

CDS2: Constraint Driven Support for Strategic Growth

Business- stability is gone. Business as usual no longer exist. (E.Goldratt)

The CDS2 under-lying logic is built like a system-model that represents the behavior of your business-organization within the real competitive world. It **links** your market-constraints with your organizational constraints and with the financial constraints.

CDS2 supports your decisions for **building** your reliable 3- or 5-year growth-plan and it generates the right **follow-up** signals by using the unique TOC - buffer management technique.

CDS2 is a **constraint-driven** tool, that generates allows you to **focus** on the relevant leverage-points of the **global** business-organization.

The KEY-Questions

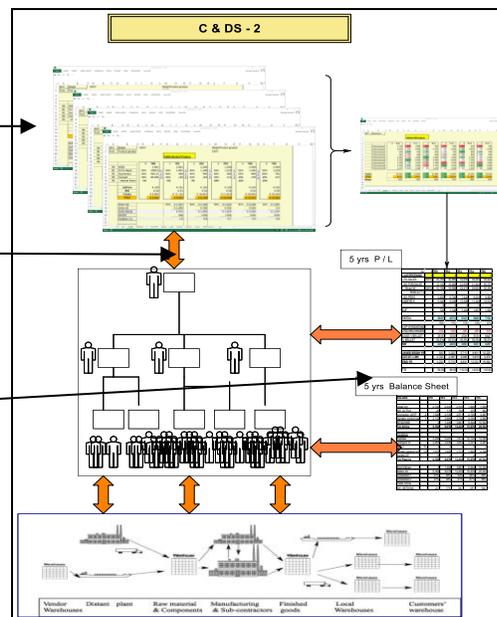
What is preventing my business to grow in the market for the next years?

Is my organization able to follow that growth?

The system highlights the relevant constraints (investments, necessary skills, technical resources, missing links...). Here you find the best leverage-points while looking at the real profit and expenses generated by breaking the constraint.

What is the impact of my decisions on the profit & loss and the balance-sheet?

By comparing the different scenarios, you will find and develop your viable growth strategy.



The outcome:

- Constraints Driven budgets.
- Current and future business- logic.
- Secured business development plan.
- Protection of the critical resources by adapted buffers.
- Embedded project plans and follow-up.

Current results:

- Breaking market-constraints.
- Consensus on necessary resources and investments.
- Builds confidence and support.
- Plan-B (or worst-case) scenario's.
- Predictive warnings by buffer management.
- Today's-actions for future results are not postponed

CDS2 Short:

The objective of CDS2.

CDS2 supports the business development process because it helps in verbalizing the business targets in a clear way that is translated into tangible figures and actions. This is possible because it simultaneously shows the market-constraints, the operational constraints as well as the financial limitations and opportunities. It immediately shows the effect of the decisions.

FOCUS. The under-lying logic (based on the TOC-techniques) leads the decision-makers towards the best leverage points in even complex situations.

EXPLOIT The **critical or limited resources** (human-resources, technical resources, investments, available cash, management time) are managed to reach the best result for the global business. This tactic avoids spending money and scarce management-time for the wrong purposes.

CREATING INVOLVMENT and SUPPORT. Stake-holders' ideas can be a precious input for building a logic that reflects the business-reality (The internal as well as the external reality). It avoids the 'ivory-tower' plans that are not supported by the organization because the future ideas can be challenged before the roll-out. It often allows to integrate people's intuition where potential undesired effects must be avoided.

ALTERNATIVES. While developing a strategy often different possibilities are evaluated. Those possibilities are reflected by different scenarios, that are compared to find the "best-one". A "plan-B" (or the worst-case hypothesis) - scenario often leads to a good understanding of the real risks and the necessary buffers.

RISK MANAGEMENT. A strategy is reliable if the risks are well known. The unique TOC-technique of **buffer management** is the key for **securing** financial as well as time-related risks. The often-used tactic of distributing a-priori the protections (or budgets) is replaced by a global buffer management, that prevents many discussions and waste.

Buffer management has proven to be the best technique for anticipating problems because it indicates critical deviations ***before the effects occur.***

BUSINESSPLAN. The system integrates the future P/L and balance sheets to immediately visualize the future Ebitda, the investments, the cash and the future profit for the next 3 – 5 years

ROLL-OUT. To translate plans into feasible actions, that must be executed by the same managers who already have a full plate, CDS2 integrates the **Critical-Chain** technique. This technique allows the stake-holders to verbalize their intuition and valuable experience.

This technique has proven to deliver challenging but realistic projects.

On-going DIAGNOSIS. Instead of waiting for the monthly meeting or the quarterly budget-review the system generates warning signals in an ***on-going way*** based on the strategic buffers. Updating those strategic buffers do not need extra management-effort because they are linked to the under-lying critical-chain projects that are generating the priorities.