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WHITE PAPER

Problem Solving Like a Pro

Problems abound in the trenches. Screaming customers. Irrational employees. Misplaced inventory. Internal politics. Budget cuts. System malfunctions. Those of us who live in the trenches understand that to thrive, even to survive, leaders need solid, powerful problem-solving skills.

Truths on **Problem Solving**

There are a few simple truths to be mindful of when building your problem-solving skills. First, don't sweat the small stuff, and everything is small stuff. Most people have decent problem solving skills – the key is recognizing real problems. Another truth to remember is get busy! Sometimes it is better to dig a wrong hole than to sit around and wonder where to dig. The goal of problem solving is to present solutions, not unsolved problems. Dig around for problems that may not appear on the surface. Problems that are hidden often fester and get worse. And always remember to place the blame where the blame is due - when the ship misses the harbor, it usually not the harbor's fault!

Three Steps to **Solving Problems**

STEP ONE

Recognize when a Problem is a Problem

To determine if a perceived problem is worth solving, front-line leaders answer the following questions.

What is the standard? A standard is the minimum acceptable level of performance below which you do not want your employees to fall. Set standards in one or more of the following areas:

- Quality
- Quantity
- Time
- CostRecognize Everyone's Efforts

Is the standard reasonable? Are the parameters both challenging and achievable, or are you artificially setting up your team for failure? For example, if you set a totally unreasonable standard, say 100% accuracy on 100% of every loan written, you automatically have set up your employees for failure. Remember, the standard is the minimum acceptable level of performance – not the maximum.

What is the actual performance? It is easy to fall into the trap of making a major problem solving decision based upon irrelevant and inaccurate performance assumptions. Get out on the floor, in the shop, in the store, in the unit, and observe real performance in real time. In this way you can be certain you are getting a true, valid, and objective view of actual performance.

What is the gap between the standard and the actual? Now it is time to assess the difference (the gap) between the reasonable standard and the observed actual performance. In most cases, the gap is negative, that is, the performance is below standard (which is usually why you perceive a problem in the first place). Be ready to sometimes see a positive gap when the performance is constantly above the standard.

What is the priority? Not every negative performance gap is a priority. Rate the gap as either a high, moderate, or low priority in each of the following impact areas:

- Financial impact
- Operational impact
- Staff and personal impact

Is the gap important, urgent, or both? Urgency is measured by time, importance by priority. If the situation is urgent and important, you need to attend to it immediately. If it is urgent but not important, it may not be worth you time. If it is important, it is worth your time, but perhaps not at this moment. If it is neither, forget it – it is a waste of your time.

Is this area within my control? As a trench leader you often face real problems that are not within your area of control. This is the time to determine who in fact controls this area and how best to contact them to help solve the problem. This is also where your influence skills, especially your communication skills, will help you solve problems across departments.

What is the trend? If the trend is down, that is toward less of a problem over time, you may decide not to do anything for the problem appears to be taking care of itself or is no longer relevant. If however the trend is up, the problem is becoming more pronounced, it may be time to take immediate action.

What would happen if I do nothing? Finally ask yourself what would happen if you did nothing, especially if the problem is trending down. Sometimes your best move its not to move at all, but to invest your time on more significant problems.

STEP TWO

Find the Cause

One of the biggest mistakes you can make as a trench leader is after determining that a problem is a real problem, to immediately jump into creating solutions. You must train yourself to take the time to find the root cause of the problem by asking these key questions:

What is and is not happening? Perhaps the standard is reasonable, the problem is real, but an employee is not properly using a particular form, procedure, or process. Often, what is not happening will get you to the root cause faster than just observing what is happening.

Who is and is not involved? Perhaps too many people are involved. Perhaps someone who has no business or responsibility in this area is sticking his nose where it does not belong. Or perhaps the right people are involved but have not uncovered the root cause.

Where is the problem occurring and where is it not occurring? A huge mistake is to create a blanket policy or procedure that only addresses a small percentage of your team. Rather, redirect those few who may be causing the problem.

When is the problem occurring and when is it not occurring? Can you isolate a specific set of circumstances that create the problem? Also, assess how many different people, departments, units, or customers are impacted by this problem.

What are the most likely causes of the problem? It is critical to assess root causes to better ensure a high payback on the time and energy you will invest on fixing real problems.

STEP THREE

Generate Solutions

First, brainstorm alternative solutions. Attempt to create a list of five, ten, even twenty alternative solutions. While brainstorming, quantity is more important than quality. Allow yourself and your team to explore creative, no limits solutions. Then narrow your list to the top 3-5 solutions that appear to be the best.

Second, assess the best-case and worst-case outcomes for each solution. List the best possible outcome for each solution on quality, quantity, time, cost, customer impact, and any other criteria you deem relevant. Likewise, assess the worst possible scenario for that solution if implemented.

Third, for each alternative solution, determine the likelihood of its occurrence. Estimate the likelihood of each solution being completely and fully implemented. Is the solution realistic or simply a pipe dream? Successful front-line leaders are not risk takers; rather, they assess the potential downside risk and determine if they can live with it, manage it, and accept it.

The final component to generating solutions is to rank-order your solutions. Choose the one solution that best meets your overall criteria and implement it. Monitor it closely and redirect as needed as you move toward solving the problem. Effective front-line leaders are good problem solvers. The three steps to problem solving are recognizing when a problem is a problem, finding the root cause of the problem, and generating solutions to the problem.