TOC - The primary thinking processes, as codified by Goldratt and others:

- <u>Current Reality Tree</u> (CRT, similar to the current state map used by many organizations) evaluates the network of cause-effect relations between the undesirable effects (UDE's, also known as gap elements) and helps to pinpoint the root cause(s) of most of the undesirable effects.
- **Evaporating Cloud** (conflict resolution diagram or CRD) solves conflicts that usually perpetuate the causes for an undesirable situation.
- <u>Core Conflict Cloud</u> (CCC) A combination of conflict clouds based several UDE's. Looking for deeper conflicts that create the undesirable effects.
- **Future Reality Tree** (FRT, similar to a future state map) Once some actions (injections) are chosen (not necessarily detailed) to solve the root cause(s) uncovered in the CRT and to resolve the conflict in the CRD the FRT shows the future states of the system and helps to identify possible negative outcomes of the changes (Negative Branches) and to prune them before implementing the changes.
- <u>Negative Branch Reservations</u> (NBR) Identify potential negative ramifications of any action (such as an injection, or a half-baked idea). The goal of the NBR is to understand the causal path between the action and negative ramifications so that the negative effect can be "trimmed."
- **Positive Reinforcement Loop** (PRL) Desired effect (DE) presented in FRT amplifies intermediate objective (IO) that is earlier (lower) in the tree. While intermediate objective is strengthened it positively affects this DE. Finding out PRLs makes FRT more sustaining.
- **<u>Prerequisite Tree</u>** (PRT) states that all of the intermediate objectives necessary to carry out an action chosen and the obstacles that will be overcome in the process.
- <u>Transition Tree</u> (TT) describes in detail the action that will lead to the fulfillment of a plan to implement changes (outlined on a PRT or not).
- Strategy & Tactics (S&T) the overall project plan and metrics that will lead to a successful implementation and the ongoing loop through <u>POOGI</u>. Goldratt adapted three operating level performance measures—throughput, inventory and operating expense—and adopted three strategic performance measures—net income, return on investment, and cash flow—to maintain the change.