

# Houston, we have a problem.

## And why that's a good thing

Dr. Gordon Euchler, Nils Haseborg, Nils Liedtke

Solutions get all the buzz. Nobody wants to be part of a problem. Consultancies, media companies, digital service providers, start-ups high on data – everybody lays claim to being part of the solution. But what good is a solution if you don't have a meaningful problem?

In our world of sweet talk and self-censorship, "problem" is a dirty word: Instead, we say let's call it a challenge.

### **The power of the problem**

But how do you know you have found something of value if you don't know what you are looking for? The truth is that if we manage to identify a problem correctly, we are already on the right course to solving it. It is often the act of clearly spelling out a previously obscure problem that leads to truly new solutions. Frequently, a bigger problem leads to a bigger solution. So, problems are opportunities for growth and a source of competitive advantage.

Possibly the best example for the power of big problems is the mission that Kennedy set NASA on in 1961: to put a man on the moon within ten years, and return him to Earth safely. This giant problem not only inspired millions around the globe, it also ignited a veritable innovation frenzy, from mathematics and information processing to logistics and process management.

### **Discovering good problems**

Marketing has always been very good at using creativity for commercial solutions. But what would happen if we dedicated the same level of creativity and commitment to discovering the most exciting problems?

In the following, we outline some ideas for expanding the scope of selected creative and strategic tools from the quest for good solutions to the discovery of the best problems.

#### **(1) From trend-watching to problem-watching**

Practically all companies observe trends to determine how they can tap them for future growth. In line with the Jobs-To-Be-Done theory, we propose applying the same consistency and intensity of observation to emerging problems. Don't try to be first to follow a trend. Try to track down the latest, most fascinating problem before its solution can turn into a trend.

#### **(2) From design thinking to designing problems**

Design thinking aims to find ever better solutions for user's needs in iterations. The same iterative approach can uncover ever deeper problems

as is evident in the war on smoking waged by the government of Singapore. They identified that smoking was too easy and introduced bans. To the remaining smokers it was deemed attractive – and deterrence campaigns were introduced.

But then the authorities realized that many smokers were attempting to give up the habit, but were unable to see it through. This insight led to a campaign that did not demonize smoking, but rather, sought to motivate people making an effort to stop. This refinement of the problem led to a threefold increase in the number of successful non-smokers.

### **(3) From higher purpose to deeper problems**

According to *Forbes*, “purpose” has become the holy grail of marketing. The way to find a company’s purpose is to look at all its activities and ask why they are the way they are. Once that question is answered, you keep asking, with childlike curiosity, “But why?” at least five times. That way you will arrive at ever more profound answers. Similarly, we encourage marketing decision-makers to advance question by question from an original problem to ever better, more profound problems. This helped a supermarket chain crack the challenge of increasing turnover by a triple million sum. Rather than having to convince 100.000 loyal customers from a competitor to change their weekly shopping trip, the chain focused, instead, on making every existing customer buy just a little more on every one of their shopping trips.

### **(4) Jobs to be done. Problem anyone?**

Jobs-to-be-done is one of the few strategic approaches that centers on the customer’s problem.<sup>1</sup> It explicitly asks, “What progress, struggle, and circumstance is the customer hiring you for?” The benefit is that it focuses all attention on the problem and finding it.

#### **Better problems.**

These are just a few examples. But most great strategic frameworks can be applied to uncover better – from the classic ‘sustainable competitive advantage’ to turning Big Data into big Problems, and probably even zero-based budgeting. But discovering a problem is not the end point. Once you find a problem, you need to determine whether it is a good problem. Being smart isn’t good enough.

Here are some criteria from our research so far that are likely to put you on the right path:

- 1) **Good problems are financially significant.** The best problems relate to business strategy and impact a company’s economic performance.
- 2) **Good problems are human in origin.** People are the origin of economic problems – more specifically, their behavior and attitudes are.
- 3) **Good problems are unique.** Because they break into uncharted territory and open up new, unexplored avenues.
- 4) **Good problems motivate.** They make people want to find a solution. Indeed, the more people they mobilize, the better.

---

<sup>1</sup> Harvard Business Review, “Know Your Customers’ ‘jobs to be done’”, Christensen et al.

### **Become a part of the problem**

The discoverer of such a problem can gain several advantages in one fell swoop because the process of coming up with a solution begins in a field untouched by the hordes of competitors. And such problems impact the entire subsequent value chain. Problems thus become enormous levers for growth.

So, it pays to be part of the problem. And although Alexa, Siri and the like are already offering decent answers, they still lack the creativity you need to ask the truly good questions – the ones that go beyond “Did that answer your question?”

Perhaps we will soon have a Gold Lion for the “best problem”.

*Dr. Gordon Euchler is Head of Planning at BBDO Dusseldorf.*

*Nils Haseborg is a certified training professional in Germany.*

*Nils Liedtke is a Senior Expert and Specialized Associate Partner at McKinsey & Company.*

Dated: 12-14-18