



Discovering better ways of working

Most companies, and most leaders, have developed a bias toward tackling what we might call “rocks”: large, top-down interventions such as reorganizations, IT investments, or mergers. For most organizations, the hierarchy, performance metrics, and interaction rhythms all center on managing rocks, which usually translate to projects—each with a manager, a set of objectives, and milestones.

But business isn’t all about rocks. There is also “sand”: the innumerable small issues that cumulatively can wreak havoc on daily work. Sand can take the form of applications that always seem to have errors, progress updates that arrive too late, or workloads that skyrocket and then crash. Sand is ubiquitous, especially at the front line. But a project-based approach is too cumbersome to work at such a granular scale: the only way to deal with sand is to catch it as it comes in and constantly sweep it away. That means empowering, coaching, and trusting people at all levels of the organization to see the problems (the sand) all around them, trace their root causes (where the sand is coming from), and take steps to solve them (to sweep the sand away).

To understand what good problem solving looks like, we pay another visit to Mary and her team. Her experience shows that treating problems as opportunities to improve, together with applying the principles, tools, and mind-sets that lean management fosters, effectively weaves problem solving into the fabric of an organization. Instead of dismissing everyday operating problems as routine, too trivial to bother with, or unfixable, lean organizations seek problems out, search relentlessly to find their root causes, and engage the people most affected by them in helping to develop a cure.

Finding a problem's deeper sources

Lean tools and behaviors



Monday

Axel is meeting with Eric to **confirm the process** for a new type of claim. Eric's screen freezes as he enters the provider's code, so he starts over, losing 15 minutes of work. The claim is finally accepted, but Axel notes that the **standard turnaround** is supposed to be 20 minutes.

Process confirmation

Standard work



Wednesday

Graciela experiences the same frozen computer screen. Axel starts to suggest a solution but instead asks Graciela to start a **problem-solving team** with Eric. She's skeptical: "Is saving 15 minutes really worth it?" "There may be a deeper problem that affects other claims. If there isn't, all we lose is some **problem-solving time**—and that's what it's for." Axel makes a note to discuss problem solving in Graciela's next one-on-one coaching session.

Team-based problem resolution

Capacity set aside for problem solving



Thursday

Graciela, Eric, and Carlos—an IT specialist—start by agreeing that the hurdle is the provider code, which makes a 20-minute claim **take 35 minutes**. Graciela wonders **if the field is coded correctly**, and Carlos suggests **testing a claim** from a different provider. It goes smoothly. But testing the same provider code Eric entered on Monday fails. "Maybe it's just that provider," Eric suggests, but Graciela says that the code she entered was different. She asks, "**Why** would just these two providers be a problem?" Carlos suggests meeting again after he does more research.

Clear, quantitative description of problem with impact

Assess current state

Test of hypothesis

The first of "five whys"



Friday

Carlos explains that providers' data systems record the code in two slightly different formats. **Why** would that matter? Because the data export slightly differently to the spreadsheets that he and his colleagues use to build claims forms. He discovered that the new form fails only with one data format. When his colleagues applied the same format to all of the data and updated the form, it worked consistently. **A test** with Eric and Graciela works; they validate it by reverting to the old form one last time, which again fails. Carlos phones his colleagues to have the revised form **uploaded** to all systems.

The second of "five whys"

Test of solution

Implementation



Friday

Axel is meeting with Mary when the problem-solving team finishes the test. "I think we're done," Carlos says. After Carlos describes the solution, Axel asks, "Have you really reached the final 'why'?" "Meaning?" "**Well, why do these forms still rely on data exported from spreadsheets?**" "Fair point," Carlos says. "We discussed that with you last year—there wasn't budget to build a direct data link to the providers." Mary chimes in: "Let's revisit it. This could really disrupt our operations. I can reprioritize our budget." She asks Axel, Carlos, Graciela, and Eric to form a new problem-solving team and makes a note to update her **midterm plan** to reflect the change.

Reaching for root cause

Tactical implementation plan

The problem solving that Mary's team undertakes represents a significant untapped source of value in most organizations.

It starts with a careful procedure for assessing how the work is currently being performed. Process confirmations—first discussed in the introduction to section two—play a role by uncovering aspects of a standard process that may not be working as well as they could be. When conducting a process confirmation, the leader is looking both at whether the team member needs help and whether the standard itself needs revision.

Here, the issue with the process is clear: a technical glitch with the form. When it happens twice in one week, Axel realizes that it needs a second look. He therefore asks his colleagues who directly experienced the problem to form a team—that way, the people working on the problem can accurately describe what it is and the impact it is having on their work. Rather than suggest a solution himself, he relies on his team to do so because they are closer to the work.

When Graciela pushes back, suggesting that the problem is too small to bother with, Axel reaffirms that small problems are important. He understands that it is all too easy to allow small problems to fester until they turn into big ones that are far more expensive and difficult to cure. Moreover, he knows that his organization has allocated a certain amount of time specifically for problem solving. This step, crucial to enabling problem solving at scale, is possible because of the productivity gains that a transformed organization achieves; in essence, the organization reinvests some of the current productivity improvement to enable further improvement in the future.

The dialogue among Carlos, Eric, and Graciela illustrates what a simple problem-solving process should look like and how a team can avoid the typical pitfalls that make problem solving so inconsistent in most organizations. The most important to resist is the impulse to jump to conclusions—such as Graciela did when she assumes the problem is a coding error or Eric did when he suggests it's only one provider that is at issue. But the team presses forward in a more rigorous problem-solving process.

They start by defining the problem, comparing what should be happening against what actually is happening—the 15 minutes of lost productivity when the form fails. They identify and test potential root causes, repeatedly asking why a particular result is happening. Once Carlos's colleagues have developed a solution, Graciela and Eric test and validate it. Carlos then calls his colleagues to ask them to implement the fix.

The team thinks that they are done, but in fact they are not. There are more levels of questions to ask—classically, root-cause problem solving suggests “five whys.” Carlos's solution only reaches two whys, so Axel pushes the team further.

The final conversation with Mary illustrates the power and limits of escalation. Her involvement is necessary because there is a budgetary issue that only she can solve. But she does not herself offer a solution; instead, as Axel did before her, she asks the people who know the problem best to assemble a team.

In this case, the immediate problem has been solved, but a real resolution will be possible only with additional effort over a period of several weeks, months, or perhaps even longer. Accordingly, Mary adds it to her midterm planning. Sometimes referred to as a “tactical implementation plan,” this provides a structure for working on longer-term changes that may be necessary to resolve a problem fully, detailing the steps required to achieve the change, when the steps will occur, and who will be responsible.



This section’s articles and interviews touch on many of these points. The first, “Building a problem-solving culture that lasts,” identifies the five traits that leaders must develop in themselves so that their organizations can solve problems consistently and effectively. Those that do create a capability that is fundamental to continuous improvement, not just for the organization but also for its employees, whose emotional investment in their work deepens.

Next, Carlos Zuleta Londoño, chief operating officer at the Colombian pension-fund administrator Porvenir, explains how the company is enhancing its industry-leading customer experience while also improving productivity. He argues that innovation is not the search for a big idea but rather the ability to keep implementing small ideas that have a powerful cumulative impact. Additionally, he notes that “the best ideas tend to come from the people on the front line who serve customers and operate core processes day in and day out.”

The realization that leaders need to step out of the way and enable their teams to solve problems for themselves is one of the messages in “Performance from problem solving: An interview with three leaders at MassMutual.” As one of the company’s executives points out, “the changes we needed to make were much more at the leadership level than at the front line.” It is also important to bear in mind the ultimate purpose a company is working toward: “solving problems is not the goal; the goal is to help the organization improve.”