ICAEW

Problem solving

THE SKILL WE NEED NOW

SPECIAL REPORT
APRIL 2020

DIPAK VASHI
Technical manager
T +44 (0)20 7920 8587
E dipak.vashi@icaew.com

RICK PAYNE
Finance direction programme
T +44 (0)20 7920 8451
E rick.payne@icaew.com

CAROLINE WIGHAM
Services manager
T +44 (0)20 7920 8508
E caroline.wigham@icaew.com

This report is one of a series produced for faculty members. In each report we give a review of a topic within finance and management, offering both analysis of the relevant theory and a review of the practical application of appropriate management techniques. If you have any comments or suggestions for future topics, please contact dipak.vashi@icaew.com

The information contained in this and previous issues of this publication is available (to faculty members only) on the faculty website at icaew.com/bam

Price: £20.00

This report is provided free to members of the Business and Management Faculty.

Contents

Foreword

DIPAK VASHI
is technical manager of the Business and Management Faculty, ICAEW.

Welcome to the latest in our special report series, this time concentrating on problem solving. At BAM we plan our editorial calendar and topics well in advance so we can compile as much quality information for our members as we can, so we take no credit for the timely release of this report.

We all have problems right now, problems we never thought we would have, problems that are unprecedented in 21st century Britain, problems all manner of contingency could not have foreseen. COVID-19 has taken a wrecking ball to the established global order, something we have taken for granted for many years and decades. Our norms, customs, rituals, routines and habits have been broken apart, everything we considered sacrosanct changed. Who could have predicted this modern-day equivalent of the end of the world? If there are any Mayans among you, feel free to pat yourself on the back, otherwise, I think the rest of you will benefit from reading our guide!

And what a guide (in my humble opinion). We begin on page 2 with an overview of the challenge of solving problems under stress, pertinent as ever today ,and move on to page 10 to the evolution of problem solving. Once we are back up and running after this outbreak, many lessons will be learned and hopefully taken forward. Page 22 deals with customer complaints, and amid all the ongoing cancellations, this will be critical to maintaining your business' reputation.

So please do take a look around and hopefully learn from it – as usual any feedback is warmly welcomed. The world we know is changing, but we at BAM will continue to offer you help and support.

DIPAK VASHI

Accelerating your career and developing your business

BUSINESS AND MANAGEMENT FACULTY

For information about joining the faculty, see icaew.com/joinbam

The challenge of solving problems under stress

The greatest test of management skills comes when complex and 'wicked' problems (such as coronavirus) arise which are not quickly solved, writes **Morgen Witzel.**

Much of day-to-day management consists of solving problems, especially the problems of the people around you. As the late leadership guru John Adair said, management is about getting things done through other people, and very often effective management means solving problems for those people so they can get on and do their jobs effectively. A good manager is a good problem solver.

Unsurprisingly, there are numerous tools and frameworks which aim to help managers solve problems swiftly and well. Many of them come with handy four-letter acronyms, like PDCA (plan, do, check, act) or OODA (observe, orient, decide, act) or GROW (goal, reality, obstacles, way forward) or FMEA (failure mode and effect analysis). Properly employed, these tools can be quite useful, helping managers to analyse problems and understand their true nature.

However, one criticism that can be levelled at all these tools is that they are essentially reductionist and Cartesian in nature; that is, they operate on the principle that problems can be broken down into component parts, and that solving the problem is a linear process which begins with analysing the nature of the problem and ends when a solution is implemented. This may be true of small and relatively simple problems, but when dealing with more complex problems this approach quickly runs up against its limits. Simple tools will not always solve complex problems.

In an article in *Management Science* in 1967, the systems thinker C. West Churchman introduced the concept of 'wicked problems', complex problems that seem to evolve randomly and have no fixed, right-or-wrong solutions. Each wicked problem is also unique, meaning that fixes developed for previous problems may be only partially effective, or not effective at all. The spread of coronavirus is a classic example of a wicked problem. Although we have had viral pandemics before, this is a new virus that spreads in different ways and whose epidemiological patterns are not yet known. Although coronavirus is no more lethal than flu in terms of death rates among those who contract it, health authorities simply don't know what the bug will do next. Hence the extreme caution with which it is being treated.

In their book *Complex Problem Solving*, Robert Sternberg and his colleagues classify problems along four dimensions:
- complexity: many elements to the problem, all of which are strongly interconnected in some way like an extremely complex knot;
- dynamics: time considerations, in that the problem must be solved in a limited space of time, or the problem may be evolving and changing over time;
- intransparency: the problem is opaque, and/or those trying to solve it lack sufficient knowledge to do so; and
- polytely: those involved in the problem-solving process have multiple different goals, some of which may be contradictory, thus making the problem harder to resolve.

MORGEN WITZEL is a Fellow of the Exeter Centre for Leadership at the University of Exeter Business School. His book *The Ethical Leader* was published in November 2018.

Each 'wicked problem' is unique, so that fixes for previous problems may not be effective

Problems that exhibit all four of these dimensions are correspondingly harder to solve. Knowing the difficulty also puts the problem solvers under higher levels of stress, which in turn inhibits their ability to solve the problem. This creates a vicious circle in which the problem itself becomes more and more complex and our ability to solve it is correspondingly reduced. This is particularly true when there are high levels of intransparency – ie, we don't know enough to solve the problem – and there are tight limits on time.

PROBLEM SOLVING WITHOUT KNOWLEDGE

Not understanding a problem or not knowing how to solve it means that many of the traditional problem-solving techniques do not work. OODA and GROW, for example, rely on our ability to observe accurately the nature of the problem and the obstacles in our way, but if we lack sufficient knowledge to do so, following these frameworks is nearly impossible. Imagine, for example, that you have never seen a computer before in your life and have no understanding of how they work, and someone gives you one and tells you to use it, without any training or instruction. Where would you start?

The answer to the lack of knowledge is to fall back on heuristic techniques: instinct, guesswork, trial and error, common sense. We all use heuristic techniques every day, probably far more often than we are prepared to admit to ourselves. And, heuristics can be very effective. In 1999 the Indian educational scientist Sugata Mitra placed a computer in a hole in a wall in a slum district of Delhi and invited local children to teach themselves to

use it. Within a couple of weeks, with no additional instruction, many of the children had taught themselves computer skills simply through a process of trial and error, and working it out.

However, there are problems with heuristics. The first is that they don't always lead us to the right solution. Mitra's 'Hole in the Wall' project has been replicated many times around the world. Sometimes it works, and children learn new skills and abilities quickly. Sometimes it does not, and no detectable improvement can be found. Nor is there any real clarity as to why some children succeed and others fail.

The second is that innate biases and fallacious thinking can cloud our thinking and mean we do not search broadly enough for solutions, meaning that some viable options get overlooked. The British tennis player Andy Murray wrote recently in *The Observer* about the bias in sport that assumes only men can coach other men, with the result that when top tennis players are putting together a coaching team, they overlook female candidates. In fact, as Murray pointed out, women are just as capable of coaching men, if not more so.

PROBLEM SOLVING UNDER TIME CONSTRAINTS

The third problem is that heuristics require time, and we do not always have time at our disposal. Writing nearly 50 years ago, the Canadian management theorist Henry Mintzberg described in his book *The Nature of Managerial Work* how managers make decisions and solve problems. They are nearly always under time pressure, Mintzberg said, reacting to situations that have arisen and

needing to make decisions immediately to resolve them. Even simple decision-making frameworks like PDCA and OODA take time; they require managers to sit down and assess the situation, go through the options, make a decision and implement it. But practising managers rarely have the luxury of this much time; they have to make a decision within minutes, sometimes within seconds.

As a result, said Mintzberg, managers fall back once again on heuristics, solving problems based on trial and error, instinct and prior experience. If they get it right, all is well and they move on to the day's next problems. If they get it wrong, though, the consequences can be considerable. In rapidly moving and dynamic work environments like the ones Mintzberg describes, there is only a limited amount of time to correct mistakes and try again; and sometimes, with wicked problems in particular, there might only be one shot.

Approaches to problem solving vary, from the rationalists who take their time and try to work out the problem even while the clock is ticking, to the guessers who hit and hope, trying as many options as possible in the limited time available. Fans of TV quiz show *Only Connect* will recognise the types. In one puzzle, the 'connecting wall', contestants are asked to sort 15 words into connected groups of four, with a two-minute time limit. As the clock ticks down, some teams step back and look at the problem, trying to work it out before they push the buttons, while others press buttons rapidly and at random, hoping to get lucky. Although I know of no research to back this up, anecdotally it would seem that the rational analysers tend to do slightly better.

If anything, the situation has worsened since Mintzberg was first writing. Most managers I know speak of constant time pressures, with deadlines becoming both shorter and more numerous, meaning there is a question of which problems must be prioritised and which can be delayed. Despite the proliferation of problem-solving frameworks, managers continue to use heuristics, and probably always will.

MAKING GOOD DECISIONS QUICKLY
So, in the absence of formal frameworks, how do we ensure that we solve problems both swiftly and correctly?

The first principle, despite the time pressures and the ticking clock, is to draw a deep breath and look at the problem for a second time, and then try to decide if you are solving the right problem. Management consultants often say that when they are called in by a client to solve a problem, four times out of five the problem the client thinks they have is not the real problem. The issue that needs addressing is down deep, somewhere under the surface. Very quick analytical tools like the 5 Whys, the famous concept developed in the Japanese automotive industry, can help with this. The 5 Whys, also known as 'root cause

analysis', consists of asking why a problem occurred, and repeating the question anything up to five times to get at the underlying issues. For example:

Q: Why did the Titanic sink?
A: Because it hit an iceberg which tore a hole in the hull.
Q: Why did the iceberg tear a hole in the hull?
A: Because the steel at this point was weak.
Q: Why was the steel weak?
A: Because an earlier fire in the coal bunkers had damaged its integrity.
Q: Why did the fire occur?
A: Because of spontaneous combustion in the coal bunker.
Q: Why did the spontaneous combustion occur?
A: Because the coal in the bunkers was stored near the boilers, meaning the air was hot and dry and conducive to combustion.

The manager's job is to bring people together and give them the tools and information to solve the problem

It follows that the Titanic's sinking could have been prevented had more attention been paid to safe coal storage. (Read more about the 5 Whys on page 15.)

Of course, this raises again the issue of how to solve problems when we don't necessarily know enough about it. The second principle is, don't try to solve the problem alone. Bring in other minds, other perspectives, other experiences and backgrounds, as many as are needed, and pool their knowledge and direct it at the problem. Employ the 'hive mind' principle and get everyone thinking about the problem and working towards a solution. The manager's job is not to solve the problem; it is to bring other people together and give them the tools and information they need to solve it. If enough minds attack a problem, eventually they will crack it.

Finally, be aware that some problems, especially wicked problems, never really go away. It is tempting to think of the end of problem solving as sealing the problem, wrapping it and tying up with a ribbon, but in practice that does not always happen. Sometimes the problem resurfaces; sometimes it just goes on and on and we can never make it go completely away; which is, very possibly, what is going to happen with coronavirus. Some problems can be solved. Others just have to be lived with.

morgen@carucate.co.uk

Dealing with 'people problems' is at the heart of business

When things go wrong, there is a human factor involved – and knowing how to deal with people is the key to putting things right. **Jo Faragher** talks to the experts.

From post-Brexit arrangements to coronavirus contingency plans and economic worries, it can feel as though business leaders are constantly fighting fires at the moment. But are managers' problem-solving skills up to the challenge? A report earlier this year by the Financial Services Skills Taskforce found that organisations in this sector needed to upskill managers to handle trickier situations such as managing remote workers and to respond to future changes in a more agile way.

As the economy becomes ever more knowledge-driven, the thorny problems leaders will face will often be something to do with their people. This could be clashes between colleagues, a feeling that the office environment is contributing to poor performance, or simply motivating everyone to get behind a goal. Yet because managers are often promoted to more senior positions because of technical, rather than people management skills, difficult situations may be out of their realm of expertise or experience.

Below, we look at five of the most common 'people problems' managers and leaders face in today's workplace, and some strategies to solve them.

MANAGING DIFFICULT CONVERSATIONS
Whether it's broaching a performance issue or picking someone up on consistently arriving late, there will be occasions when managers and leaders need to have an awkward or difficult conversation. Too often, we feel so uncomfortable about having these talks that we avoid having them altogether, and a situation that could have been nipped in the bud escalates into something much worse.

Digital communication often doesn't help, according to Alex Efthymiades, director at conflict management and mediation consultancy Consensio. 'What happens when we're in conflict with other people is that communication tends to break down and so

does trust. So we might send someone a message or an email that can be misinterpreted, or copy someone in so they become defensive,' she explains.

'They attack back, and a situation that could have been resolved quite easily with a courageous conversation at the beginning escalates into a complex situation potentially involving other people, too.' Efthymiades remembers a situation where a manager thought an employee was taking advantage of the company's flexible working policy. Her manager reported her to HR. 'The two had not had a close relationship but the woman's father needed medical treatment and needed to be taken to appointments,' she remembers. 'But because she didn't feel she could talk to her manager she didn't tell him, while he didn't feel comfortable to ask. People make assumptions about the other person and jump to conclusions that are wrong.'

To ensure this sort of situation doesn't happen, Efthymiades recommends that we 'get out of the blame cycle' and instead ask ourselves how we are contributing to the situation. Are we saying or doing something that could be misperceived? Then when it comes to having the difficult conversation itself, to go in with an open mind and to see where the other person

JO FARAGHER
is an award-winning business journalist and editor who writes for *Personnel Today*, *People Management* and national newspaper business supplements.

Too often, we feel uncomfortable about having difficult conversations and so avoid them altogether

is coming from. 'Think about how you will say what you need to say and the language you will use – neutralise your language rather than using words like "always" or "never",' she adds. 'Make some kind of plan for follow-up, such as "Could you let me know when you're going to be late?" Coming up with actions can help change behaviours.'

GETTING TEAMS ORGANISED

Ensuring that teams are at their most productive can be one of managers' toughest challenges at work. Google's Project Aristotle study looked at the components of high-performing teams, and one of the key findings was that there was a strong culture of psychological safety where everyone felt they could speak up without being belittled or ignored. 'It's hard to collaborate effectively with a manager who you don't feel psychologically safe with, as you won't feel able to state your case clearly or expect that your opinion will be given the attention it deserves,' explains Stuart Hearn, founder and CEO of Clear Review, a performance improvement specialist.

Setting goals together and being transparent about how different roles within the team contribute to those goals can also help focus teams. Hearn adds: 'Whether we're talking about collaborative in the sense of managers and employees setting the goals together, or whether the goals themselves are designed to help employees across different business units to come together, it's essential that the outputs are clear and that you can draw a clear line from the employee (or employee group) goal and the wider business objective.'

It's also important to consider different personality types within teams, and to adapt the management approach accordingly. Often it's the same people speaking up with ideas or making suggestions about how the team should operate. Nadia Finer, founder of the Shy and Mighty project, argues that organisations could be missing out on 'silent potential' by not being more inclusive of quieter team members. 'Organisations cannot function if everyone fits the same personality type. Different roles require different skills, communication styles and preferences,' she says. 'Without quieter people, thinking deeply, having ideas, solving problems and getting on with their work, productivity would take a dive.'

DEALING WITH UNCOOPERATIVE PEOPLE

We've all come across them at some point in our career: employees who challenge every statement in a meeting or object to being asked to take on an extra task that would help the rest of the team. The temptation will often be to respond in kind, but this can escalate the situation, according to transformation coach Elva Ainsworth. 'It can be hard to do anything other than react, but the key is not to be governed by your emotional reaction,' she says.

In these situations, it's important to get our 'egos' out of the way and approach things objectively. 'Ask others for feedback, gather evidence and take a bit more time to gain some clarity. If you want to change someone's behaviour, the most powerful technique is to hold up a mirror to them, so ask them to reflect on their behaviour and how it might have impacted other people.'

Mindset coach Kamal Chaballout adds that lack of cooperation at work can be due to several reasons, but one of the most common is a lack of listening. Sometimes managers can enter situations with their own agenda, meaning they focus on that perspective rather than listening out for others. 'The key factor in communication is that it is a two-way road, meaning that your ability to convey your message should be equally as important as receiving the message from others,' he says. 'Another point to consider is that there are different types of communications and some individuals have a preferred method. For this reason, try to learn the preferred communication method of the individual you are working with and use it to hear them out as well as sharing your message simply, clearly and respectfully.'

OVERCOMING A FAILURE

Historically, leaders were often perceived as 'heroes' at the top of highly hierarchical organisations, so if they failed, the impact would be major and filter down right through to everyone below. 'Leaders were expected to have all the answers, so the freedom to develop solutions and to take greater responsibility for business outcomes was relatively limited for people in the layers below,' says Natalie Carrick, client director at Black Isle Group, a leadership development business. One of the pitfalls of this approach was that it could lead to a fear of failure and an ensuing lack of transparency if problems arose.

Increasingly, though, more inclusive organisations are allowing staff space to fail, and to learn from their mistakes. Carrick adds: 'Lean and agile methodology used in many tech start-ups is one of the best examples – the concept of "minimal viable product" is used to launch products/services before they are fully developed in order to learn from feedback in the market and to get to market faster. Whilst in the pharmaceutical industry, there's a concept of "fail fast" for new drug candidates because the process of drug discovery and development is astronomically expensive, so if a drug is not going to make it through to market then companies want to know quickly.'

There needs to be a climate of 'psychological safety' to accompany this, however. Carrick advises that managers speak up about the fact it is OK to make mistakes, and offer opportunities for people to stretch themselves and experiment. That could be through allowing people to explore side projects or sharing stories of lessons learned from failure.

TURNING AROUND A TOXIC CULTURE

Horrific stories about toxic cultures that allowed sexual harassment and bullying to go unreported have hit the headlines recently, with charity Save the Children being the latest to come under scrutiny. But if an organisation spins out of control or faces damage to its reputation because of its culture, how can the balance be redressed?

Elva Ainsworth believes the approach, in some ways, is similar to how we deal with difficult people – by encouraging reflection and building evidence. 'The main difference is this is not a one-person job. You can't do it alone,' she says. 'Anyone who has tried to turn around a culture will understand that a culture has its own life. Leadership, process change around things like recruitment, behaviours and values all need to be in alignment if you're going to make a change. If any of these is out of line, the culture will likely stay as it is.'

She adds that toxic cultures often come about because there is conflict between individuals' motivations and the purpose of the organisation, or perhaps the purpose of the organisation is not clear. 'The clearer the purpose of an organisation, the clearer the cons of not delivering on that purpose, the healthier and more productive it tends to be,' she explains. Where this is looser, there is room for 'big personalities' to come into play and a culture can go from 'great' to 'toxic' fairly quickly.

To combat this, organisations need to identify the processes or pressure points that are keeping that culture in place, and look at whether they can be changed. There also needs to be a reason to change, adds Ainsworth: 'It could be a failure, or people are leaving for your competitors. Culture is the way it is for a reason, it's something bigger than the organisation itself.'

jofaragher@hotmail.com

The dead fish theory

Use your powers of detection to find the source of a problem – the answer may lie 'upstream', writes **Alastair Dryburgh**.

ALASTAIR DRYBURGH
is a consultant offering uncommon solutions to common problems.

Suppose you have a river at the bottom of your garden, and one morning you find it full of dead fish. What has happened? You'd start looking for the cause of the problem at the bottom of your garden, but what if you couldn't see anything wrong there? It wouldn't take you long to realise that you needed to look further upstream.

This is obvious as anything when it relates to dead fish in a river, but when faced with the same sort of thing in organisations we so often miss the point and lose a huge amount of time in futile action. We forget the dead fish principle – the place where the problem manifests itself is not usually where the problem was created.

As an example, consider some work I did with a software company. They told me that they had a problem with development (spoiler alert – they didn't). Projects consistently went over budget, and took far longer than promised.

This was causing all sorts of tension within the company. Profits were suffering, cash flow was tight, the development department was lashed by a constant stream of complaints, harangues and snide emails from sales, account management and senior management. It was a real mess, but it had nothing to do with the development department.

Here is what was going on. Sales wanted to make sales, and there was competition. So they made extra promises. Could we make the menu this shape, rather than that shape? Of course we could. Could we meet this very ambitious delivery date? Of course we can, even if you, customer, don't meet your side of the bargain and give us the material we need by the agreed date.

Do we need to document all these special agreements in the contract? No, we don't. We don't even need to mention them to development until they are half way through. Can we, when the project is half way through, change our minds about what we want and introduce new complicated requirements without any increase in budget or change to final delivery date? Of course we can.

With all this, it is hardly surprising that development struggled to deliver. But the source of the problem was upstream, in sales. And that is where we solved it.

LOOKING BACKWARDS
Looking too far downstream is endemic in organisations. I have seen many profitability problems wrongly characterised as being caused by excessive costs when in fact they arise from poor pricing. Customer dissatisfaction is blamed on poor delivery, when in fact it arises from poor expectation management (management-speak for 'making promises you have no chance of keeping').

As a general principle, whenever you see a problem, look for the cause earlier in the process. If any part of your organisation smells of dead fish, look upstream for the solution.

acd@akenhurst.com
Problem solving video: vimeo.com/289061852

The place where the problem manifests itself is not usually where the problem was created

The evolution of problem solving

The professionals who aim to tackle modern organisational challenges have to learn to deliver holistic solutions that drive value realisation, writes **Tom Puthiyamadam**.

Over the past many decades, enterprising thinkers and organisations have developed many systems to solve the same universal business problem – how to get and keep customers while increasing profitability. In the decades just after World War II, W. Edwards Deming's model of total quality management (TQM) mapped out how to increase efficiencies through whole-enterprise workflow. Enterprise resource planning (ERP) went a step further by adding software and technology to the mix. Soon after, Six Sigma taught managers to drill down and cut waste to improve productivity. Each of these methods of solving a big problem was spawned in an era dominated by manufacturing and durable goods, when technological advances were measured in years, and when consumers had far fewer options.

But things are different now. In the current service-driven economy, technology changes in an instant, and consumers – be they end-users or corporations – are more fickle, and willing and able to switch loyalties for better experiences. And so the discipline of problem solving has evolved accordingly over the past decade. Deploying the tools of design theory and agile management, companies aim to convert their enterprises into vehicles that can deliver superior experiences (rather than simply products or just a singular service). The method is to develop processes that yield iterative improvements and to deploy cross-functional teams to solve problems in new, faster ways.

The success of such efforts centres on a single premise: the companies that will ultimately prevail are ones that focus on the best solutions that can be deployed in the shortest amount of time. The solution may take different forms: a new tech product, an app, a customer experience, a service offering, or some combination of all of these.

Consider Philips, which started in 1891 with the lightbulb, then expanded into a wide range of products, including electronics and healthcare. Over the last decade, Signify (Philips's spin-off of its lighting business) has shifted the focus to

helping customers address sustainability issues and tapping into their interest in the circular economy. Lighting-as-a-service, introduced in 2017, for example, allows companies – even municipalities – to pay a monthly fee for a certain level of illumination, while Signify maintains the infrastructure. Philips's healthcare business has been emphasising refurbished products and recycled components paired with warranties for customers to enable a shift to a waste-free circular economy.

Or think about a company like SAP. It initially found success with products – packaged software and enterprise systems – that solved the problems companies and people had at the time. But as its customers' problems became more complex, and they wanted software to aid with integration, planning, and technology changes, the company evolved. SAP folded in its consulting subsidiary in the early 2000s so that it could more effectively offer solutions, not just products, to its global customers.

The delivery companies UPS and FedEx have made what seems like a round-trip evolution, from product to service to product again. They started by providing a simple product (shipping) that solved customers' needs to move packages from one point to another. They evolved to offer shipping solutions (customs

TOM PUTHIYAMADAM is a principal with PwC US, based in New York. This article was first published in 'stategy + business' and is reproduced here with permission (see copyright statement on page 12).

The companies that will ultimately prevail are ones that focus on the best solutions that can be deployed in the shortest amount of time

clearing, logistics, and small business support, among them), which solved customers' needs to manage more complex shipments. They have further evolved by turning their automated shipping solutions into products that solve customers' needs with technology that has elements that are repeatable, consistent, and enhanced by data.

THE SOLUTIONS SOLUTION

It turns out that business customers want the same things individual consumers say are highest on their list when it comes to customer experience: speed, convenience, ease of use, and results. And they'll pay a premium for it – up to 16%, according to the *PwC Future of Consumer Experience Survey 2017/2018*. This truism also applies to customers of professional services firms.

A decade ago, a company picked a consulting partner, whose team would help it decide which technologies or platforms to deploy, with both deployment and results expected to materialise over a period of time – say, nine months to a year. That's changed drastically. Today, a company will search for a technology or solution, and then decide which service partner will help deploy it in ways that can produce results instantly. Ideas, project plans, deeper tech decisions, and cultural change igniters – all the things needed to get the implementation and change done right – come second.

Because business moves so quickly, professional services firms have to deliver on the promise on day one, not day 180. And that has two implications. First, problems have to be solved holistically from the outset, rather than in stages. And second, it is vital to translate intellectual capital and insights into products that can be deployed and show results almost immediately. It's not that professional services firms have a hankering to be in the products business or simply want to create new revenue streams (although that's relevant). Nor is the move into products, developed in house, changing consultancies' core businesses – we've all seen companies move away from their core and struggle or fail to remain relevant. Rather, the translation of intellectual capital into technology is now the solution. And the form it takes is a product that can generate measurable, repeatable results.

This shift requires a change in mindset in how solutions are presented. Consultants have typically sold services, time, and people power. But getting clients comfortable with products that solve problems demands a new, more intensive approach – research suggests that salespeople will need to spend 35% more face-to-face time talking to clients. What's more, they will need a keen eye for what to present. Product clients want simpler decisions, not an overwhelming range of choices or customisations.

CONSULTANT, HEAL THYSELF

Sometimes, the product you need to create to solve client problems comes from solving your own challenges. The popular workflow collaboration software Basecamp, for instance, was born out of a small design firm in Chicago, 37signals. Founder Jason Fried and his team needed to develop a simple project management system to manage their network of consultants, designers, and contractors associated with each project and client. Because they didn't find anything they liked, they built one for themselves.

As clients saw the simplicity and effectiveness of the program, they wanted to use it for their own projects. Within a year, Basecamp was more profitable than the web design business.

We've seen this transition happen at PwC, too. We created Digital Fitness as an internal initiative to help employees develop their digital skills and mindset through a gamified app that assessed what people already knew and increased their knowledge with quick, digestible bits of learning and content. When clients said they wanted the same thing, Digital Fitness was turned into a product for sale.

Why is it appealing? The Digital Fitness app is tangible, it can be launched within weeks, and it can produce results that enable calibration almost instantly. Whether the goal is to speed adoption and stronger ROI for new platforms or to build deeper insights on the fly to predict what will happen tomorrow, offering products as scalable solutions is an augmentation of the core professional services business. And it represents an important step in the evolution of problem solving. After all, when professional services firms can deliver a product that solves a portion of customers' problems quickly, they make a strong case for being the right partner to help guide the rest of a transformation.

> *Sometimes, the product you need to create to solve client problems comes from solving your own challenges*

The Ishikawa diagram – a way to analyse issues

The methodology of problem solving takes many forms. One of the simplest tools for managers has been in use in buiness for decades.

This article and the following one on the '5 Whys' are edited versions of articles written by the team at Mind Tools – and are published here with permission. See mindtools.com

When you have a serious problem, it's important to explore all of the things that could cause it, before you start to think about a solution. That way you can solve the problem completely, first time round, rather than just addressing part of it and having the problem run on and on.

'Cause and effect analysis' gives you a useful way of doing this. This diagram-based technique, which combines brainstorming with a type of mind map, pushes you to consider all possible causes of a problem, rather than just the ones that are most obvious. The technique was devised by professor Kaoru Ishikawa, a pioneer of quality management, in the 1960s. It was then published in his 1990 book, *Introduction to Quality Control*. The diagrams that you create are known as Ishikawa diagrams or 'fishbone' diagrams (because a completed diagram can look like the skeleton of a fish).

Although it was originally developed as a quality control tool, you can use the technique just as well in other ways. For instance, you can use it to discover the root cause of a problem, uncover bottlenecks in your processes and identify where and why a process isn't working.

By considering the perspective of all of the actors in the process, you can develop an understanding of the problem

STEP 1: IDENTIFY THE PROBLEM

First, write down the exact problem you face. Where appropriate, identify who is involved, what the problem is, and when and where it occurs. Then, write the problem in a box on the left-hand side of a large sheet of paper, and draw a line across the paper horizontally from the box. This arrangement, looking like the head and spine of a fish, gives you space to develop ideas.

In this simple example, a manager is having problems with an uncooperative branch office.

Uncooperative branch office

It's important to define your problem correctly. Your should look at the problem from the perspective of customers, actors in the process, the transformation process, the overall world view, the process owner, and environmental constraints. By considering all of these, you can develop a comprehensive understanding of the problem.

STEP 2: WORK OUT THE MAJOR FACTORS INVOLVED

Next, identify the factors that may be part of the problem. These may be systems, equipment, materials, external forces, people involved with the problem, and so on.

Try to draw out as many of these as possible. Brainstorm any other factors that may affect the situation, then draw a line off the 'spine'. Here, the manager identifies the following factors, and adds these to his diagram: site, task, people, equipment and control.

Site   Task   People

Uncooperative branch office

Equipment   Control

Site
Run-down area
Spacious offices
Pleasant building

Task
Local competition
Support lacking?
Sales – frustration?
Results – good, not great

People
Jane – efficient
Mark – absent a lot
Mira – overworked?

Uncooperative branch office

Software needs updating?
System too complex?

Meetings not regular
Have changes been explained?

Equipment

Control

STEP 3: IDENTIFY POSSIBLE CAUSES
Now, for each of the factors you considered in step 2, brainstorm possible causes of the problem that may be related to the factor.

Show these possible causes as shorter lines coming off the 'bones' of the diagram. Where a cause is large or complex, then it may be best to break it down into sub-causes. Show these as lines coming off each cause line (see above).

STEP 4: ANALYSE YOUR DIAGRAM
By this stage you should have a diagram showing all of the possible causes of the problem that you can think of. Depending on the complexity and importance of the problem, you can now investigate the most likely causes further. This may involve setting up investigations, carrying out surveys, and so on. These will be designed to test which of these possible causes is actually contributing to the problem.

A useful way to use this technique with a team is to write all of the possible causes of the problem down on sticky notes. You can then group similar ones together on the diagram. This approach is sometimes called CEDAC (Cause and effect diagram with additional cards) and was developed by Dr. Ryuji Fukuda, a Japanese expert on continuous improvement.

mindtools.com

Five Whys – getting to the root of a problem quickly

Another simple tool to get to the heart of an issue involves continually asking 'why?' to a series of statements – a basic approach, but effective.

This article and the previous one on the Ishikawa diagram are edited versions of articles written by the team at Mind Tools – and are published here with permission. See mindtools.com

Have you ever had a problem that refused to go away? No matter what you did, sooner or later it would return, perhaps in another form.

Stubborn or recurrent problems are often symptoms of deeper issues. 'Quick fixes' may seem convenient, but they often solve only the surface issues and waste resources that could otherwise be used to tackle the real cause.

The 5 Whys technique is a simple but powerful tool for cutting quickly through the outward symptoms of a problem to reveal its underlying causes.

Sakichi Toyoda, the Japanese industrialist, inventor, and founder of Toyota Industries, developed this technique in the 1930s. It became popular in the 1970s, and Toyota still uses it to solve problems today.

Toyota has a 'go and see' philosophy. This means that its decision making is based on an in-depth understanding of what's actually happening on the shop floor, rather than on what someone in a boardroom thinks might be happening.

The 5 Whys technique is true to this tradition, and it is most effective when the answers come from people who have hands-on experience of the process or problem in question. The method is remarkably simple – when a problem occurs, you drill down to its root cause by asking 'Why?' five times. Then, when a counter-measure becomes apparent, you follow it through to prevent the issue from recurring.

Note that the 5 Whys uses 'counter-measures,' rather than 'solutions.' A counter-measure is an action or set of actions that seeks to prevent the problem from arising again, while a solution may just seek to deal with the symptom. As such, counter-measures are more robust, and will more likely prevent the problem from recurring.

WHEN TO USE A 5 WHYS ANALYSIS
You can use 5 Whys for troubleshooting, quality improvement, and problem solving, but it is most effective when used to resolve simple or moderately difficult problems.

It may not be suitable if you need to tackle a complex or critical problem. This is because it can lead you to pursue a single track, or a limited number of tracks, of inquiry when, in fact, there could be multiple causes. In cases like these, other tools may be more effective.

This simple technique, however, can often direct you quickly to the root cause of a problem. So, whenever a system or process isn't working properly, give it a try before you embark on a more in-depth approach – and certainly before you attempt to develop a solution.

The tool's simplicity gives it great flexibility, too, and 5 Whys combines well with other methods and techniques, such as root cause analysis. It is often associated with lean manufacturing, where it is used to identify and eliminate wasteful practices. It is also used in the analysis phase of the Six Sigma quality improvement methodology.

When a counter-measure becomes apparent, you follow it through to prevent the issue from recurring

HOW TO USE THE 5 WHYS
The model follows a very simple seven-step process:

1. ASSEMBLE A TEAM
Gather together people who are familiar with the specifics of the problem, and with the process that you're trying to fix. Include someone to act as a facilitator, who can keep the team focused on identifying effective counter-measures.

2. DEFINE THE PROBLEM
If you can, observe the problem in action. Discuss it with your team and write a brief, clear problem statement that you all agree on. For example, 'Team A isn't meeting its response time targets' or 'Software release B resulted in too many rollback failures.' Then, write your statement on a whiteboard or sticky note, leaving enough space around it to add your answers to the repeated question, 'Why?'

3. ASK THE FIRST 'WHY?'
Ask your team why the problem is occurring – as shown in the example (right). This sounds simple, but answering it requires serious thought. Search for answers that are grounded in fact: they must be accounts of things that have actually happened, not guesses at what might have happened.

This prevents the technique from becoming just a process of deductive reasoning, which can generate a large number of possible causes and, sometimes, create more confusion as you chase down hypothetical problems. Record the answers as succinct phrases, rather than as single words or lengthy statements.

4. ASK 'WHY?' FOUR MORE TIMES
For each of the answers that you generated in Step 3, ask four further 'whys' in succession. Each time, frame the question in response to the answer you've just recorded. Try to move quickly from one question to the next, so that you have the full picture before you jump to any conclusions. This method also allows you to follow multiple lanes of inquiry. For example, asking 'Why was the delivery late?' may produce a second answer – and asking 'Why?' for that may reveal a single reason, which you can address with a counter-measure.

5. KNOW WHEN TO STOP
You'll know that you've revealed the root cause of the problem when asking 'why' produces no more useful responses, and you can go no

Problem
Our client is refusing to pay for leaflets we printed for them

Why?
The delivery was late, so the leaflets couldn't be used.

Why?
The job took longer than we expected.

Why?
We ran out of printer ink.

Why?
The ink was all used on a large, last-minute order.

Why?
We didn't have enough ink in stock, and couldn't order new supplies in time.

Counter-measure
Find an ink supplier who can deliver at short notice, so that we can continue to minimise inventory, reduce waste, and respond to customer demand

further. An appropriate counter-measure or process change should then become evident. The important point is to stop asking 'Why?' when you stop producing useful responses.

6. ADDRESS THE ROOT CAUSE(S)
Now that you've identified at least one root cause, you need to discuss and agree on the counter-measures that will prevent the problem from recurring.

7. MONITOR YOUR MEASURES
Keep a close watch on how effectively your counter-measures eliminate or minimise the initial problem. You may need to amend them, or replace them entirely. If this happens, it's a good idea to repeat the 5 Whys process.

Bear in mind that this questioning process is best suited to simple or moderately difficult problems. Complex problems may benefit from a more detailed approach, although using 5 Whys will still give you useful insights.

mindtools.com

How 8D helps manufacturers and service industries

A traditional tool developed in the manufacturing industry is of use in many types of businesss around the world.

The 'Eight disciplines of problem solving' (8D) is a methodology designed to find the root cause of a problem, devise a short-term fix and implement a long-term solution to prevent recurring problems. When it's clear that your product is defective or isn't satisfying your customers, an 8D is an excellent first step to improving quality and reliability.

Ford Motor Company developed this methodology, then known as 'team oriented problem solving (TOPS)' in the 1980s. The early usage of 8D proved so effective that it was adopted by Ford as the primary method of documenting problem-solving efforts, and the company continues to use 8D today.
8D has become popular among manufacturers because it is effective and reasonably easy to teach. It is a detailed, team-oriented approach to solving critical problems in the production process. The goals of this method are to find the root cause of a problem, develop containment actions to protect customers and take corrective action to prevent similar problems in the future.

The strength of the process lies in its structure, discipline and methodology. It uses best practices from various existing approaches. It drives systemic change, improving an entire process in order to avoid not only the problem at hand but also other issues that may stem from a systemic failure.

The strength of the 8D process lies in its structure, discipline and methodology

WHEN TO APPLY 8D
The 8D problem solving process is typically required when:
• safety or regulatory issues have been discovered;
• customer complaints are received;
• warranty concerns have indicated greater-than-expected failure rates; or
• internal rejects, waste, scrap, poor performance or test failures are present at unacceptable levels.

Before 8D analysis begins, it is always a good idea to ask an expert first for their impressions. Collect information on the symptoms of the problem, use a checklist to ask the correct questions and identify the need for an emergency response action.

THE 8D PROCESS
• Form a team – this should be made up of people from many disciplines and will need forms and techniques to ensure progress.
• Describe the problem – use the known data, and apply tools such as 'Is/Is not', '5 Whys' and the Ishikawa diagram (see pages 13-16).
• Interim containment action – protect the customer and verify the action's effectiveness.
• Root cause analysis and escape point – analyse the data to find the place where the problem could have been avoided.
• Permanent corrective action (PCA) – decide on the plan to deal with the problem.
• Implement and validate the PCA – a project plan should encompass communication, steps to complete, measurement of success and lessons learned.
• Prevent recurrence – share the knowledge, preventing problems on similar products, processes, locations or people.
• Closure and team celebration – teams require feedback to allow for satisfactory closure. Recognising both team and individual efforts and allowing the team to see the previous and new state solidifies the value of the 8D process.

information@quality-one.com

How to deal with a social media crisis – a practical guide

Some of the problems that businesses have to deal with now involve social media, where reputations can be won and lost instantly. **Christina Newberry** and **Sarah Dawley** report.

On social media, things can move blazingly fast. Sometimes, it's an Instagram post of an egg going inexplicably viral. But sometimes, it's a PR crisis that seems to come out of nowhere.

Your best chance to make it through a social media crisis is to prepare ahead of time. Have a solid plan, a list of key stakeholders and responsibilities, and a clear chain of command. Of course, it's even better if you can prevent a crisis before it begins.

In this article, we'll look at methods for spotting potential issues as they emerge and how to shut a problem down in the early stages. If that doesn't work, we'll show you what to do if you end up with a full-blown social media crisis management situation on your hands.

1. CREATE A SOCIAL MEDIA POLICY

Some of the worst social media situations start with an employee posting something inappropriate. Fortunately, these are also some of the easiest crises to avoid. The best way to prevent this type of social media crisis is to create a solid social media policy for your company. It should provide clear guidelines for appropriate use, outline expectations for branded accounts, and explain how employees can talk about the business on their personal channels.

The details of your social media policy will vary based on factors like your industry and the size of your company. Here are some subjects all social media policies should include:

- Copyright guidelines – don't assume employees understand how copyright applies online. Provide clear instructions about how to use and credit third-party content.
- Privacy guidelines – specify how to interact with customers online, and when a conversation should move to a private channel.
- Confidentiality guidelines – describe what business information employees are allowed

(even encouraged) to share, and what should be kept under wraps.
- Brand voice guidelines – do you maintain a formal tone? Can your social team get a little goofy?

Lockheed Martin's social team got a little too casual on social media for World Photo Day 2018. The world's largest arms producer posted a tweet asking followers to share a photo of one of their products. The now-deleted tweet said: 'Do you have an amazing photo of one of our products? Tag us in your pic and we may feature it during our upcoming #WorldPhotoDay celebration on Aug. 19!'

This carefree tone from an arms manufacturer would probably have brought in some challenging replies in the best of circumstances. But just a few hours later, CNN broke a news story that a Lockheed Martin bomb had been used on an attack that killed children in Yemen. People seized on the story and started responding to Lockheed Martin's photo request tweet with CNN's photo of a bomb fragment from the attack.

Lockheed Martin's response was basically not to respond. They simply deleted the original tweet. The challenge of trying to make a problematic post disappear is that screencaps live on in the many news stories about the blunder. Consider this an example of how not to handle a social media crisis.

2. SECURE YOUR ACCOUNTS

Weak passwords and other social media security risks can quickly expose your brand to a social media crisis. In fact, employees are more likely to cause a cyber security crisis than hackers are.

The more people who know your social media account passwords, the more chances there are for a security breach. Don't share passwords among the various members of your team who need access to your social accounts. Use a

CHRISTINA NEWBERRY is a freelance writer on business, marketing and travel.
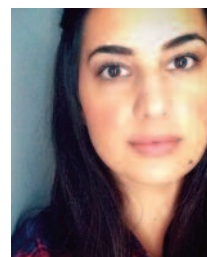
SARAH DAWLEY is manager of content at Hootsuite.

This article is an edited version of 'How to manage a social media crisis: a practical guide for brands' by Christina Newberry and Sarah Dawley, published by hootsuite.com, and republished here with permission.

centralised system to control permissions and grant the appropriate level of access. This also allows you to revoke access for employees who leave the company or move to a role that no longer requires them to post on social.

When the *New York Daily News* laid off half its employees, a departing member of the social team started posting strange GIFs to the paper's Twitter account. The tweets were relatively harmless. A situation like this could quickly turn into a social media crisis, though. What if the rogue employee posted confidential or inflammatory material?

A similar situation happened back in 2013, when HMV laid off a large portion of its staff. The company's Twitter feed was a play-by-play of the mass firings, beginning with 'We're tweeting live from HR where we're all being fired! Exciting!!' But here's the key HMV Tweet you can learn from: 'Just heard our marketing director (he's staying folks) ask "How do I shut down Twitter?"' It's critical to have control of your social channels. Managers need to know how to limit or revoke access in a social media crisis management situation.

3. USE SOCIAL LISTENING TO IDENTIFY POTENTIAL ISSUES
A good social listening program can help you spot an emerging issue on social media well before it turns into a crisis. Monitoring brand mentions can give you some advanced warning of a surge of social activity. But if you really want to keep an eye out for a potential social media crisis, you should be monitoring social sentiment.

Social sentiment is a metric that captures how people feel about your brand. If you see a sudden change, that's an immediate clue to start digging into your listening streams to see what people are saying about you. A sudden spike in brand mentions is always worth investigating, too. There are software tools that can set alerts so you're automatically notified if there are major changes in sentiment or volume of mentions. This will give you advance warning of a crisis while it's still in the early stages.

4. DEFINE WHAT COUNTS AS A CRISIS
People are going to say rude things about you online. That's a fact, not a crisis. But if enough people are saying the same negative things about you on social, all at the same time, that might be a crisis – or a potential crisis waiting to explode. What really identifies a social media crisis is a major negative change in the online conversation about your brand.

In order to identify a change from the norm, of course, you have to know what the norm is. Your ongoing social listening work should give you a pretty clear idea of what a normal day looks like for your brand.

For negative comments to count as a crisis, there also needs to be potential long-term damage to your brand. Even if a large number of people are posting negatively, it may be best to respond through customer service channels. As an organisation, you should define how much of a change in sentiment you need to see before you can start thinking about the event as a potential crisis. Once the numbers hit that

threshold, review the situation with the appropriate people to decide whether you should implement your crisis communication plan. On that note …

5. CRAFT A CRISIS COMMUNICATION PLAN

A company-wide social media crisis communication plan allows you to respond quickly to any potential issue. Instead of debating how to handle things, or waiting for senior managers to weigh in, you can take action and prevent things from getting out of control. Acting fast is important. More than a quarter of crises spread internationally within just one hour. But it takes companies an average of 21 hours to defend themselves in any kind of meaningful way. That's nearly a full day for the crisis to make the rounds on the web with no meaningful intervention from your team.

On 23 December, 2018, a security guard at the DoubleTree by Hilton Hotel Portland called the police on a black hotel guest for 'loitering' in the lobby while taking a phone call. The guest posted video of the event to Twitter, sparking a #boycottDoubleTree hashtag.

The hotel's first tweet after the incident was a Happy Holidays post. That post got 403 comments from angry Twitter users, with no response from the hotel. It took three whole days for the hotel to even acknowledge the incident on Twitter. Yes, it was the holidays. But three days is too long.

Your plan should describe the exact steps everyone will take on social media during a crisis – from top executives to the most junior employees. Include a list of who needs to be alerted at each stage of a potential social media crisis. It should include:
• guidelines for identifying the type and magnitude of a crisis;
• roles and responsibilities for every department;
• a communication plan for internal updates;
• up-to-date contact information for critical employees;
• approval processes for messaging posted on social media;
• any pre-approved external messages, images, or information; and
• a link to your social media policy.

No matter how well you prepare, the nature of a crisis means you won't be able to resolve everything with just one or two social media posts. But people expect to hear from you, and

it's important for you to acknowledge the problem right away. Even during holidays, you need to be able to respond quickly in case of an emergency.

A couple of humble and informative posts buy you the time to put the rest of your social media crisis communication plan into action. Simply acknowledge that there's a problem and let people know that more information will be coming soon.

6. STOP ALL SCHEDULED POSTS

During a crisis, scheduled posts will at best make you look goofy. Take, for example, an App Store tweet encouraging followers to download the *New York Times* cooking app. It's a perfectly reasonable tweet to send out the day before Thanksgiving. One problem – Apple was facing a major outage at the time, and the App Store was down. In this case, Apple just looked a bit silly, and the tweet gave followers more ammunition to complain about the outage.

But a pre-scheduled post that goes out in a social media crisis situation can also make your brand look ignorant and insensitive. The DoubleTree Happy Holidays post mentioned earlier could well have been a scheduled tweet. In a worst-case scenario, a scheduled tweet during a crisis could completely derail your crisis management plan. It's critical for all communication to be planned, consistent, and appropriate in tone. A scheduled post will be none of those things. Shut such posts down as soon as you activate your social media crisis communication plan.

A couple of humble and informative posts buy you the time to put the rest of your crisis communication plan into action

7. ENGAGE – BUT DON'T ARGUE

Once you've posted that initial response, it's time to get key staff working on more in-depth messaging. That might mean a press release, an official statement, or a letter or video from your CEO. But since we're talking about social media, simply issuing statements won't cut it. You're going to have to engage with people who may be saying very negative things about you online.

Keep it short. Avoid getting pulled into a long discussion of what went wrong. Instead, try to move the conversation to a more personal channel, like private messaging. You could also offer a phone number, email address, or other means of communicating outside social media.

When Johnson & Johnson faced a crisis of allegations about asbestos in its baby powder, the company created a webpage and a Twitter thread specifically addressing the concerns people were expressing both on and off social media. The social team actively responded to concerned tweets, and referred people to the web page for consistent information.

Of course, some people will simply keep arguing with you until you stop responding. When it's clear you're not making progress, acknowledge the concerns and frustrations, but stop taking the bait. Getting pulled into a fight online will not improve the situation. During a social media crisis, people are watching, so you've simply got to take the high road.

8. COMMUNICATE INTERNALLY

Communicating internally is a crucial part of your crisis management response. This keeps everyone on the same page and helps to prevent misinformation and the spread of rumours. Make sure everyone in the organisation knows exactly what they should (or should not) say about the crisis on social media. There are tools, such as Hootsuite Amplify, that offer an easy way to distribute pre-approved company messaging to all employees that they can share on their own social accounts.

9. LEARN FROM THE EXPERIENCE

Once the crisis is over, take the time to debrief and examine what happened. Keep a detailed record of everything you did, and how it worked. This is a good time to get the whole company together to talk about the experience you've all been through, and share knowledge and experiences from different teams. Maybe the customer service department had some important insight. Or maybe public relations has some new guidelines that need to be incorporated into your social media plan.

Take the time to examine your social media strategy. Think about anything you could add that would prevent a similar crisis from occurring in the future. And look for opportunities to incorporate lessons learned.

christina@christinanewberry.com
sarah.dawley@hootsuite.com

Create a strategy for handling customer complaints

Without your customers, your business will not exist. Large companies can deal with complaints more easily, but smaller ones need to develop a strategy.

No business wants to receive customer complaints, but a complaint is an opportunity for your business to improve your service, product or offering – increasing the likelihood of meeting or exceeding customer expectations next time around.

Email, social media and mobile phones have transformed the ways in which you interact with customers. They have also provided new ways for people to complain publicly about your business.

Disgruntled customers can now vent their feelings across social media – making it more important than ever to deal with complaints swiftly. For example, a bad online review can deter other potential customers from using your product or service.

As a small business, it's up to you to initiate good customer service and to handle any complaints that come along. You can't rely on your customers to tell you what they think. Not everyone takes the trouble to complain, so many dissatisfied customers simply go elsewhere.

COMPLAINTS STRATEGY
Getting your strategy for handling complaints right involves thinking about how you interact with customers at every contact point. You need to understand your customers, respond to their needs and effectively handle any complaint they may have. The secret is to tailor your approach to the individual.

One useful theory you can use is that your customer will have one of four temperament styles – aggressive, passive, analytical or expressive. Each of these personality types will approach the complaints process in their own way. Look out for them and respond accordingly.

As each of these customers behaves in different ways, you should provide customers with multiple ways of registering a complaint – for example, via your social media channels, via a customer service helpline or using a form on your website.

HOW TO HANDLE CUSTOMER COMPLAINTS
Complaints handling is one of the main issues by which customers judge a business. More than 50% of people say they complain, and those complaints are often to organisations they actually like. A well-handled complaint improves their perception of your business. Remember, the crime is not making the mistake, it's making it twice.

Handling complaints doesn't need to be complicated:
• put in place a complaints procedure and make it easy for customers to complain;
• take every complaint seriously and make them a priority;
• acknowledge every complaint. Thank customers for taking the time to give you feedback and say sorry – it is always appreciated by customers;
• gather all the facts;
• put things right to reduce the chance of future complaints;

This article was first published on the Marketing Donut website and is reproduced here with permission.

Not everyone takes the trouble to complain, so many dissatisfied customers simply go elsewhere

- train staff and give them the power to rectify the problem in the customer's eyes;
- learn from every complaint. You might need to train staff, provide better information to customers or improve some aspect of your product or service; and
- minimise the chances of future complaints by aiming for continuous improvement.

Most importantly of all, remember to listen. If you are a big talker, you may have to curb your natural tendency to interrupt or dominate the conversation. To develop a dialogue with your customer, ask open-ended questions and listen to the answers. It's worth using the same words and phrases your customer has used to show you are listening and to build rapport.

HOW TO IMPROVE YOUR CUSTOMER RELATIONSHIPS
Good customer service is not just about responding when your customer complains. You can actively plan a communication strategy that will ensure you build good customer relationships which reward you with more business.

Make regular contact using a communication method most suited to each customer, whether by phone, email, social networks or text. It's worth asking customers how they like to be contacted. Most people will have a particular preference - and may find other communication methods positively annoying.

Keep the lines of communication open so you can respond to your customers' changing requirements. Thank them for their business. Ask them if they were happy with the service they received and what you could do better next time. As you build the relationship, you will strengthen the ties that bind and develop a loyal customer (and fan) base.

marketingdonut.co.uk

Are you the problem? Here's how to improve your own productivity

Sometimes the best way to solve a work problem is to make yourself the focus of improvement. **Graham Allcott** offers some techniques to help you work better.

There are a number of well-known productivity tools and techniques I've used over the years. I'll quickly run through my favourites below. Of course, they won't all appeal to you, but if one takes your fancy, give it a go!

PARETO'S LAW

Pareto was the Italian economist who once walked around his garden and noticed that 80% of the peas in his garden came from just 20% of the pods. Being a good economist, he didn't just discard this as an interesting observation; he wondered how he could turn it into a law of world economics. Pareto's Law is a reminder that not all actions are equal. Some of the things we do create profound and lasting impact. Other things we do are instantly forgotten. Meetings are great examples of this: 80% discussion for 50 minutes, with the 10 minutes at the end set aside for actions, clarifications and the things that will be remembered in two months' time. The rest will all be forgotten. The rule of 80–20 is worth keeping in mind.

PARKINSON'S LAW

Parkinson's Law states that work expands to fill the time available. Put simply, we rarely work at our optimum speed. Think about when you're trying to finish a piece of writing such as a report or, thinking back even further, a school or university essay. As you feel the deadline looming large, your hands type the words a little bit quicker. You think that little bit faster too and while you might be prone to mistakes, the sense of urgency produces profound productivity. If you think you have a week to do three essays, the three essays take a week. Yet, they always seem to be written on the last night of your half-term break. So if you'd have just been given one day to do three essays, you'd have produced exactly the same thing. Work expands and contracts depending on the time available. So next time you have a two-hour report to write, consider what might happen if you were only given one hour to do it. Probably the most important 20% of it – the stuff that adds 80% of the impact – could easily be done in an hour. In many ways, the less of a perfectionist you're able to stomach being, the more you can push your productivity to higher levels than you thought possible.

HOFSTADTER'S LAW

Perfection is a dangerous disease. So much of what we do has the potential to unravel way beyond what is even necessary (think 80–20) and way beyond what we could find ourselves drawn to do (think Parkinson's). Hofstadter's Law states that, 'Work takes twice as long as you originally anticipated, even when taking into account Hofstadter's Law'. Wake up and smell the cappuccino. Everything you do has the potential to unravel and require more effort than you think.

So use Hofstadter's Law as your reminder to commit to less. Use Parkinson's Law to dare yourself to be different and work to firm boundaries or time constraints. And in all of that use the 80–20 principle to remind yourself what matters. Life's too short.

GRAHAM ALLCOTT is an author, business speaker and social entrepreneur, who runs a training company Think Productive.

This article comprises a number of tools and techniques taken from his book *How to be a productivity Ninja*, republished here with permission (see page 27).

If you think you have a week to do three essays, the three essays take a week. Yet, they always seem to be written on the last night

BIG ROCKS

In his book *The Seven Habits of Highly Effective People*, Stephen Covey tells a story he had heard many years earlier of a teacher in a classroom who pulls out a large jar and several big rocks from underneath a table. He fills the jar with the big rocks, screws the lid back on the jar and asks his students, 'Is the jar now full?' 'Of course,' say the students, 'you've just filled it with those big rocks.' The teacher then reaches back underneath the table and pulls out a bag of small pebbles. Unscrewing the lid of the jar, he pours the pebbles around the larger rocks and fills the jar with the big rocks and the small pebbles. 'How about now?', asks the teacher, 'Is the jar full?' While a number of the students reply yes, a fair few are now suspicious of what else the teacher might have underneath his table. Sure enough, the teacher reaches down and finds a tub of sand, which fills the jar in between the big rocks and the pebbles. Finally, even though the jar is filled with rocks, pebbles and sand, the teacher pours water in and fills the jar to the brim.

The teacher then asks his students what they think the lesson might be here. What might this teach us about managing our time? One of the students raises his hand and suggests it means that, 'Even though we thought our day was full, there's always more that we can cram into every day'. The teacher replies by saying that while that may be the case, the real lesson is that if you are going to have any hope of fitting the big rocks into the jar at all, you need to start with them.

So much of our day is taken up with the pebbles, sand and water of our attention. Emails and information inputs are really all just pebbles. The big rocks – those things on our master actions list that require proactive attention, lots of energy, potentially awkward conversations and a whole raft of other things that make them difficult – are the things that need to be scheduled first. Start every day with the question, 'What are my big rocks today?' and focus on them ruthlessly, especially during periods of proactive and active attention.

THE POMODORO TECHNIQUE

Invented by university student Francesco Cirillo in the late 1980s, the Pomodoro Technique is named after those stylish kitchen timers you can buy in the shape of a tomato. Essentially a tool for managing attention and focus, Pomodoro has at its heart two extremely simple but powerful observations. Firstly, that short bursts of attention (25 minutes) followed by short breaks (five minutes) are the best way to preserve your proactive attention throughout the day. And secondly, by splitting the day into lots of 25-minute chunks and using a timer, you spend the whole day with the constant buzz of being up against a clock.

Time is counted backwards, counting down from 25 to zero, rather than forwards indefinitely until you take a break. It is a great tool for splitting much larger tasks down into more bite-sized chunks, it can help provide an important sense of focus and can help you resist the temptation to give in to distractions. You can

download Pomodoro timer apps for your phone, or download a desktop timer for your computer: they are quieter than using a real kitchen timer. I've used both over the years, but I'd advise against using a real one if there are other people in the office!

Pomodoro is also an interesting technique to ensure you don't focus too much attention on any single area of your work. Used over a day or a week, you can start to view your schedule in terms of Pomodoros spent – and see exactly how little of your time is spent on the stuff you like the least.

SCHEDULED PROCRASTINATION

One of the good things about Pomodoro is knowing that after every 25 minutes of work there's a five-minute comfort and distraction break. This is really useful as it creates a boundary between temptation and virtue by making you consciously aware that a five-minute period to give in to temptation is heading your way. You can take this idea a step further. If you find yourself procrastinating, checking Facebook, doodling and daydreaming, realise that they all have their place. Rather than beating yourself up for doing these things (which adds more drama to what you're ultimately trying to resist and hence reinforces the resistance to it anyway), simply create the right boundary.

So if you catch yourself procrastinating, your boss-self is allowed to decide, 'OK, five more minutes of this procrastination and then we're moving on to this specific thing'. In creating this, what you've done is demystify and disempower the procrastination and you'll often find that such a boundary moves you along at the end of the five minutes and into what's required of you now that you've 'had your share'.

POWER HOURS

The 'power hour' is something I developed for myself a couple of years ago and I use it if avoiding a particular important activity. The idea is simple. Schedule an hour of your most proactive attention to work on what you're avoiding. After all, it's just an hour of your day. I'm not asking myself to work on that thing for the whole day.

Adding it to the diary changes it from being a possible option for the day (which I'm likely to ignore in favour of easier, noisier work) to being a commitment, hard-wired into my day.

It brings focus and by the end of one power hour I've usually delved deeply enough into the activity to know that it's not quite as scary or difficult after all.

To make choices about what to schedule as a power hour activity, I use a question on my weekly checklist: 'What are the big rocks that are either difficult or that you might be avoiding?' If that throws up an answer, I'll schedule power hours for the following week, right there in my review. It's such a relief knowing that I have a commitment and a plan to move forward on the things that are stuck. The other way to use power hours is to think about this question: 'What's the one activity that, if you did it consistently for an hour a day every day this year, makes a person in your job successful?'

If you were a sales person, that activity might be cold calling. If you don't enjoy cold calling, you'll always find something else to do in its place. Developing a habit, though, that every day between 09:30 and 10:30 you cold call, will, over time, yield results. Of course, this isn't rocket science. But if you have a clear idea in your mind right now about your one activity, the chances are that you're not actually practising that for an hour a day or more. The power hour can be a way to find consistency, develop muscle, turn a conscious choice into an effortless, unconscious habit and ultimately meet your goals.

Schedule an hour of your most proactive attention to work on what you're avoiding. After all, it's just an hour of your day

You'll also find power hours easier if you can tell your colleagues you're doing it and ask for their cooperation in not interrupting you during that time. This public pronouncement will also firm up the commitment in your mind. Anything else you can do that might subconsciously create a signal that this hour is special and different from all the rest will really help, too. This could be something as simple as changing your desktop background, putting on your favourite music or drinking expensive herbal tea instead of the usual 'normal' tea. You could also do something more physical, like work from a different desk or take your work outside to enjoy the view.

CORRIDOR CONSENSUS BUILDING AND MBWA

'MBWA', or 'management by walking about' is a fantastic tool. By setting aside some time to walk the floors, either once a day or certainly two or three times a week, you make yourself available to your team, and to those outside of your direct line management but with whom you may need to collaborate. I have seen great managers do this without a notebook or any form of capture tool, but if you're like me and have a memory like a sieve, resist the urge to try to be ultra-smooth – take a notebook and capture any actions or ideas along the way.

More importantly, with time set aside during the week to do this, you can even set up a 'people' list of those people and issues you are hoping to meet and make progress on when you're doing the rounds. This can be a regular part of a master actions list. Done well, this can be good fun, very sociable, and also cover half a dozen or more issues in no more than half an hour.

DAILY HUDDLE

This one is cheating slightly, as although it's very short, it is a meeting! There are various books that talk about the idea of short, daily meetings.

I particularly like Verne Harnish's book, *Mastering the Rockefeller Habit*s, which talks about how leadership in growing businesses should focus on '1% vision and 99% alignment'.

One of the forms of alignment, to keep everyone in the business reminded of what the main goals are that they should be focused on is the idea of the 'Daily Huddle'. This takes no more than 15 minutes, yet cuts out the need for a lot of other meetings and communications because of its simple and repetitive format.

Gathering around a whiteboard with the main actions or plans on it is a great tip, as well. The huddle asks five questions, which are the same each day:
• What's your good news?
• What are you working on today?
• What's our progress towards achieving the key numbers in our business?
• Where are you stuck?
• Are you OK for tomorrow's huddle?

There aren't many rules here, but a couple of useful guidelines would be firstly to make sure any issues that crop up that are going to take longer than one minute to resolve are dealt with outside of the huddle meeting, and secondly that the meeting runs at the same time every day, so it creates habit and flow. The final rule is that it never takes longer than 15 minutes.

thinkproductive.com
grahamallcott.com
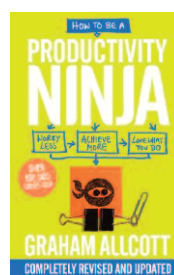
How to be a productivity ninja: worry less, achieve more, love what you do
by Graham Allcott
Icon Books
ISBN: 9781785780288
RRP: £8.89

If your employee turns a problem into a grievance ...

... make sure that you treat them sensitively and carefully, and that, if you have to be formal about it, play by the rules as set out in official Acas procedures.

If an employee has a problem ('grievance') at work it's usually a good idea for them to raise it informally first. The employer should respond even if the problem's raised informally.

A grievance procedure is a formal way for an employee to raise a problem or complaint to their employer. The employee can raise a grievance if:
• they feel raising it informally has not worked;
• they do not want it dealt with informally; or
• it's a very serious issue, for example sexual harassment or 'whistleblowing'.

FOLLOWING A FORMAL PROCEDURE
When an employee raises a formal grievance, their employer should follow a formal procedure. Your workplace should have its own grievance procedure, otherwise you must follow the steps in this guide and the Acas Code of Practice on disciplinary and grievance procedures. If your workplace has its own grievance procedure, it should:
• follow the Acas Code, as a minimum; and
• be in writing and easy to find.

THE ACAS CODE AND THE LAW
You must follow a full and fair procedure in line with the Acas Code for any discipline or grievance case. The procedure you've followed will be taken into account if the case reaches an employment tribunal. Regardless of the size of your business or organisation, all employers should follow a full and fair grievance procedure as set out in this guide.

They should:
• make clear they'll deal with grievances fairly and consistently;
• investigate to get as much information as possible;
• allow the employee to bring a relevant person to a grievance meeting;
• give everyone a chance to have their say before making a decision;

• take actions and make decisions as soon as they can; and
• allow the employee to appeal against the grievance outcome.

The procedure can be adjusted depending on size. For example, a manager of a small business with one or two employees might need to manage the grievance procedure on their own.

The employee should always:
• raise the grievance as soon as they can; and
• take any actions expected of them as soon as they can.

If there are two or more related grievances, the employer should:
• still follow the formal procedure, for all the grievances;
• keep information confidential;
• consider what each employee wants; and
• explain to the employees how it is dealing with the grievances.

There is some flexibility in how to run the grievance procedure in these situations. For example, the employer could decide to have a single meeting to cover all the grievances, if the employees agree.

Each employee still has the right to their own grievance meeting in which employees who are part of the grievance are not present.

USING MEDIATION
You can use mediation at any stage. Mediation involves an independent, impartial person working with both sides to find a solution. The mediator can be someone from inside or outside your business. If they're from outside your business, you might need to pay. Both sides will need to agree to mediation.

acas.org.uk/grievance-procedure-step-by-step

This is the official advice provided by the government's Advisory, Conciliation and Arbitration Service (Acas).

Previous special reports

The past four faculty special reports are shown below and, along with many others, are available to members to download at icaew.com/specialreports. They comprise a range of in-depth publications on a single topic by expert writers and are a valuable resource.
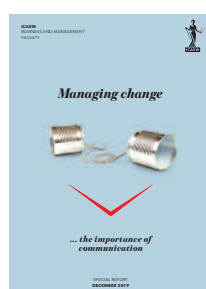
MANAGING CHANGE
December 2019 (SR66)

Change is all around us, be it political, environmental or technological. Businesses should see it as an opportunity and not as a threat. This report includes articles from Morgen Witzel, who provides an overview, Jo Faragher, who assesses the tense Brexit transition period, and Stephen Warrilow who looks back at John Kotter's influential eight-step model. Also in this report, Neil Harrison focuses on people skills as a mechanism for coping with change, Merril April and Jennifer Ly consider change from a legal perspective and Phil Morley deals with some of the challenges of changing habits. There is also a case study on publishing giant Hearst.

SMART REPORTING
September 2019 (SR65)

The world is changing, and businesses and the people within them must change too. The fourth industrial revolution, the rise of technology and all the associated add-ons which that brings, is on the cusp of becoming reality; 5G networks, driverless cars and AI are likely to become evermore a part of working life. This special report is a handy guide of the latest techniques and thinking behind the new smart world with which CFOs, and aspiring CFOs, must contend. Articles look at the challenges for SMEs, the rise of integrated reporting, the evolution of board packs, dealing with pay gap reporting and ESG, doing presentations and much more.

MANAGING PEOPLE
April 2019 (SR64)

Managing people is one of the fundamental skills needed to move up the corporate ladder. This report considers various aspects of successful leadership. Jo Faragher looks at change management, providing useful examples, Katie Jacobs shows how Silicon Valley has changed HR forever, Morgen Witzel uses history to show why management is an art, and Karen Higginbottom considers employee presenteeism. Also in this report, Beth Hale and Naomi Latham review employment law, Eleanor Whitehouse uses a case study to assess employee wellbeing and Angus Farr explains how to handle difficult conversations at work.

INNOVATION
December 2018 (SR63)

Innovation in business shows a mix of extraordinary successes and unexpected disasters – sometimes both together. Many believe that there is a correlation between investment in research and development (R&D) and innovation. The UK has historically been relatively poor at investing money into R&D compared with other OECD countries, but is strong on invention though less successful at exploiting the breakthroughs. This 32-page report looks at ways to manage and inspire innovators, the future of fintech, building a creative team, the pros and cons of disruption, and more, with tips and case studies.

Chartered accountants are talented,
ethical and committed professionals.
There are more than 1.8m chartered
accountants and students around the
world, and more than 184,500 of them
are members and students of ICAEW.

We believe that chartered accountancy
can be a force for positive change. So
we attract the brightest and best people
and give them the skills and values they
need to ensure businesses are successful,
societies prosper and our planet's
resources are managed sustainably.

Founded in 1880, we have a long history
of contribution to the public interest and
we continue to nurture collaborative
global connections with governments,
regulators and business leaders. By
sharing our insight, expertise and
understanding we can create a world of
strong economies and a sustainable future.

charteredaccountantsworldwide.com
globalaccountingalliance.com

ICAEW
Chartered Accountants' Hall
Moorgate Place
London
EC2R 6EA
UK

T +44 (0)1908 248 100
E generalenquiries@icaew.com
icaew.com