOCICO. All Rights Reserved.

TOC at the speed of light

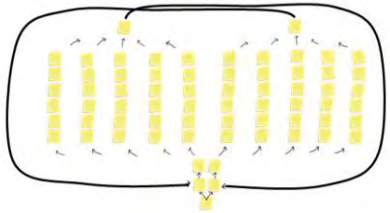
Figure 8 Loop (aka Druid)

Figure 8 Loops capture the persistent conflicts in our reality



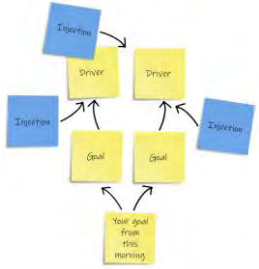
Current Reality Tree (CRT)

A set of interconnected persistent conflicts in our current reality, including a core conflict that keeps them stable



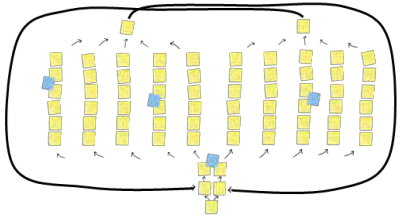
Injection (INJ)

A solution that breaks the cause and effect connection leading to a different effect and new reality



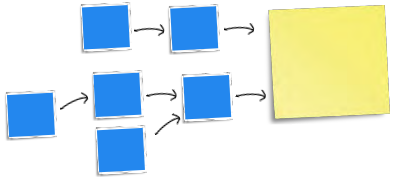
Future Reality Tree (FRT)

A transformed current reality, as a result of the injections



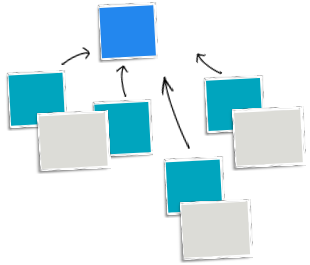
Necessary Condition Network (NCN)

A network of interdependent injections, aka the plan to implement the injections



Prerequisite Tree (PRT)

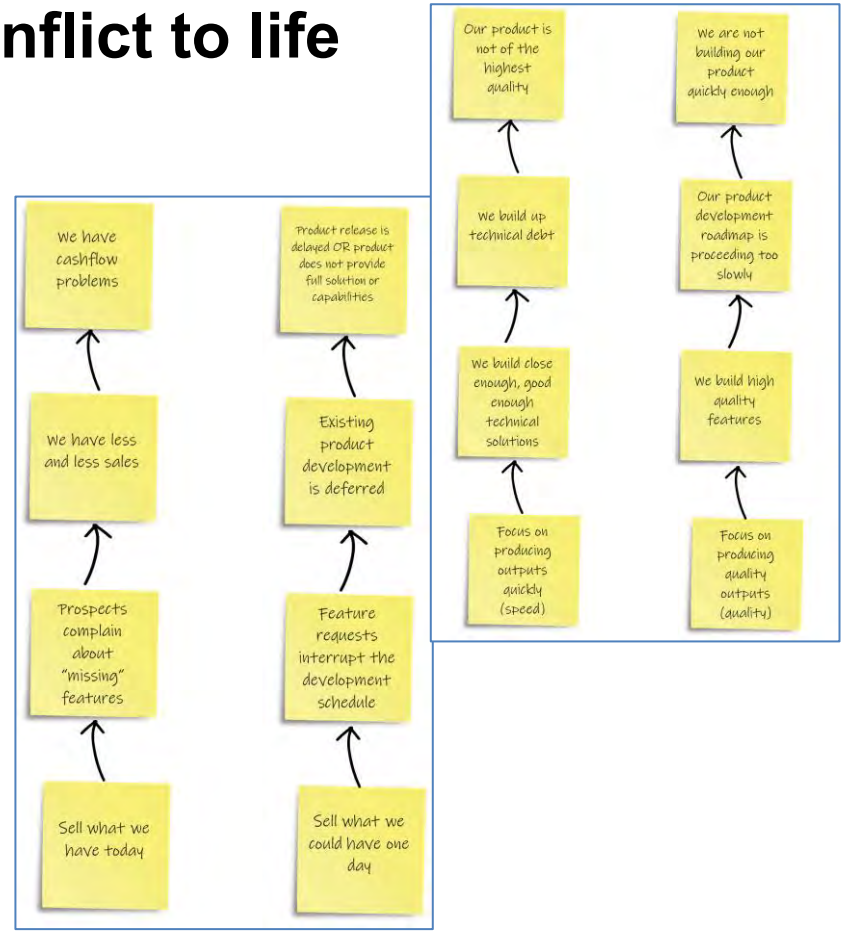
Analysis of a seemingly unacheivable injection (aka Flying Pig), and Intermediate Objectives (IOs) that capture how it might be acheived



© TOCICO. All Rights Reserved.

Druid roleplay: bringing the conflict to life

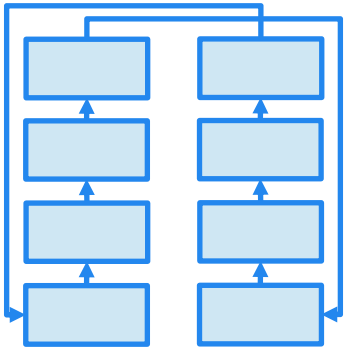
- Role play animates the conflict represented in the druid and the audience identifies strongly with any that they experience repeatedly in their business and roles.
- This sets up the entire process because the audience takes ownership of the conflicts
- This ownership of the conflicts then translates into authorship of the solution
- By the end of the day they own the future reality and the plan to get there
- No prior knowledge of TOC or TP required



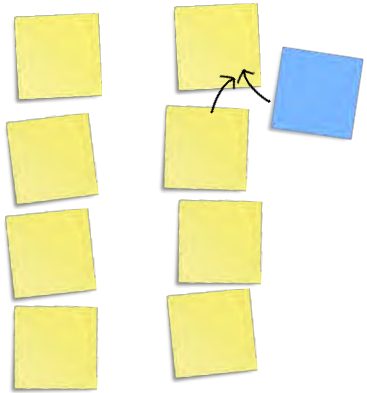
© TOCICO. All Rights Reserved.

Instructions: Figure 8 selection and CRT

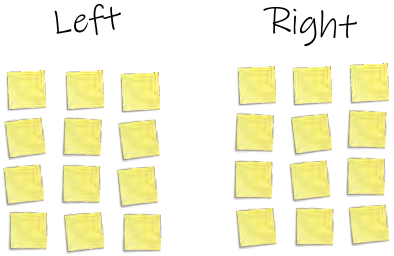
Pick 5 Figure 8s that suit your business



Cut them in half and **edit them or add logic if required**

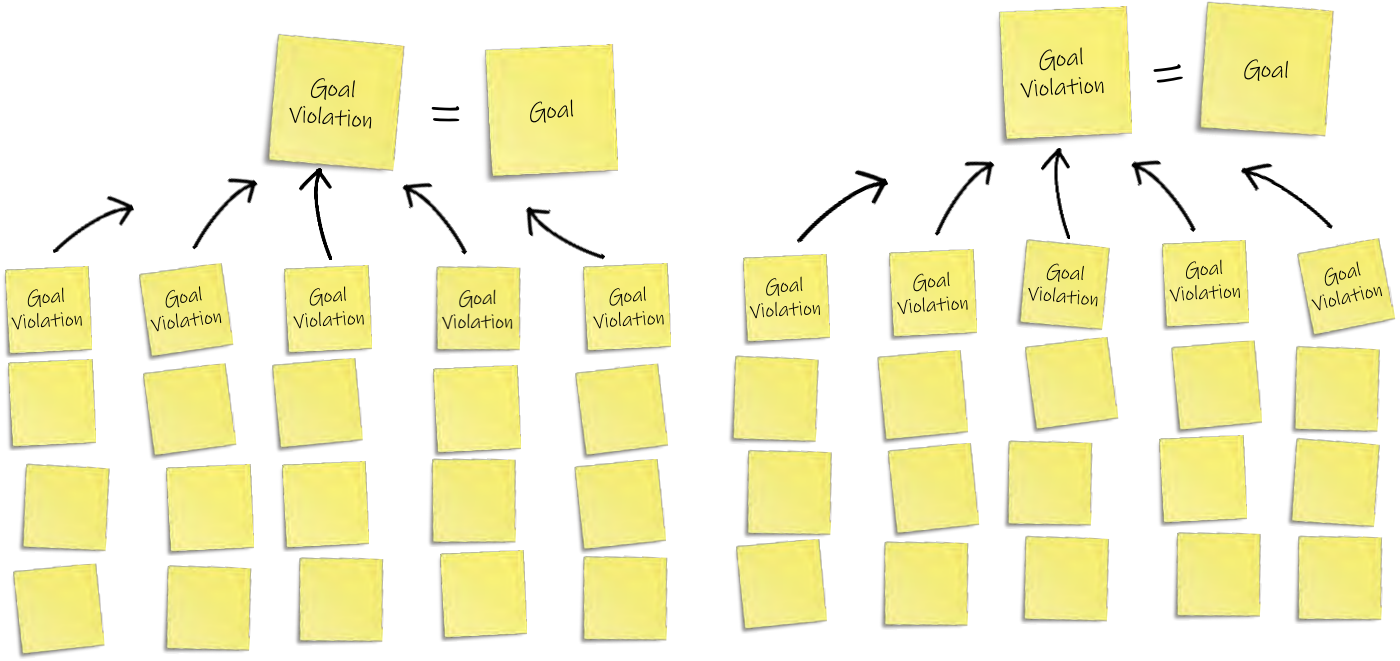


Then **lay them out on your paper in groups that feel similar**



© TOCICO. All Rights Reserved.

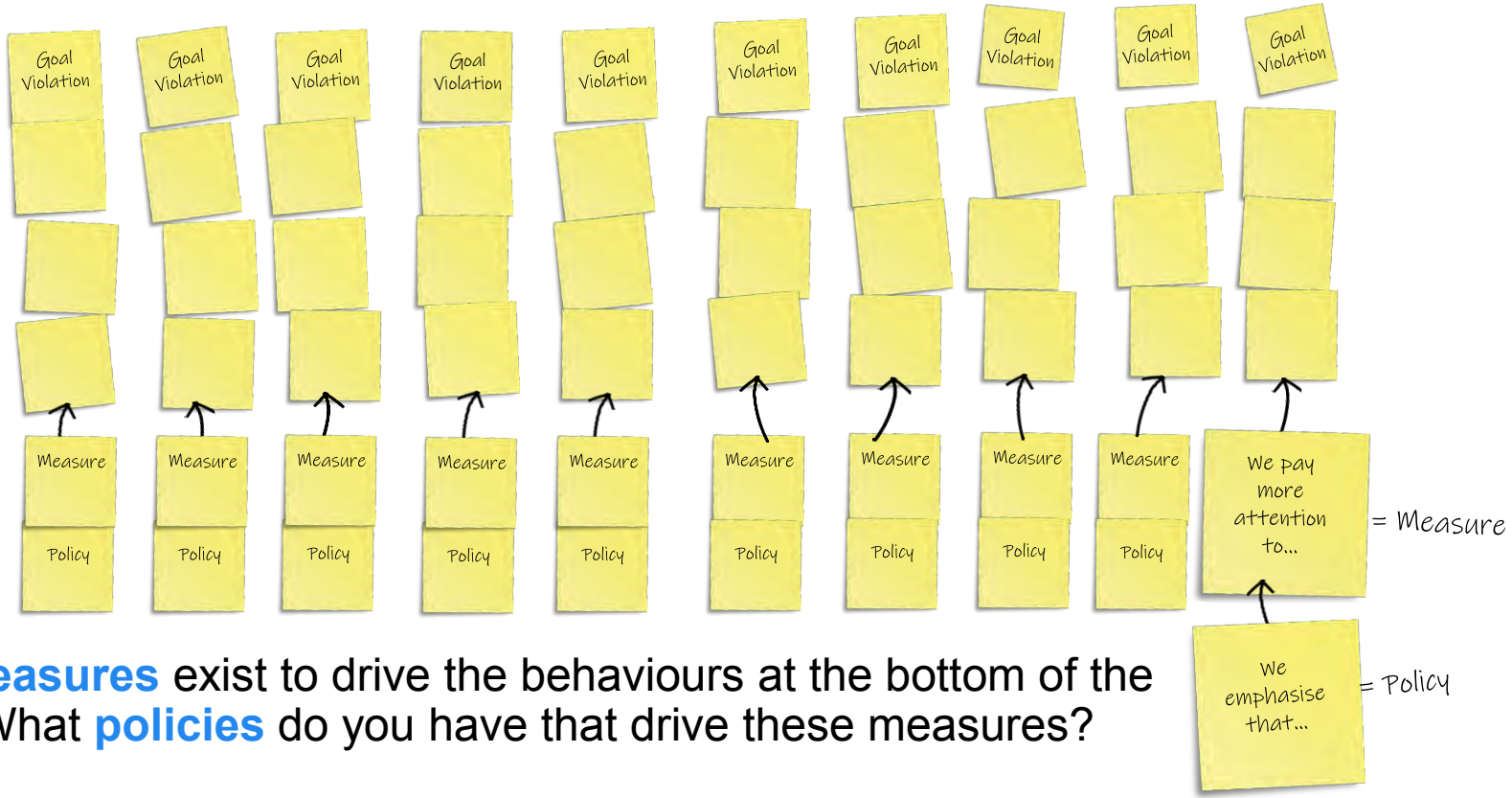
Goals



Write down the **higher order goal violations** for each side and their **opposite goals** and add them as post it notes

© TOCICO. All Rights Reserved.

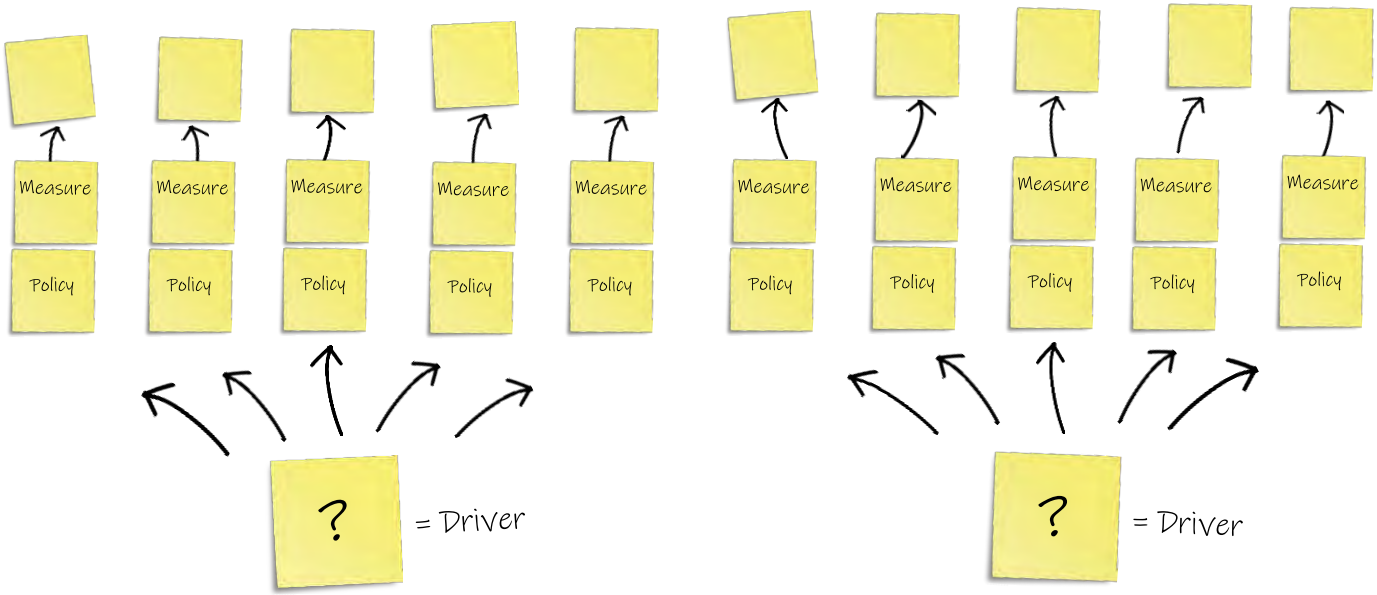
Policies and measures



What **measures** exist to drive the behaviours at the bottom of the loops? What **policies** do you have that drive these measures?

© TOCICO. All Rights Reserved.

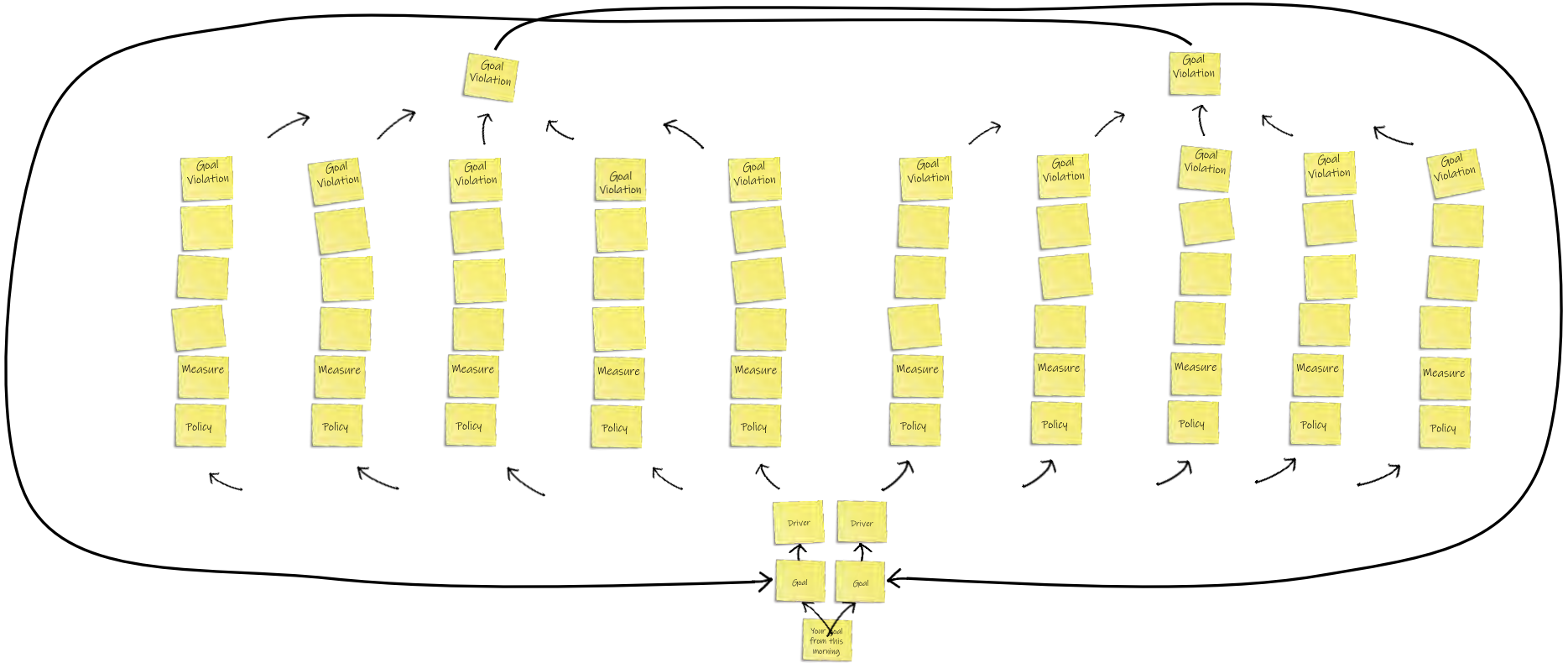
Policies and measures



Once you have your policies and measures, **summarise the left and right polices into drivers** (which are in conflict). Then **write down the drivers onto 2 more post-its**

© TOCICO. All Rights Reserved.

Current Reality Tree (CRT)

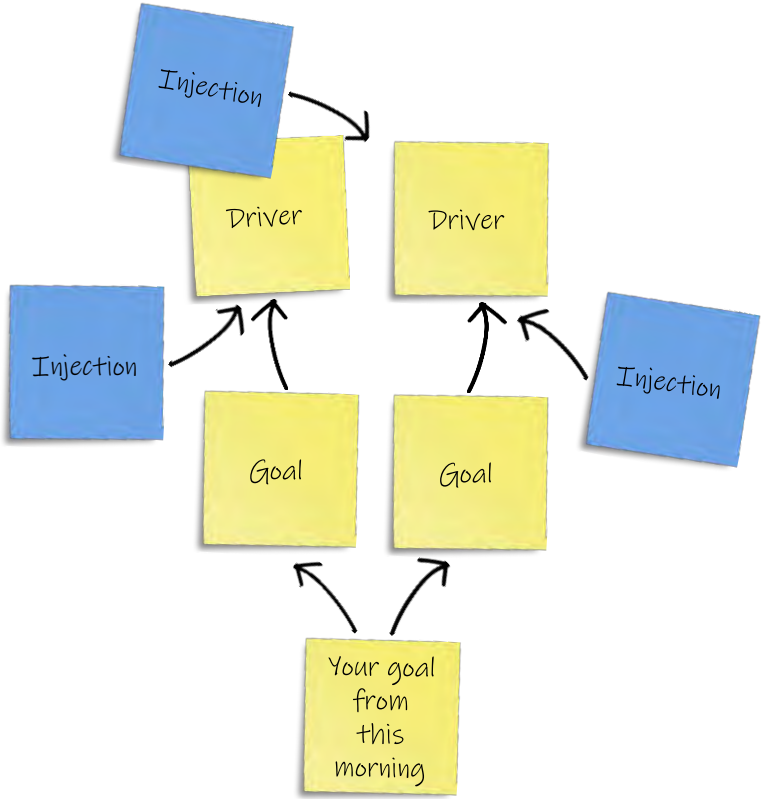


Add **your goals and drivers as a core conflict** and connect the **reinforcing loops** to finalize the **CRT**

© TOCICO. All Rights Reserved.

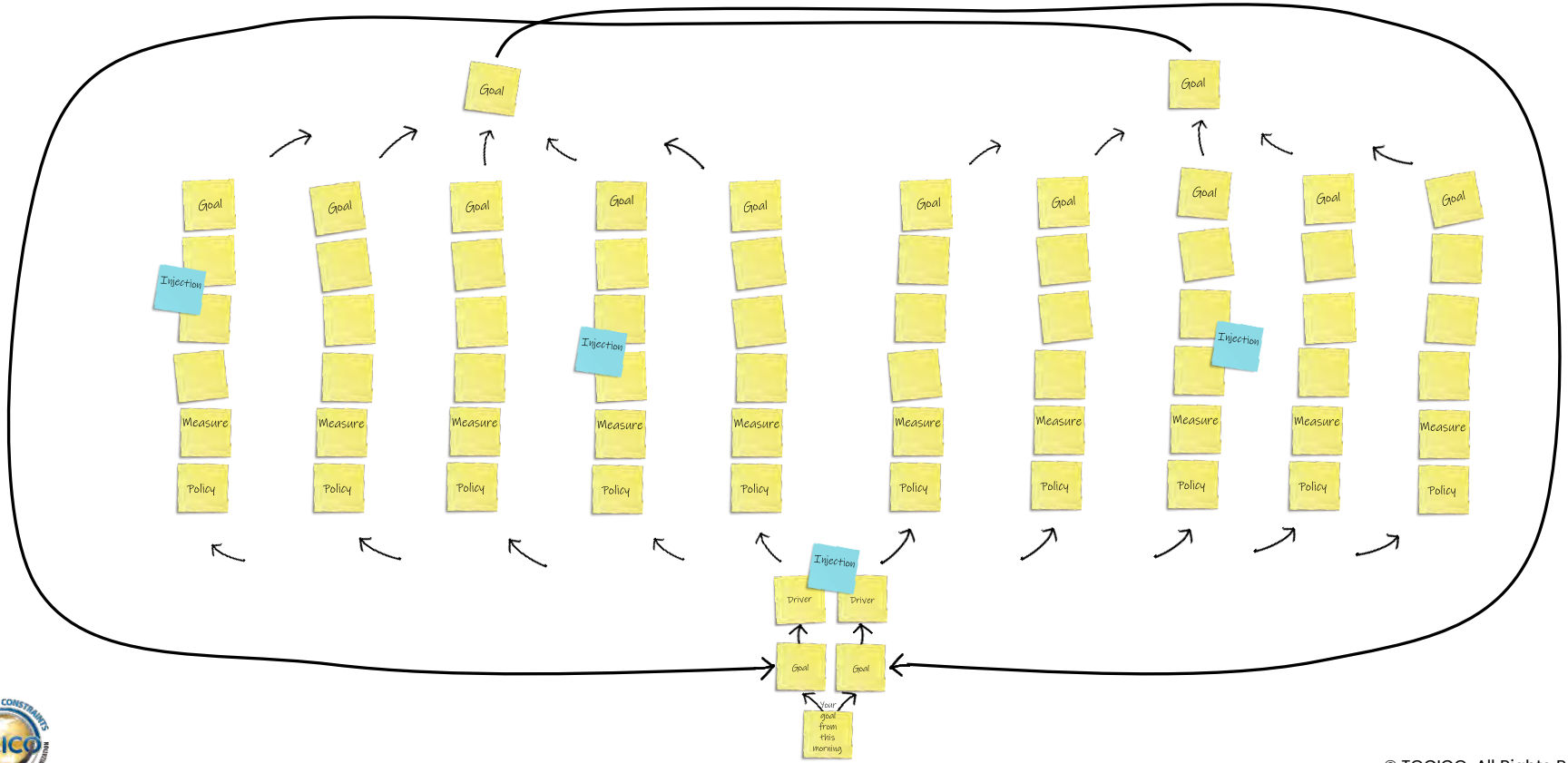
Injection selection

- **Pick an injection** that helps solve the core conflict.
- **Flip the post-its up the loops as if the injection exists**, until you can't. Pick another until all are solved.



© TOCICO. All Rights Reserved.

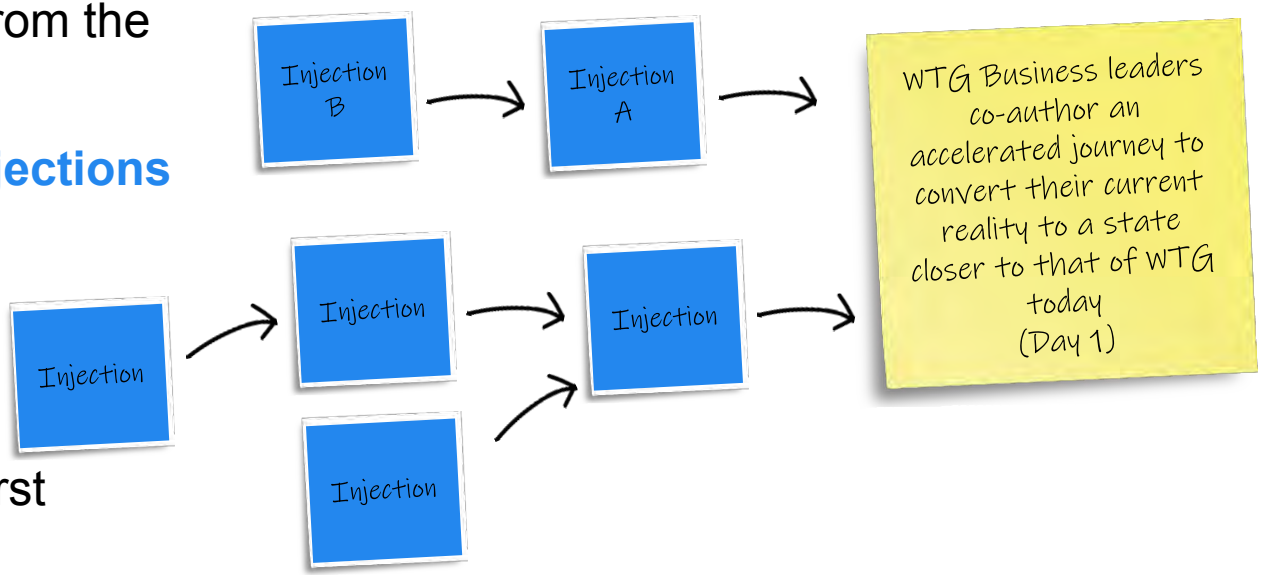
Future Reality Tree (FRT)



© TOCICO. All Rights Reserved.

Plan to implement the Future Reality: Necessary Condition Network (NCN)

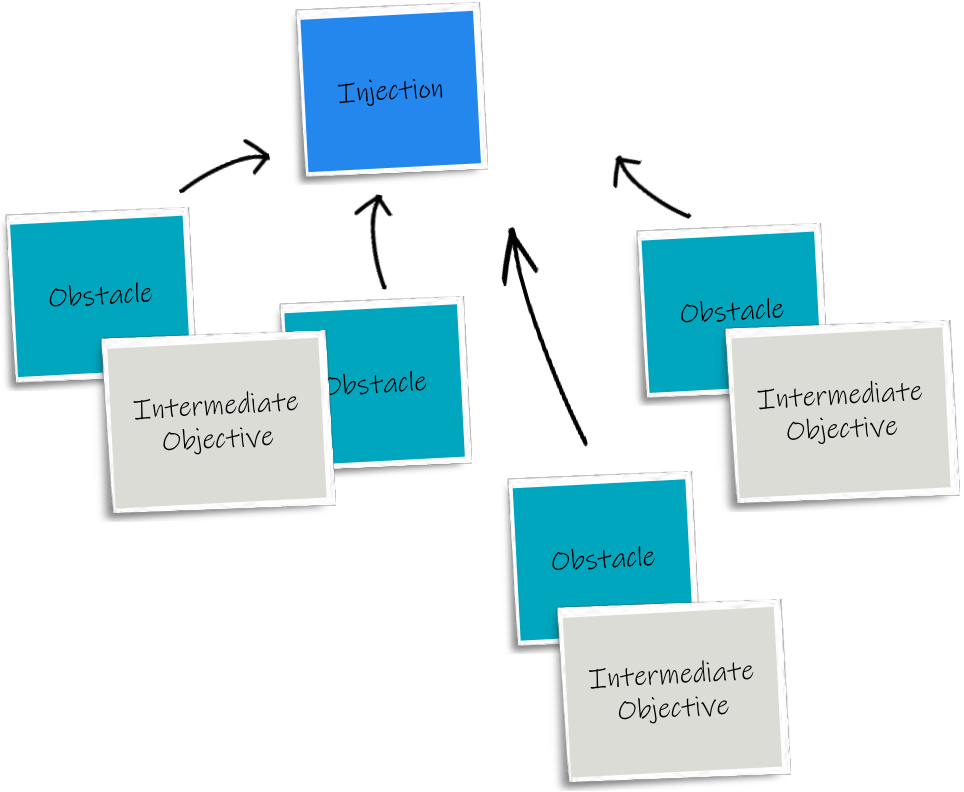
- **Copy the injections** from the FRT onto post-its
- **Build a network of injections** with the link between injections representing necessity
- "In order to achieve Injection A , we must first achieve Injection B"



© TOCICO. All Rights Reserved.

Tackling big hairy audacious goals: Prerequisite Tree (PRT)

- **Copy an injection** from the NCN onto a post-it
- **Identify obstacles to achieving the injection**, write each obstacle on a post-it
- **Identify Intermediate objective(s) that will overcome the obstacle**, add them to the tree



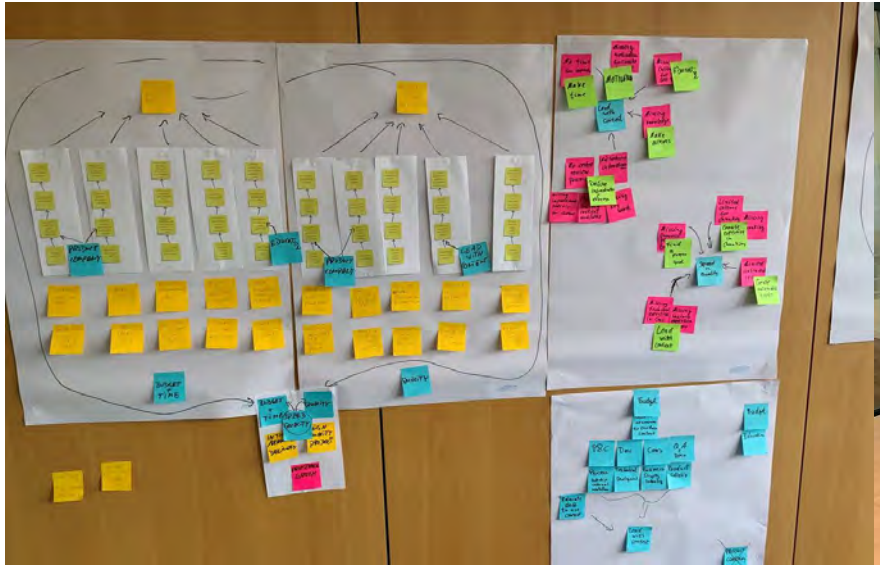
© TOCICO. All Rights Reserved.

Smashing and rebuilding paradigms in a single day

- Druid role play – 90 minutes
- CRT – 90 Minutes
- Injections – 30 Minutes
- FRT – 60 Minutes
- NCN – 30 Minutes
- PRT – 45 Minutes
- **Total – 5 Hours, 45 minutes**
- **Incredible speed** with **no loss of fidelity** in the result

© TOCICO. All Rights Reserved.

Germany, October 2019



© TOCICO. All Rights Reserved.

Becoming WiseTech faster than we became WiseTech

- TOCICO Chicago July 2019 – our third attempt, worked very well with 4 teams
- July 2019 to March 2020 – UK, Italy, Germany, Australia, Netherlands, USA, Argentina, Uruguay
- In 9 months: 8 Countries, 13 businesses, 32 teams
- Every team authored a plan to integrate into WiseTech and adopt our principles and methodologies **without the need for mandates or injecting staff**

© TOCICO. All Rights Reserved.

At the heart of every important conflict,
is a breakthrough waiting to happen.

QUALITY IS SPEED

© TOCICO. All Rights Reserved.

Ian Larsen

Head of Delivery Process and Productivity

Ian joined WiseTech Global in mid-2018. Prior to joining WiseTech, Ian worked at GE for over 8 years including leading a global sales team for the digital product portfolio in mining, and in 2017 closed the largest digital transformation sale for GE at that time. Ian has worked in both small and large manufacturing companies and built, with partners, a very successful small software business across Australia-New Zealand that sold and delivered its solutions into global markets. Ian holds a Bachelor of Management Studies, Majoring in Computer Science, from the University of Waikato (NZ).

Contact: ian.larsen@wisetechglobal.com

© TOCICO. All Rights Reserved.