

Problem-solving: A new technique

BY HAL ROSENTHAL

Over a five-year period from 1965 to 1970 I was involved in an extensive inquiry into the ways in which American business address problem-solving and the reasons why those methods don't work so well.

What I discovered is that conventional problem-solving technology, although widely accepted, is inherently unsound.

The bulk of existing problem-solving methodology was founded on the assumptions of logical order and progression, but those assumptions are out of step with the basic structure of problems, which structure is unequivocally random.

In practice, the words or language used to express problems are unwittingly acted upon as if they were the problem itself. This results in solutions that are disconnected from the actuality of the problem, which in turn leads to undesirable consequences.

This discovery led to the basis for an alternate method of problem solving. Instead of starting with the customary and costly investigation of the facts and data associated with a problem, it is possible to work backward — together with the client — to state the problem, and to take a journey into the heart of the problem. One of

the nice things about using the method is that it allows extensive involvement of management's know-how.

An intriguing aspect of the method is that it produces solutions

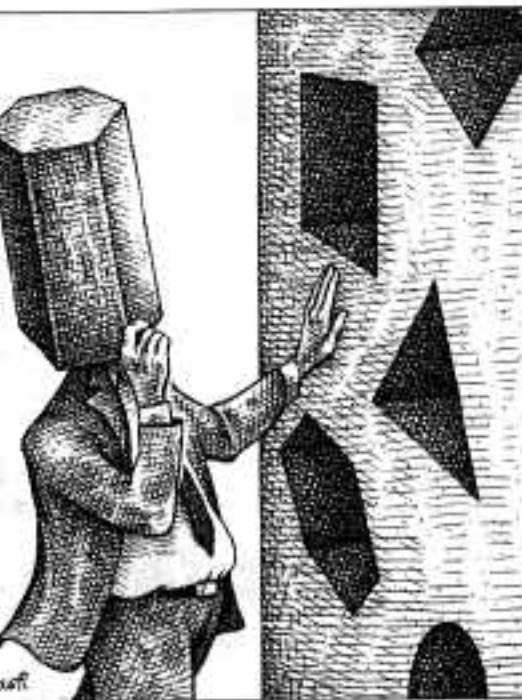
correct, then starting out with a statement such as "How can we solve this problem?" is clearly the wrong way to go.

What is this new method of problem definition? I call it "basic inquiry," with the emphasis on basic. It's quite simple and it's done as sort of a word game or an exercise.

Say your problem is that you need to increase sales. What is your actual "need"? List the possible strategies that might satisfy the need.

Does increasing sales still look like the best way to go? If yes, explore "increase." List what kind of increase there might be. Total dollars or total units? Specific units? Categories of units, by price, by profit, by region, by manufacturer? List them all, unless of course you intend to increase sales of all products across the board.

If so, you would of course lay specific plans to handle larger receivables, increase bad debts, larger inventory, higher insurance costs, less working capital, reduced lines of credit and larger loans, more interest expense, undesirable changes in sales mix, disproportionate commission costs, increased advertising, larger commitments to fixed resources, supervision and control problems,



not as a result of seeking solutions, as might otherwise be expected, but through the activity of problem definition.

I am convinced that problem definition is where the action is, and that solutions are a natural outgrowth of the definition function. If I'm

lower gross profit and, ultimately, less net profit.

Sales? What specific activity or transaction do you have in mind when you use the word "sales"? List all the possibilities: cash sales, credit sales, sales of the products you have or the products you ought to have, local sales or foreign sales, inventory cleansing sales or normal profit sales, sales of warranties or sales of product. Write them all down.

A funeral home wanted to increase its per-unit sales of caskets. Analysis of the word "sales" led to a new definition of sales and to a new focus on selling. The company adopted peace of mind as its new product — not just a theme or a gimmick — and found that sales of higher-priced caskets were a natural outgrowth, as were increased sales of ancillary products and services.

Many years ago the linen supply industry re-examined its long standing sales tenet of "even exchange" — exchanging clean for dirty based on a count performed at the customer site by the delivery driver at the time of delivery — and came up with the concept of "delayed even exchange" where all counting was done back at the plant, and the exchange became next week's delivery. Delivery costs were reduced dramatically, and the majority of cost reduction found its way to the bottom line.

Here's how to go about basic inquiry. The first step is to make a list, a long list. Get plenty of paper

and don't be afraid to waste it. Paper is cheap and you're better off making a mistake on paper instead of making it on the playing field.

If you intend to do the exercise with others, use a flip chart, and tape



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each of the filled-up sheets to the wall so that everyone can follow along and participate.

Start by writing the problem as accurately as you can. Most people expect to find solutions at this stage.

You now know better. Instead, you will proceed to define the problem by doing the exercise and observing what unfolds.

Next, expand each of the key words into a list of as many meanings, interpretations or possibilities as you can. Avoid using industrial terms or any words or language that would not be readily understood by an average 9- or 10-year-old. That may make you feel a bit silly but it's an important step. Try to write the items in the form of questions; What should be sold? What should the gross profit be? Who should do the selling? Under each of the questions leave room to write the answers, then go back and fill in the answers as best you can.

As you proceed, certain things will become evident. First, you will probably redefine what you were talking about when you originally identified the problem. Second, you will realize the problem isn't one problem, it's more like a half dozen or so problems. This is normal. Be pleased that you found out about the "new" problems.

You're not finished. Each of the newly identified problems must be worked on just as you did the original one. Yes, it's work, but it pays off. The exercise will disclose valuable new insights and understandings and you will come closer to the reality of the problem. From your new vantage point it is possible to see with greater clarity the wisest route to take. ■