

HOUSTON WE HAVE A PROBLEM: HOW TO TURN PROBLEMS INTO OPPORTUNITIES TO FUTURE-PROOF YOUR ORGANIZATION

By Roberto Copercini

Problems “land” on managers’ tables every day. In some organizations fixing problems seems to be the main activity. Others follow the mantra of “we have no problems, everything is fine here”. Everyday, the problems an organization faces present an opportunity to build problem-solving capabilities. We propose the following four suggestions for turning problems into the fuel that propels the organization into the future:

1. Look for problems

Tackling big problems successfully enhances the resilience of your organization: A complex problem can be a big opportunity to innovate and transform your service offering or your business model. A prime example: Amazon Web Services, the hugely profitable cloud services business, was developed to help the rapidly growing organization deal with the issues of scale. Look for pain points both inside and outside your organization. Pretending to be perfect and not acknowledging real problems is a recipe for failure.

2. Stop, and Think

Sometimes we apply a methodology we know to every problem, without first thinking whether the approach makes sense. When Six Sigma was popular within GE, every problem was tackled with Six Sigma, whether it made sense or not. Today, many companies utilize Agile in a similar manner. When tackling a business problem, stop for a second and think about how to approach the problem. Selecting an appropriate methodology is a key success factor.

3. Consider the nature of the problem

The approach needs to be tailored to the type of problem. Consider the following examples:

- A complicated problem with known/existing solutions: Break it into small executable tasks. Set up a proper governance with detailed and timely reports. A project manager with strong project management skills is required.
Example: Building a container-ship
- A complex problem with no known solution: Start with clarifying the problem and the underlying system. Instead of developing a detailed plan, use an adaptive approach where you refine the approach as you go. Consider an agile approach: short cycles and iterations.
Example: Develop an innovative new offering for customers.

- Quick fix - just do-it: Establish objectives and scope. Charge a team to deliver in a short period of time. If the solution is not clear from the beginning, a Kaizen workshop can help to align on the solution.
Example: Consolidate two departments into one.

4. Start with facts

Sometimes the attempt to fix a problem creates even bigger problems. This can occur when the reported problem is an emotional over-reaction. For example, an organization almost rethought their entire delivery process because of a complaint letter from a major client. The actual root cause of the complaint: unpredictable weather conditions. Validating the problem with data can help prevent such over-reactions.

Quantification and data can also help to align the organization on why a specific problem needs to be addressed and why resources need to be assigned. In both cases, gathering data is crucial and can help focus the organization on the key problems.

Conclusion

Dealing with problems is a daily activity/responsibility for managers. Capability to quickly qualify them asking the right questions, thinking the right approach and setting the right team/resources can be a critical competence to future proof your business.

ABOUT THE AUTHOR



Roberto Copercini is a Director at Valeocon Management Consulting. He leverages his many years of experience in pharma, financial services and other regulated and non-regulated businesses. He works with organizations to define and execute their business strategies by helping them visualize the big picture and translate it into action. He supports organizations to improve and innovate their processes and business model, understanding and harmonizing business and customer needs.