

THE HARD S's



Strategy: the direction and scope of the company over the long term.

Structure: the basic organization of the company, its departments, reporting lines, areas of expertise and responsibility (and how they inter-relate).

Systems: formal and informal procedures that govern everyday activity, covering everything from management information systems, through to the systems at the point of contact with the customer (retail systems, call center systems, online systems, etc).

THE SOFT S's

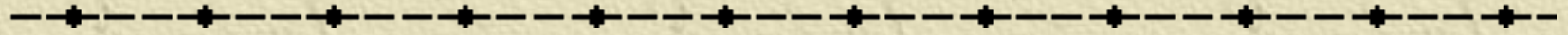
Skills: the capabilities and competencies that exist within the company. What it does best.

Shared values: the values and beliefs of the company. Ultimately they guide employees towards 'valued' behavior.

Staff: the company's people resources and how they are developed, trained and motivated.

Style: the leadership approach of top management and the company's overall operating approach.

MCKINSEY'S APPROACH TO PROBLEM-SOLVING



- The problem is not always the problem
- Create structure through “M.E.C.E.”
- Don’t reinvent the wheel
- Every client is unique (no cookie cutter solutions)
- Don’t make the facts fit your solution
- Make sure your solution fits your client
- Sometimes let the solution come to you
- No problem is too tough to solve

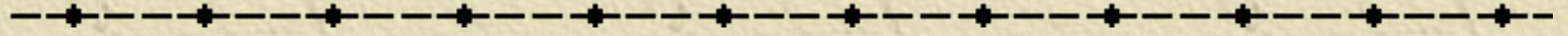
THE 80/20 RULE

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- 80% of an effect under study will be generated by 20 of the examples analyzed
 - A small fraction of elements account for a large fraction of the effect

Examples:

- 80% of sales from 20% of sales force
- 80% of orders from 20% of customers

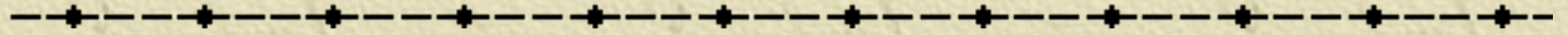
DON'T BOIL THE OCEAN



- Work smarter, not harder.
- There's a lot of data out there relating to your problem, and a lot of analyses you could do. Ignore most of them.

Lesson: be selective and don't try to analyze everything.

FIND THE KEY DRIVERS



Many factors affect business.

Focus on the most important ones – the key drivers

THE ELEVATOR TEST

Know your solution so thoroughly that you can explain it clearly and precisely to your client in 30 seconds.

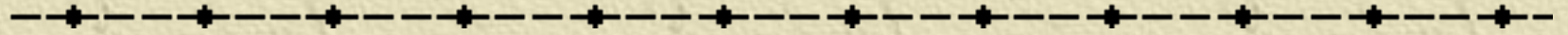
If you can do that, then you understand what you're doing well enough to sell your solution.

PLUCK THE LOW-HANGING FRUIT

Sometimes in the middle of the problem-solving process, opportunities arise to get an easy win, to make immediate improvements, even before the overall problem has been solved.

Seize those opportunities! They create little victories for you and your team. They boost morale and give you added credibility by showing anybody who may be watching that you're on the ball and mean business.

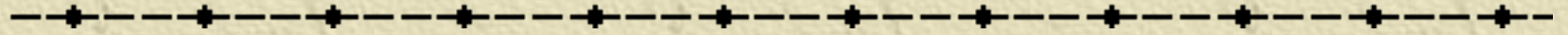
MAKE A CHART EVERY DAY



During the problem-solving process, you learn something new every day.

Put it down on paper. It will help you push your thinking. You may use it, or you may not, but once you have crystallized it on the page, you won't forget it.

HIT SINGLES



You can't do everything, so don't try.

Just do what you're supposed to do and get it right.

It's much better to get to first base consistently than to try to hit a home run – and strike out 9 times out of 10.

LOOK AT THE BIG PICTURE

Every now and then, take a mental step back from whatever you're doing. Ask yourself some basic questions:

How does what you're doing solve the problems?

How does it advance your thinking?

Is it the most important thing you could be doing right now?

If it's not helping, why are you doing it?

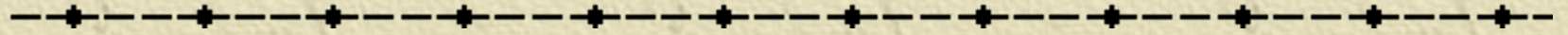
JUST SAY, "I DON'T KNOW"

Professional integrity is of utmost importance in consulting.

One aspect of professional integrity is HONESTY – with your client, your team members, (your professor), and yourself.

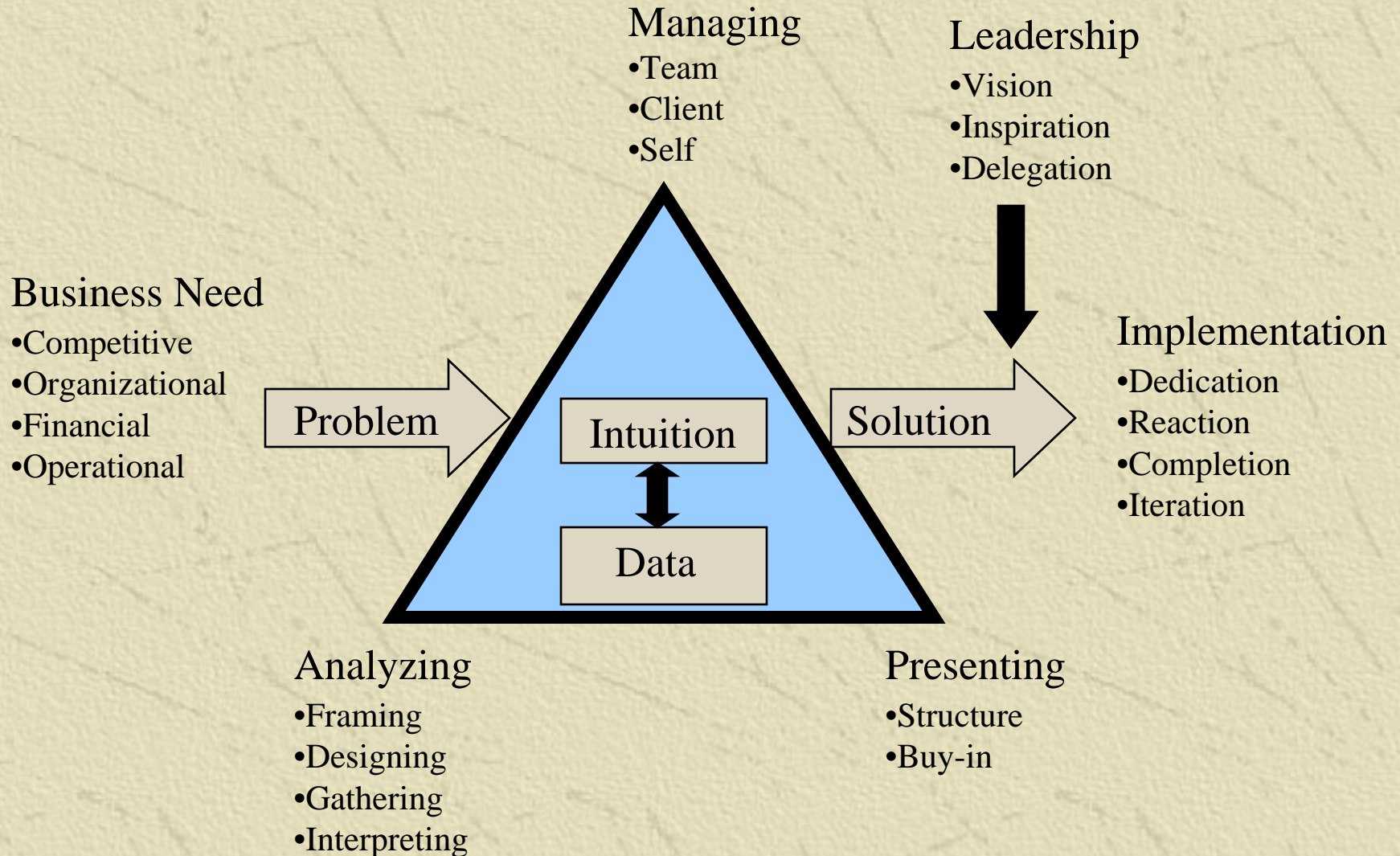
Honesty includes recognizing when you haven't got a clue. Admitting that is a lot less costly than bluffing.

DON'T ACCEPT "I HAVE NO IDEA"

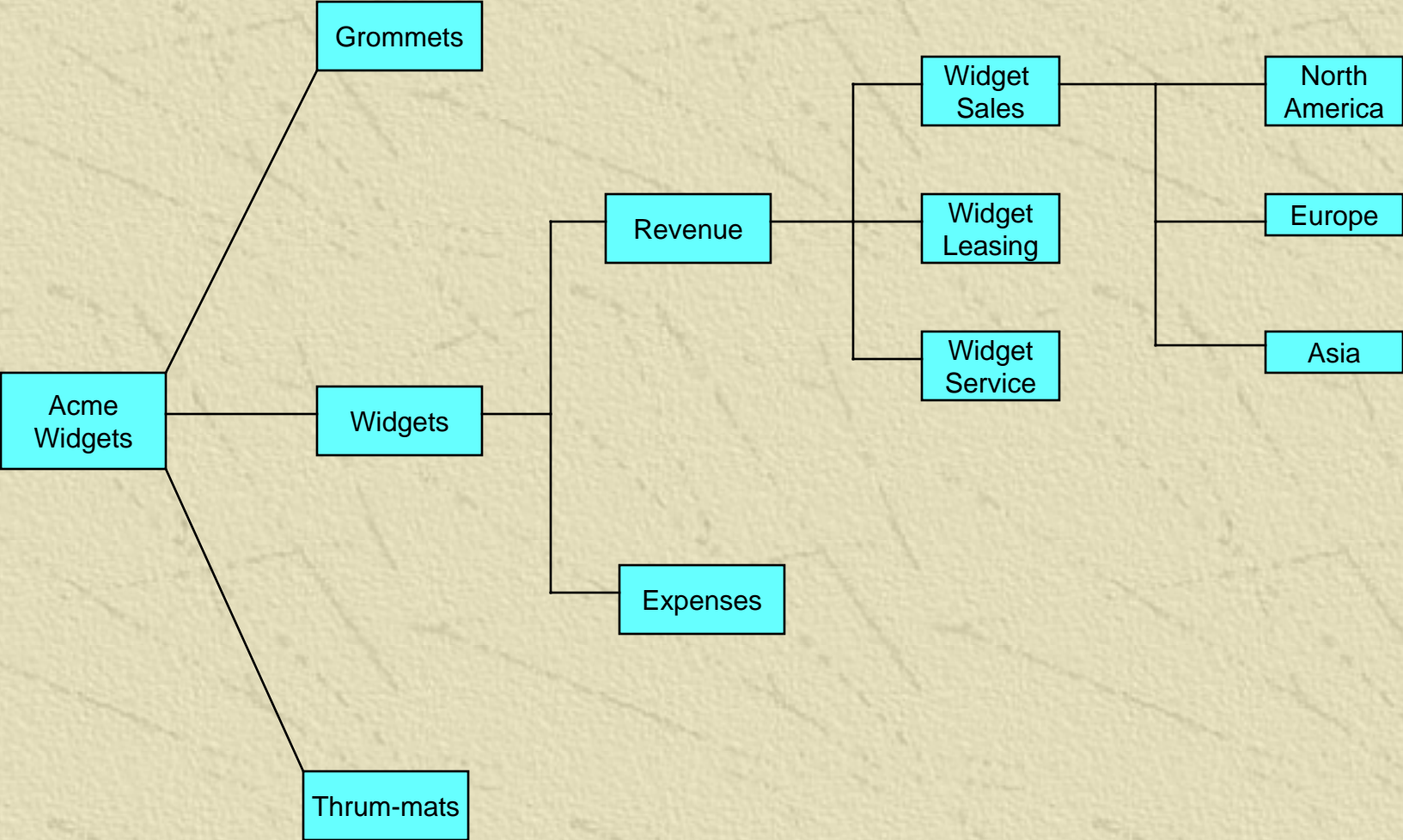


People always have an idea if you probe just a bit. Ask a few pointed questions – you’ll be amazed at what they know. Combine that with some educated guessing, and you can be well along the road to the solution.

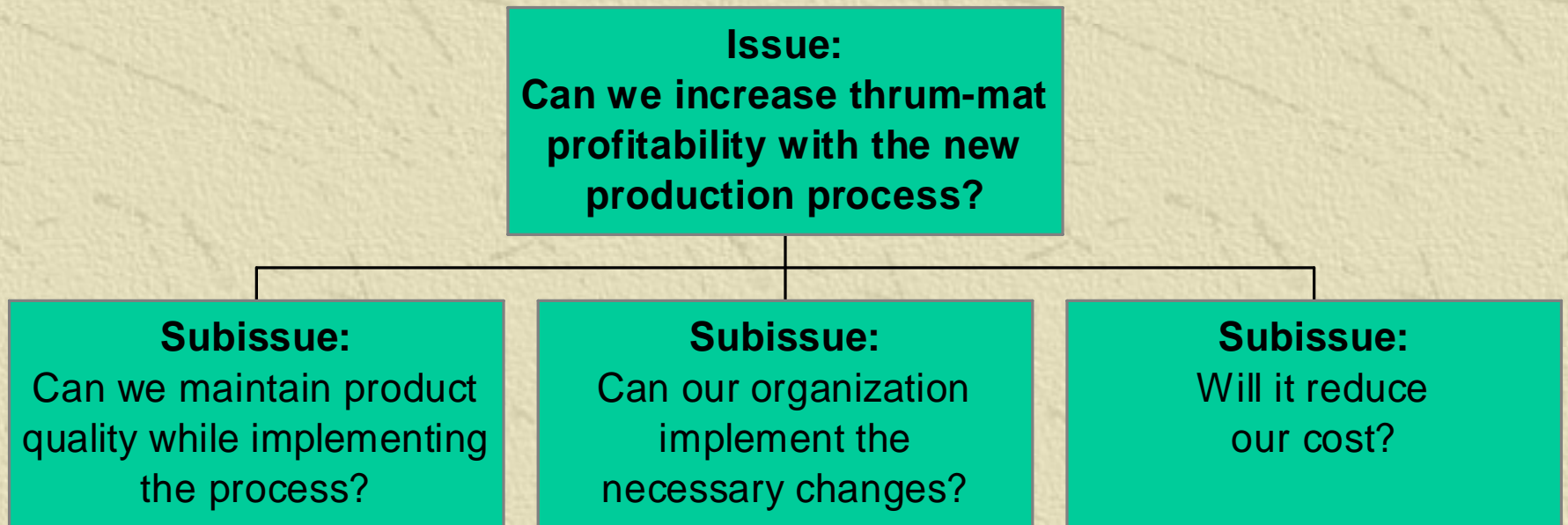
Strategic Problem-Solving Model



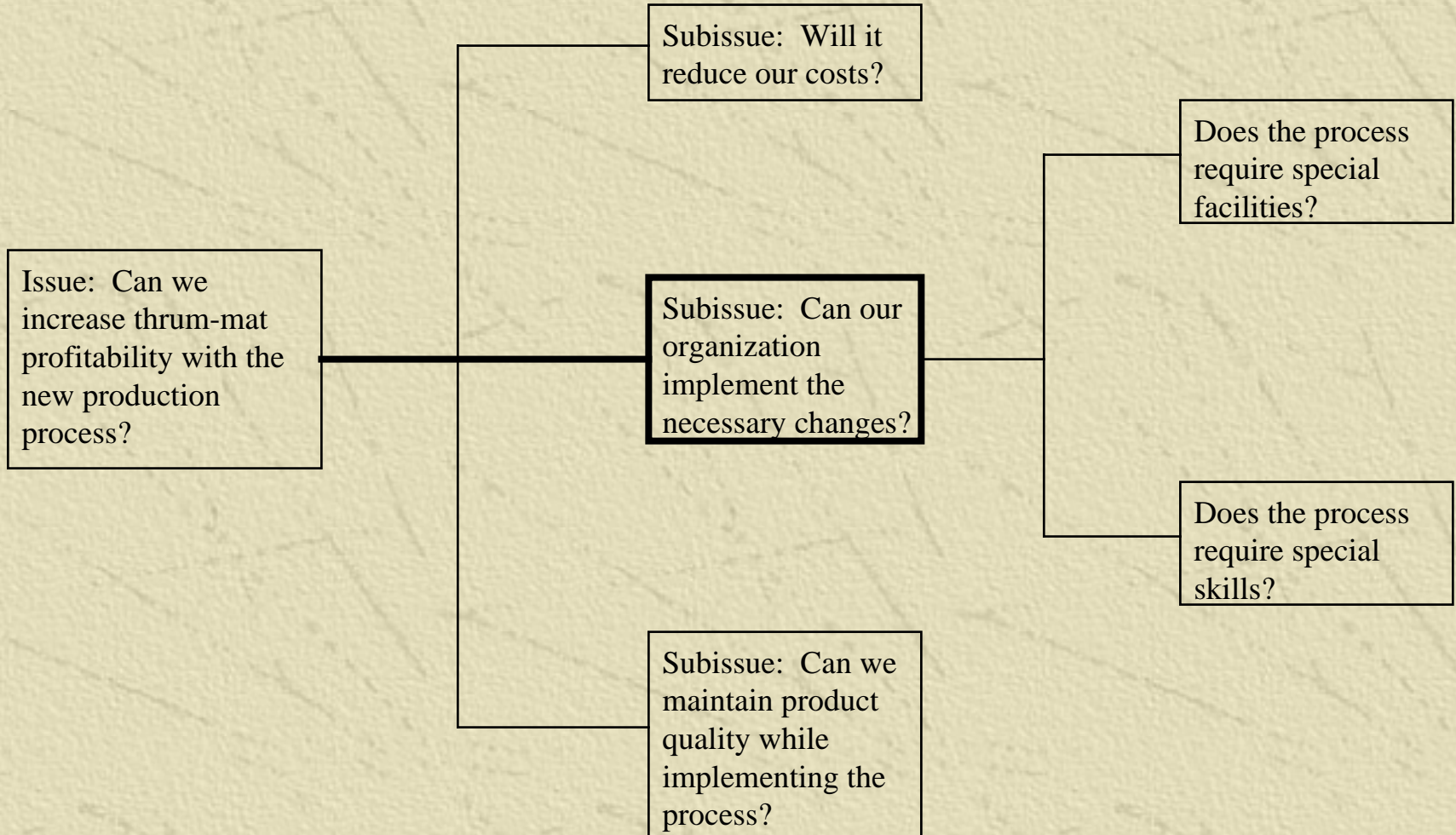
Acme Widgets Logic Tree



Issue Tree for Acme Widgets



Issue Tree for Acme Widgets with Subissues



Work Plan for Issue in Acme Widgets Issue Tree

Issue/Hypothesis	Analyses	Data Sources	End Product	Responsibility	Due Date
Can we implement the necessary changes to the production process? Yes					
Does the new process require special facilities? No	Technical Specifications	Articles, interviews	Chart	Tom	3-Jun
	List of facilities that meet new criteria	Facilities management, interviews	List	Tom	5-Jun
If it does require special facilities, can we acquire them? Yes	Map of "facilities gap"	Facilities management, thrum-mat line supervisors, interviews	Chart	Belinda	7-Jun
	Source of required facilities/equipment	Operations, trade publications	List	Belinda	7-Jun
	Costs to fill gaps	Operations, contractors, interviews	Table	Belinda	10-Jun
	Effect on project rate of return	Finance department, prior analysis	Spreadsheet	Terry	12-Jun