

Reveal

Resolving Intractable Strategic Problems



Does your firm have a strategic dilemma or vexing business problem that stymies every attempt at resolution?

- erosion of profitability or market share
- arrested top-line growth
- repeated failures to enter new markets or create enduring competitive edge
- perpetual business-model retooling

The costs or opportunities of these problems can total to hundreds of millions of dollars, and they can consume enormous amounts of time and energy. Everything gets tried. More data are acquired, deeper analyses are performed, and many different people try to help figure them out. Some progress may occur but there is no real success. At worst, the process frustrates everyone and drains people's energy — for the problem and, often, for everything else. Confidence erodes, attention gets consumed, and ultimately the situation can become accepted as hopeless or a “given.”

Paradoxically, if approached correctly, these issues can be the quickest to solve.

Why? Simply because for many long-standing intractable problems, previous efforts at resolution have actually surfaced all of the necessary information. All that is missing is the ability to see the issue in a new way — an insight. Insight Management Partners has developed **Reveal**, a problem-solving “forum” that enables a team of people to bring new, “unrehearsed” thinking to a problem and often resolve it in a couple of days. For example:

- The executive team of a \$1-billion company solved a four-year-old strategic dilemma about how to compete with much-lower-cost, Asian competitors. This is expected to yield bottom line improvement in excess of \$40 million per year (see “The Asia Problem”).
- A \$10-billion company reduced the product development process for a specific line-extension from the widely accepted two years to 11 months, contributing a profit improvement exceeding \$100 million for that product alone. Prior efforts had yielded improvements of merely days.
- After six years of accelerating decline in business performance, and despite multiple productivity, creativity, and brainstorming meetings, a mixed business and technical group of a \$300-million product line uncovered three high-probability routes to increasing EBIT by some \$25 million during the subsequent two years.

The Nature of Insight

We have all had the experience of insight many times in our lives. Suddenly, and usually when we are not consciously thinking about it, the answer to a problem we’ve been stewing on pops into our head — an “aha.” The fog lifts. The confusion



dissolves and the solution is often so obvious and easy we can't imagine how we missed it. Sometimes the insight hits us in the shower; other times while jogging, daydreaming, sleeping, or talking with someone about unrelated things.

Though everyone is born with the capacity for insight, we are largely unaware of it and therefore look to it rarely and without mindfulness. Instead, from school into adult life, we are taught, more or less exclusively, to “press through” problems and solve them deductively: obtaining information, retaining it in memory, and applying logic and analysis. There is nothing wrong with logic and analysis, but the process of repeatedly laboring over a problem generally leads to a fixed path of thinking that ends in a rut. Fresh answers rarely come from such a well-worn path.

*“I do not know
if you have ever noticed that
the more you struggle to
understand,
the less you understand any
problem.
But, the moment you cease
to struggle
and let the problem tell you
the whole story,
give all its significance —
then there is understanding,
which means, obviously, that
to understand,
the mind must be quiet.”*

J. Krishnamurti

The state of mind coincident with the “aha” moment is different. Our minds are relaxed and not fixating or pressing in on the problem at all. Of course, insights also occur when we are deep in logic and data analysis, but even then, they happen when we're not feeling pressured, but are instead in a kind of reverie. Looking for an insight is rather like looking at a drawing (such as a Magic Eye[®]) that looks one way until you relax your “seeing” and allow a different image that was there all along to appear.

Despite its intrinsic nature, many people are not that familiar with their “insight state of mind” and thus it can be difficult to find. However, during the past 10 years we have taught insight thinking extensively to senior executives and have witnessed that this insight state of mind can be made much more commonplace and even habitual. When in it, people have wisdom, balance and perspective. Though still serendipitous, insights occur with great regularity, as do new paths of thought and new solutions — solutions that are permanent and easy to implement.

Reveal

Reveal is built on a set of simple methods that allow individuals or teams to find quickly and then dwell in the insight state of mind. The exact form of the program depends on the nature of the problem. Typically, we conduct preparatory interviews and provide basic training in insight thinking. This is followed by a two-to-three-day offsite working session focused on the chosen issue. This session is devoted to two expeditions. The first seeks to restate the problem or issue in as many new and valid ways as possible and to identify *all* the relevant unanswered questions surrounding the issue. The second finds insights that answer those questions. The need for additional analytics is rare and when it occurs, it is put aside to be handled offline. Occasionally this session is supplemented by follow-up meetings. No participant preparation is generally required; people are already, in a sense, “over-prepared.”

During the course of the program, insights occur during the working sessions and during informal “hallway” conversations. Sometimes they translate into better statements of the problem; in other cases, the superiority or correctness of a known solution becomes apparent. Participants often have insights into other problems they are facing, as well, and thus begin building the general habit and skill of looking for insights into any business issue. Without fail, people leave with a deeper understanding of their business and with the intrinsic motivation to engage the rest of the organization in implementation.



Is Reveal a Fit for Your Dilemma or Problem?

While all problems benefit from insight, **Reveal** is particularly well-suited to problems that:

- appear as vexing or intractable;
- reoccur or persist, often in defiance of prior attempts at resolution;
- have already endured much data-gathering and analysis; the solutions probably lie not in acquiring more data, but in seeing the data in a new way;
- promise, in their resolution, significant and quantifiable business impact (e.g., significant business growth, or savings of multiple millions of dollars);
- are complex or difficult to define; and/or
- have multiple proposed solutions on which people are unable to agree.

We conduct **Reveal** on a pay-for-performance, contingency basis so there is really only upside. Fees are \$65,000 plus expenses but if the problem remains essentially unsolved, you pay only our out-of-pocket expenses.

Call us with your toughest problem. In a brief phone call, we can help you refine or uncover your intractable problem. You can then decide whether **Reveal** is a good fit for it and for your organization. More examples of results reported by clients are available on our website: www.insightmanagementpartners.com.

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The Asia Problem

Three years into the company's aggressive Asia strategy it was clear things weren't going according to plan. First, the company had effectively shut down most of the fragmented and disruptive local producers and built its own state-of-the-art facility. Seemingly overnight almost all of the local producers reappeared with new plants financed without much regard to normal Western economics. The firm countered this by forming a joint venture with the largest regional consumer, but within one year this new partner had struck an equivalent deal with the firm's main global rival. The Asia strategy was failing. When subsequent initiatives to correct the situation did not work, it became clear that continuing to think about the dilemma the same way was not going to fix it.

A global team was assembled for three days to explore the problem, but the pervasive belief was that "solving it" was unrealistic, certainly in a few days' time. After a half-day exposure to insight thinking methods, the team started to explore the "Asia Problem" in earnest. Within three hours a series of insights surfaced that reframed the strategic issue and suggested a solution, but also pointed to a previously hidden fatal flaw in 40% of the firm's business. Three innovations (the team called them "miracles") were required: One was technical — product performance. The second was with marketing — in customer service and support. And the final one was plant construction costs. The insight was that *taken together* these miracles were "necessary and sufficient" to insure strategic success. Each was widely thought to be unachievable, but in each case they discovered that one person on the team knew otherwise — that the miracles could be accomplished.

Upon leaving the meeting, the team started to socialize the solution with Research, Marketing, and Engineering, the functions that would be responsible for implementation. Functional leadership quickly latched onto the solution as consistent with and critical to their group's activity. The team also took the plan to the company's Executive Team who quickly established a Design-for-Six-Sigma project to realize an estimated \$40 million annual profit improvement. As implementation progressed, the organization's spirit and confidence started to rise and other problems seemed to be more easily solved. The company had moved from its top 60 executives worrying about the problem to 10 people solving it.

