



Having Problems?

By Rebecca A. Morgan
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Use the “5 Why?” method to help your company master the art of problem solving

Problems. That is one of the things that all businesses have in common. Cash flow? It's a consideration for all businesses as well, but significant mainly when it becomes a problem. Solving problems, it would seem, is an important skill for every organization. Because so few companies are actually good at it, organizations that are proficient problem solvers have a competitive advantage over those that are not.

Mark Ruder, president of Universal Metals, an international toll steel processing company located south of Chicago, recognizes the importance of effective problem solving to his firm. Serving the automotive industry, Universal became QS9000 registered several years ago. QS9000, required of most suppliers to domestic automotive companies, defines the framework of an effective quality system, and problem solving is an important element of that system. Despite meeting those requirements, Ruder knew his organization could gain advantage by becoming even better. Ruder wanted the discipline of a structured problem solving mechanism and a simple means to communicate and track issues.

Universal Metals turned to PHRED Solutions, Inc., a 14-year-old Colorado company that has developed robust compliance and control software for problem solving. The question-based reasoning system provides a disciplined process, and as an important added benefit, also provides a means to convert tribal knowledge into organizational learning in a searchable database accessible to your other problem solvers now and in the future. As baby boomers enter retirement, a lot of valuable knowledge will go with them. A mechanism to effectively capture that experience can make the difference between economic success and failure.

Why are there so many ineffective problem solvers? Two reasons: First, it is easy to confuse motion with results; Second, the “don't just stand there, do something!” mentality encourages people to start making changes in an attempt to solve a problem when they've skipped the

most important step—defining the problem. These “shoot from the hip” heroic efforts give the comforting sense of progress when in fact the changes will likely miss the mark and confuse the issues even more.

The problem we see is often a symptom of a deeper issue: the root cause. Addressing symptoms without an understanding of root cause means that the underlying problem remains intact. It will resurface again and again until you identify it and implement a permanent countermeasure.

An effective technique to identify root cause is called “5 Why?” When looking at the apparent problem ask yourself why the condition exists. Many people stop here, and as a result do not identify the fundamental issue causing the problem. It is important to ask “why?” again and again.

An example: Our costs are too high. Why? Severe absenteeism forces us to compensate with extra employees and unplanned overtime. Why is absenteeism so severe? Because the work is physically demanding and employees get tired. Why is the work so demanding? Because we have not integrated ergonomics into the work. Why haven't we? Because our engineers are busy with other projects. Why? This process continues until the real root cause of absenteeism is identified. Only then will the problem be addressed successfully.

In search of the root cause ask “why?” at least five times. Absenteeism was a symptom, not the real problem in this example. The relatively low priority of ergonomics was the issue. Attempts

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to address absenteeism directly—e.g. putting in a point system, replacing these workers with others—will not address the root cause and will therefore be ineffective in the long run.

As you read the “5 Why?” example, some of you may have responded to the second “why?” with “because employees are lazy,” or “our employees don’t care.” One of the most common, yet ineffective, supervision responses in addressing a problem is “I’ll talk with the employee.” It is easy to assume the problem is the result of human carelessness, disinterest, or error. The phrase “idiot proof” reflects that attitude. Yet the vast majority of problems result from poorly designed processes, not from lousy, malicious employees. Be careful not to drive “5 Why?” down the wrong road. For example, one company regularly stored

sensitive inventory in a refrigerated truck. The truck refrigeration unit failed, ruining the inventory. In its “5 Why?” process its asked why the refrigeration unit failed. Answering that question, and then the next, could reduce the future occurrence of that particular failure, but the real question is “Why do we have so much inventory that we need to store it outside in trucks?” Root cause analysis is a skill to be developed and mastered.

How do you know if your company is good at solving problems? By the absence of “d é j à vu all over again” in discussing issues. By the confidence your customers have in partnering with you. By leveraging your advantageous cost structure into increased profits. What can you do if you’re not? Ask why.



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