Seven No-Cost Ways to Improve Business Problem Solving Efforts

No Authorization or Permission Needed

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8/13/2012

This paper presents seven practical and easily implemented ways of improving efforts to solve business problems in an organizational setting. They don't cost anything and they fall under your personal control: you don't need anyone's permission or authorization to use them.

Solving Business Problems: Core Process, Core Competency

Solving business problems is perhaps *the* core process in what Peter Drucker has termed our "society of organizations." For the most part, people are pretty good at it. Indeed, figuring out what to do and getting it done may be *the* core competency for human beings, especially for knowledge workers. But solving business problems calls for more than basic human ability—it calls for valid, relevant knowledge and a process that leads people to systematically pay attention to the right things. Unfortunately, too much attention is all too often paid to the wrong things.

This article presents some basic definitions and describes briefly the process of solving business problems, then reviews seven ways efforts to solve business problems go astray, along with seven corresponding ways to do a better job of solving business problems.

Business Problems, Their Solutions, and the Process of Solving Them

A business problem exists when action is required to attain a business goal but the required action is not apparent. Reject rates are twice as high as industry standards but no one knows why. Cycle times are triple those of the industry leader but no one has a grip on how to shorten them. Profits are below the mark but whether to focus on expenses, revenues, or on both sides of the ledger is not clear.

Not all business problems owe to such unhappy circumstances as suggested above. Some business problems are traceable to more felicitous conditions. Consider the following example.

The corporate coffers are bulging—making the company ripe for a takeover or capable of effecting one—but the best use of all that cash is not self-evident. This latter problem, by the way, is what some people call "a high-class problem," meaning they wish they had more such problems.

Solutions to business problems are courses of action that lead to the attainment of specified business goals and results—without creating new, more costly problems. Contrary to the implications of phrases like "the *search* for solutions," solutions to business problems are not *found*, they are *engineered*. In this context, "engineered" means arranged or brought about through skillful, artful contrivance. Ultimately, then, solving business problems is a process aimed at changing things to obtain specified business results. It follows that this process begins by specifying the results to be obtained.

Generally speaking, the process of solving business problems has two major stages or sub-processes. The first is *solution specification* and the second is *solution implementation*. First you specify your goal and the course of action you believe will lead to it, then you carry out this course of action and evaluate its effectiveness.

These two stages are very different from one another. *Solution specification* is a rational, analytical, information-based activity; it centers on figuring out what to do. *Solution implementation* is an intensely political, action-oriented activity; it focuses on getting done what has been figured out. In somewhat different terms, solution specification is concerned with *investigation*, and solution implementation is concerned with *intervention*.

Seven Ways People Go Astray When Solving Business Problems

The longevity of firms such as AT&T, Du Pont, and Ford suggests that people do a passable job of solving business problems. So do advances in technology and the sustained innovation of companies like 3M and Hewlett-Packard. So does the rise to dominance of firms as diverse as Microsoft and Marriott. However, the demise and near demise of other well known companies plus the troubles now plaguing many others suggest there is room for improvement. Seven of the more common ways people go astray when solving business problems are listed below.

- Failing to focus on the goal or end state.
- Being too concerned about relationships with others.
- Paying too much attention to what senior management thinks.
- Letting personal stakes and egos weigh too heavily in decision making.
- Allowing restraints and constraints to unnecessarily restrict possibilities.
- Engaging in fruitless searches for the cause(s) of the problem.
- Shunning careful analysis in favor of specific expertise.

The balance of this paper elaborates on the missteps listed above and suggests seven related ways to improve business problem solving efforts.

Focus on the End State

In sports, there is a caution against "taking one's eye off the ball." On board submarines, there is a similar caution against "taking one's eye off the bubble." In this second case, the consequence of failing to attend to the proper factor can be an irreversible and deadly plunge to the ocean's floor. Problem solving efforts often focus on explaining what went wrong and who is to blame instead of focusing on the goal or solved state. This amounts to taking one's eye off the ball. In cases where the business is at stake, it amounts to taking one's eye off the bubble.

Exhortations to pay attention to our goals abound. "If you don't know where you're going, any road will do." "If you don't know where you're going, you're likely to wind up somewhere else." "If you don't know where you're going, you're not likely to get there." The message is plain enough—be clear about the end at the beginning.

One way of getting clear about the goal or end state is to question yourself about the future in terms of what you want, what you don't want, what you have, and what you don't have. The interplay of these four perspectives yields four basic questions about future conditions or results.

- What do you want to *achieve*? (What is it you want that you don't have?)
- What do you want to *preserve*? (What is it you have that you want to keep?)
- What do you want to *avoid*? (What is it you don't want and you don't have?)
- What do you want to *eliminate*? (What is it you have that you don't want?)

The four questions listed above illustrate an important point. Thinking about the end state requires thinking about four kinds of outcomes, not just one. It is a useful practice to define the goal or end state in terms of all four. Otherwise, actions are liable to have quite unintended outcomes and consequences.

Set Aside—Temporarily—Concerns about Relationships with Others

Good working relationships with other people are essential to getting things done in organizations. People are right to be concerned about their relationships with others. This is especially true in organizations where turnover is low and people are likely to work with one another for many years. But when concern about relationships with others overrides all other considerations, it results in an inability to confront issues and a failure to make the changes necessary to improve quality, increase productivity, reduce costs and, in general, enhance the ability of the organization to compete. Although it may be necessary to tread lightly around other people at times, it is not okay to pussyfoot around the issues when engaged in attempts to solve important business problems.

Too much concern for relationships with others shows up in problem solving efforts as a filtering of ideas. This has two drawbacks—good ideas are kept out, and lousy ideas are let in. The filtering of ideas has definite verbal indicators; for example, "We can't do that to Pat," and, "I think Lou will find that acceptable."

Those authorizing a course of action and those implementing it have to live with its consequences, perhaps for a long time to come. Thus, it is sometimes the case that an ideal solution is modified to soften its impact on certain areas or certain people. But, take care not to water down strong solutions simply to avoid offending others. If a potent solution has to be diluted, don't thin it to the point that it becomes ineffective. Besides, people are usually smart enough to support a really good solution to an important business problem. They are not likely to make themselves part of the problem when they can be partners in its solution. Strive consciously to set aside concerns about relationships with others while working on important business problems—at least until a solution has been worked out. Only with a solution in hand can the benefits of solving the problem be sensibly weighed against the solution's impact on relationships with others.

Don't Pay Too Much Attention to What Senior Management Thinks

Senior managers are likely to hold opinions regarding any given business problem. These might pertain to its causes, how best to solve it, or to a possible solution. Generally speaking, these opinions are no better informed—and often less informed—than opinions at lower levels. Moreover, opinions at the senior man-

agement level typically overlook details that must be addressed in the course of implementing a solution. Such details can call for major modifications to plans. As the saying goes, "The devil is in the details!"

Senior manager's perceptions are sometimes key, as is the case when action on their part is essential to solving the problem. However, only a few business problems really require or benefit from direct senior management involvement. In any event, efforts to solve business problems should not be unduly influenced by senior manager's views. Senior managers can help by being very careful with respect to when and how they express their views about problems that are being tackled by people farther down the hierarchy.

No one, whether senior manager or "worker bee," ought to view the counsel just given as a disparagement of senior management. In complex organizations it simply is not possible for senior managers to function as alpha and omega. Senior managers are ordinary human beings who, when confronted by extraordinary circumstances, either rise to the occasion or they don't.

To summarize this point, except for those instances in which the enterprise itself is in play, the views and beliefs of senior managers should not too tightly circumscribe efforts to solve business problems. Too often they do.

Set Aside Personal Stakes and Disengage Your Ego

Although employee involvement and commitment are crucial to many endeavors, personal involvement and commitment can be very troublesome when it comes to solving business problems. The manager who designed a certain production process might not want to hear that it doesn't work as well as he believes. The executive who heads a certain area might not be open to the possibility that her area has a problem, that her area *is* the problem, or that the solution to a larger business problem requires dismantling her area.

Merely contemplating new ways of doing things can elicit apprehension and resistance long before such reactions are aroused by the prospect of making specific changes. Past these well-known barriers and obstacles lie others that are even more clearly rooted in personal stakes and ego involvement. It is not uncommon, for example, to see managers or executives vying to have their solution to a particular problem be "the solution of choice."

Do not let personal stakes overly influence your decisions or analyses. Disengage your ego. Keep it out of decisions to oppose or propose a solution. Step back, put some distance between yourself, the problem, and its solution. Be aware of emotional reactions. Passion in pursuit of excellence is fine, but self-aggrandizement, protectionism, envy, and resentment are not.

Persuasion is vital at some point in every effort to solve a business problem. You will be at your most persuasive when your arguments are dispassionate, detached, and based on a rational examination of the problem at hand. You will not be persuasive—indeed, you will harm your cause—if your arguments are seen as self-serving or aimed primarily at preserving and protecting the status quo, especially if it is *your* status quo that is being protected.

Make Restraints and Constraints Visible, then Challenge Them

Restraints are things you *can't do*. *Constraints* are things you *must do*. Both act to restrict the range of permissible actions. Restraints and constraints typically operate just below the surface, often in the form of assumptions and givens. These rascals can be collared, dragged into view, and challenged whenever agreement, disagreement, and redirection occur.

Suppose Dale says, "We have to make sure Lee reviews this." All present agree. Why does Lee have to review whatever it is? A constraint is operating. Make it explicit and challenge it. Dean says, "We can't ask for additional funding, the officers won't approve any more requests." Who says? Dean? The officers? Why? A restraint has just been imposed; question it, challenge it, verify it. Sam says, wearily, "Let's try a different approach—we're getting nowhere with this one." The group might be stymied by some unstated restraints and constraints. Taking a few minutes to list and examine them could clear the way for a solution to emerge.

Do not let restraints and constraints go unchallenged. Left unchallenged, they narrow the range of action options that will be considered. The object is to have more options, not fewer. For this reason, make restraints and constraints visible, then challenge them.

Forget About Causes, Focus on Solutions

Except for certain special cases, you might as well talk about gremlins as talk about causes. The concept of cause is useful in situations where sudden changes are later reflected in results that fall off sharply. In such cases, the object is to root out these earlier changes, correct or compensate for them, and thus restore the *status quo ante*. The concept of cause is also useful in refining and improving upon the performance of an otherwise stable system—as in finding and eliminating the root causes of performance levels that are lower than is wanted. However, restoring the conditions that existed before is not always the aim, nor is it always possible. Neither is incremental improvement in the performance of existing systems.

In our fast-paced, rapidly changing world, attention increasingly centers on producing newly-defined results through radical change instead of making modest improvements or in putting things back the way they were. In these cases, the concept of cause is of marginal utility. However, a solution, a course of action that leads to the desired results, is still called for. So, in many cases, forget about causes and focus on solutions.

Make Better Use of Systematic, Structural Analysis

Solutions to business problems do not lie around waiting to be found—they must be *engineered*, based on systematic analysis. Regrettably, many analyses of business problems are sketchy. A limited set of perspectives is brought to bear and the thoroughness of the analysis leaves much to be desired.

One common approach is to put six people in a room, lock the door, and hope they solve the problem. This team or task force approach is appealing in its simplicity but it relies entirely on the experience and the particular expertise of the people involved. The expertise and experience brought to bear in this mode usually pertain to the functional area in which the problem exists, for example, sales, marketing, finance, operations, systems and so forth.

Many people are well-trained in their specialty but possess no special training or expertise in problem solving methods and techniques. Consequently, unstructured or loosely structured techniques such as brainstorming and force field analysis often dominate business problem solving activity. These are useful techniques in certain circumstances but they are limited in their application and should not take the place of an analysis of the structure of the situation in which the problem is embedded and in which the solution must occur.

Similarly, although solving business problems requires intervening or changing things with a purpose or goal in mind, few people have been formally acquainted with the intricacies of intervening in those complex social systems we call organizations. In organizations, for example, change is typically indirect. Results at point A are obtained by making changes at point B. Reliably predicting that changes at point B will produce results at point A hinges on knowledge of the *structure* of the situation—its elements, their connections, and relationships. Carefully mapping and then systematically analyzing the structure of the situation in which the problem is embedded are vital steps in determining and configuring a course of action. Knowledge of structure is also important in thinking through the intervention to avoid unwanted effects.

There are three easy, inexpensive ways to encourage the systematic mapping and analysis of the structure of a given business problem situation: provide training, designate a process person, and require written analyses. Training is often necessary but rarely sufficient. Although you can't expect people to do what they don't know how to do, training them is no guarantee that they will do it. Other factors come into play. So, in addition to providing training, it helps to designate someone as having the responsibility for ensuring that at least some attention is paid to the problem solving process, especially the analysis. This process person can be almost anyone, provided he or she has been trained and possesses a modicum of courage coupled with a thick skin; people from other departments, human resources staff and outside consultants work well in this role. By far the best way of ensuring a rigorous, systematic analysis of the problem is to require a written analysis, one that depicts in diagram form the structure being analyzed.

A Quick Recap

Business problems exist when desired results are not being attained and the action necessary to attain them is not clear. Solutions are courses of action that lead to the desired results. Solving business problems entails figuring out what to change and then changing it. In complex systems like organizations, change is indirect: you change something over here to realize a result over there. The predictable attainment of specified business results depends on knowledge of the structure of the situation. Acquiring this

knowledge requires mapping or diagramming the structure of the situation. Once acquired, knowledge of the structure of the situation enables the analysis necessary to engineer a solution.

The process of engineering a solution should not be unduly influenced by concerns about relationships with others, views of senior management, personal stakes and egos, and unchallenged restraints and constraints. Nor should it bog down in a pointless, futile search for the cause(s) of the problem in cases where the concept of cause is not relevant.

Last, but not least, although analysis is no substitute for expertise, it also is the case that expertise is no substitute for analysis. This is especially true regarding an analysis of the structure of the situation in which a business problem is embedded. It is this structure that must be changed to achieve the desired results, and it is in this same structure where these results will or won't appear. Except for the goal itself, focus above all else on structure.

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