

# Become a Better Problem Solver by Telling Better Stories

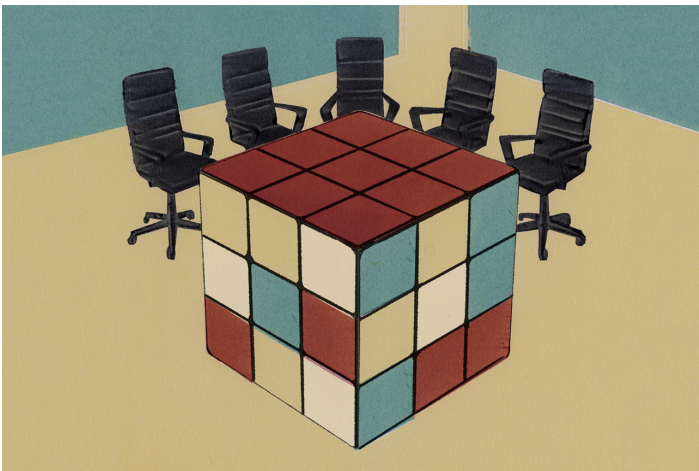
One of the biggest obstacles to effective decision-making is failure to define the problem well. Invoking the power of narrative and a simple story structure can help ensure that teams are solving the right problem.

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# Become a Better Problem Solver by Telling Better Stories

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Like many companies at the end of 2021, a small European precision toolmaker was having trouble hiring and retaining talent. The executive team had a solution: Create a more attractive social space to encourage informal collaboration. But when the head of human resources presented the plan to the board (which included one of this article's coauthors), the directors were puzzled. They didn't know what problem the redesign was supposed to solve.

In retrospect, their confusion was understandable. The executive team had not spelled out the extent of the

company's recruitment challenges or made clear the link between the social space and attracting talent. Rather than seeking approval for the new space, they should have been discussing the best way to make the company a more attractive place to work or, more broadly, how to assemble the talent they needed given the expanding competition for talent across industries.

This is a familiar pattern we have encountered in our teaching and executive consulting. In the face of complex problems and strategic decisions, executives often choose the wrong problem to solve. They focus on symptoms instead of causes, base their thinking on false assumptions and artificial constraints, and overlook key stakeholders. The answer, we have found, is to change the way the problem is defined. By doing so, business leaders can significantly expand their universe of alternatives and identify radically better solutions.

## Seeking Problem Solvers

To find better answers, it is necessary to ask better questions. This is called *problem framing*. Often neglected, this initial step in the decision-making sequence sets the trajectory for generating alternative options. It is critical for two reasons: It can reveal new possible solutions, and it avoids wasting time,

money, and effort on half-baked ideas.

In our study of more than 700 international executives, 60% identified poor problem formulation as one of the two most prevalent barriers to effective problem-solving in their organizations. (The other is insufficient stakeholder engagement.)

An effectively framed problem is simple to understand, which may explain why executives often underestimate the effort that good problem formulation requires. As with any high-order activity, it takes mastery to make it look simple. Executives don't realize how tricky framing can be until they try it. To compound the challenge, plenty has been written on the importance of framing, but there's been little concrete guidance on how to do it. Senior executives are especially prone to overestimating the value of experience as a guide to solving novel challenges. They come to our classes thinking they're skilled problem framers only to realize their deficiencies when presenting to their peers. Their framing efforts go astray in predictable ways.

## Framing Fails

When executives get stuck on a complex problem, they're often urged to "think outside the box" and redefine the assumptions and constraints that hold them back — in short, to change their framing. Although executives are familiar with the concept of framing, in our work with them we've observed three recurring errors.

**1. Assuming everyone sees the same problem.** The biggest pitfall comes when executives take for granted that all stakeholders have the same intuitive understanding of the problem. This is hardly ever the case.

In our opening example, the HR chief reasoned that creating a new social space would make the company a more appealing place to work. But this was only one aspect of the challenge of attracting and retaining talent. He did not propose other alternatives — such as investing more in employee development, improving the company's HR marketing, or devising better salary and benefits packages — to prompt discussion of which approach would offer the best return on investment.

By default, we frame problems without a great deal of thought, using routines, heuristics, and experience to bypass formal analysis. We instinctively recognize the type of problem before us and reach for familiar solutions. This makes sense for problems that are urgent, recurring, and low risk, where experience is most likely to lead to a good answer.<sup>1</sup> The trouble starts when we try to apply the same approach to problems that are complex, novel, or high risk.

When relying on intuition, cognitive biases (such as overconfidence and confirmation bias) can muddle the decision-making process. The deep smarts that enable people to discern problems and propose instant remedies in their domains of expertise quickly become a liability outside it.<sup>2</sup> The French call this *déformation professionnelle* — the tendency to see any problem through the distorting lens of one's professional experience. We overestimate the relevance of our experience and underappreciate what we don't know. However, complex strategic problems require new perspectives and options, not just what has worked in the past.

Of course, executives cannot afford to turn every decision into a project, so they need to be discerning about the types of decisions that warrant such investment, homing in on those that cannot be easily undone.

**2. Targeting the wrong problem.** Even when someone makes a conscious effort to articulate the problem and not rely on instinct, they might frame it too narrowly or too broadly.

In class, we show participants a cartoon of a company's covered parking facility that is so jam-packed with cars that no one can get in or out anymore, and we ask, "What is the company's problem?"

Many come up with skewed or narrow frames: *How do we increase the parking capacity? How do we reduce the demand for parking? How do we incentivize people to not come by car?* These are not just definitions of the problem; they are also solutions in disguise: The frame already indicates a preferred set of solutions and closes off alternative ways of addressing the situation.

Others propose frames that are too broad: *How do we fix the parking lot problem?* (Is it unsafe, too far away, dirty?)

*How do we get people to work?* (This expands into other areas that are irrelevant.) Or even, *How do we get all the employees to do their jobs?* (This is too generic and opens up tangential issues like motivation and working from home.)

An effective frame captures the essence of the problem. If it's too narrow, it risks being ineffective by focusing on just one of the drivers, such as demand for parking spaces, and missing important or emerging issues altogether. If it's too broad, it risks stretching attention and resources across too many concerns, including ones that have little or no relevance.

In the car-park problem, a good formulation could be, *How can we decongest our parking lot?* or *How can we align parking spaces and parking needs?* These frames open the opportunity for alternatives that address both supply and demand issues and hybrid solutions that combine elements of both.

**3. Pushing a single perspective.** Another common trap is unilateral framing. Having defined the challenge alone or with like-minded colleagues, problem solvers are often blindsided by objections from critical stakeholders — especially those whose support they had taken for granted.

A cognitive bias known as the *false consensus effect* leads us to overestimate the extent to which others will perceive a situation in the same way we do.<sup>3</sup> As a result, we underinvest in engaging others or testing our frames.

This was the situation in our opening example. When the HR chief presented the project to create a new gathering space, he expected to discuss what kind of budget the board would approve and not the underlying rationale for the project, which he assumed was self-evident.

The HR chief explained *what* the executive team was debating but not *why*. The board's unexpected challenge reflected the HR chief's failure to prepare board members for the initiative or to reflect their concerns in the solution. While the board didn't have a preexisting view of the recruitment problem, its members believed that the social space only indirectly tackled the issue and that there were more-targeted and potentially lower-cost solutions. Had the board's perspective been integrated in defining the problem,

the executive team could have considered a broader set of solutions that reflected the board's concerns.

There are other traps in strategic decision-making, such as failure to consider innovative solutions or simply choosing a bad one. Our point is that effective framing is more important and more difficult than it seems. A process is necessary. We propose a two-part solution: Frame and reframe.

## Creating an Initial Frame

Research and our experience with executives show that using a basic story framework can help people make sense of complex information. Storytelling is not only useful for persuading others but also valuable for thinking through ambiguous information.

Too often, executives come to us with a bunch of ideas but no clear understanding of the problem they are trying to solve. At the other extreme, they present a bunch of different issues that are somehow related, but without clarity on how they connect with, contradict, or complement each other.

Storytelling makes it possible to structure this complexity by summarizing the problem in the form of a single overarching question — a *quest* — that will lead to the solution. An effective quest has just three elements:

- **A *hero* — the main protagonist.** Depending on the challenge, it could be a single person, a team, an ad hoc project group, a unit, or even the whole organization.
- **A *treasure* — the hero's aspiration.** This captures the one overriding goal, be it transforming the company, expanding into new markets, upgrading a team, or changing careers.
- **A *dragon* — the chief obstacle.** This is the complication preventing the hero from getting the treasure. A compelling dragon creates a strong hook and a shared understanding of the challenge to be faced.

Pulled together, these three elements define the quest, which takes the form, *How may [the hero] get [the treasure], given*

[the dragon]? A quest works best with one hero, one treasure, and one dragon — otherwise, it's more than one story. When someone is dealing with multiple dragons, it's better to ask whether there is a single challenge or whether it might be more sensible to place the different dragons into separate problem frames. (See “The Do’s and Don’ts of Framing.”)

What’s more, it’s important that all elements are present when defining a problem. In the car-park problem, we did not mention any constraints to the challenge (the dragon) in terms of space, money, time, or conflicting agendas. A more realistic framing of that quest might look like this: *How can we as an organization provide adequate parking for our people, given our limited funding?*

This story framework helps get to the heart of the challenge. It highlights the critical pain points and lays bare assumptions. Explicitly listing the hero, treasure, and dragon forces consideration of all that is necessary, but only what is necessary. It holds decision makers accountable for the choices and sets up more meaningful conversations with stakeholders.

We’ve applied this approach to hundreds of problems in a wide array of disciplines, including business, architecture, physics, and engineering, and have yet to meet a problem that can’t be summarized in this way. It helps explain in simple terms even the most complex problems, but that simplicity can be deceptive. Getting to such a simple quest will take significant effort, particularly for the most complex problems.

Developing an initial frame is good, but the real value comes from sharing it with other stakeholders early on.

## Framing a Better Quest

One trap to avoid when using this method is the temptation to stick with the first quest that comes to mind. Developing a sound quest is an iterative process, and going deeper into understanding a problem requires stress-testing the quest.

The strength of the story template is that it formulates the problem in a concise way that is easily understood by others — decision makers who lack detailed knowledge, colleagues

in other departments, outside stakeholders such as partners or suppliers — without overwhelming them with details or context. They can add perspectives and question premises, constraints, and blind spots. Bringing them in at the framing stage gives them a chance to be heard before anyone grows overly attached to a particular set of alternatives or a specific solution. Research also suggests that a diversity of perspectives promotes a more exhaustive exploration of alternative solutions and positively affects the quality of decisions. <sup>4</sup>

Reframing can start with considering the initial approach to the problem and asking, “Why would this not be the best quest to undertake?” The answer may be that you’ve identified the wrong hero, treasure, or dragon.

**Picking the wrong hero can result in efforts that fail to gain traction.** This is a situation we observed at Europe’s largest paper and board maker, Stora Enso. As demand for paper plunged, the executive team wanted to renew the business and diversify into new businesses based on wood-fiber products. But the top executives — middle-aged industry veterans, all male, and all Scandinavian — found it impossible to come up with outside-the-box ideas.

Jouko Karvinen, then CEO, realized that the executive team was the wrong hero. It was ill-equipped to identify or explore emerging business opportunities in adjacent sectors. Members were too invested in the choices and practices of the existing business. They lacked the individual openness and collective diversity needed to rise to the challenge.

The company handed responsibility for the effort to a new, more diverse team that comprised a dozen up-and-coming employees, among them women, non-Scandinavians, and people with experience in other industries. This team was given free rein to challenge the status quo. Karvinen defined their mandate: “I don’t want PowerPoint presentations giving advice about what we *could* do. I want [you] to come back with ideas that we can implement and requesting to start up a new business.”

In our narrative framework, the second, more diverse team was the hero, transforming the organization into a renewable materials company was the treasure, and the original executive team’s lack of experience and skills in these new



areas proved to be the dragon. Once the challenge was viewed in this way, the new team's recommendations, along with important system and process changes, enabled Stora Enso to transform itself into a leading provider of renewable products in packaging, biomaterials, and wooden construction — as well as a developer of new textile fibers that use tree cellulose, in a joint venture with H&M and Ikea.

**Focusing on the wrong treasure can mean that efforts won't yield the desired results.** Consider Switzerland-based Logitech. Piggybacking on the PC revolution, the developer of high-end peripherals — including mice, keyboards, speakers, and webcams — delivered 39 consecutive quarters of double-digit growth.

In 2008, Gerald Quindlen became CEO just as smartphones (and, later, tablets) began to disrupt the desktop market that accounted for 89% of Logitech's revenues. In his quest narrative, he was the hero who had to overcome the dragon of the dwindling PC market to achieve his treasure — a return to double-digit sales growth.<sup>5</sup> To do that, he bet heavily on an acquisition in videoconferencing and a partnership with Google on its smart TV, but neither of the deals worked out as expected. The company spread itself too thinly and lost its focus on its core capability: innovation.

In the process, Logitech missed obvious trends in peripherals — notably the GoPro camera craze — and lost market share in specialized accessories for gamers. It was also slow to respond to opportunities in the mobile device market. What new products it did release were not cool or exciting. Focusing on sales targets often meant tacking on new features to existing products without considering what the market wanted. Engineers became preoccupied with creating products that hit price points but didn't satisfy consumer needs or tastes.<sup>6</sup>

Quindlen was replaced as CEO in January 2013 by Bracken Darrell, an industry outsider who had a different treasure in mind. "We're going to become a design company" and put the user at the heart of Logitech's innovation activities, he told employees.

"We didn't lose the capability, we lost the expectation," Darrell told investors. "We stopped expecting to have great products."<sup>7</sup> After overcoming some initial resistance from

engineers who feared that Logitech might become a "fashion" company, the design-led strategy opened the way for a host of innovations in different product categories.

While sales growth has the advantage of being concrete and measurable, it is less effective as a treasure. It has little power as an aspirational goal and does not provide guidance, focus, or inspiration on how to move forward. In contrast, the goal of becoming a design company, with its focus on user needs, provides a much stronger sense of direction.

Since Darrell's appointment, Logitech has become much more agile, responsive, and innovative. One measure of the change is its annual haul of prestigious design awards: It has won more than 250 since 2015. In the same period, revenues have more than doubled while profits have increased thirteenfold and share prices have increased ninefold.

Reflecting on the tendencies of some CEOs to focus on financial performance, Darrell noted, "If you start in the wrong place, sometimes you get to the wrong place."<sup>8</sup>

**Picking the wrong dragon means wasting energy on pointless battles.** That's what happened to Christine Christian, CEO of Dun & Bradstreet's Australian operation. As the hero, her team spotted an opportunity to provide additional risk-management solutions in response to a forthcoming change in Australian tax regulations, a treasure that was a once-in-a-lifetime, windfall opportunity. The subsidiary was well positioned to capitalize on the opportunity, but doing so required funding to make a sizable investment in a call center.

The dragon, as Christian saw it, was convincing the head of the Asia-Pacific region to allocate funds from his limited budget to an initiative that had no strategic value for the other subsidiaries in the region. When her boss turned down the request, she was so frustrated that she wanted to resign. But her team persuaded her to consider alternative approaches, such as seeking funding from outside the regional group. That proposal was approved, and the team found several partners eager to pursue the opportunity.

Christian and her team had taken too restrictive a view of the obstacle. The need for *internal* funding was in fact a dragon that could not be surmounted, but securing general

funding was one that was more easily overcome. The narrow framing led Christian to ask her boss the wrong question. Addressing the real dragon led to finding an external partner with a shared interest in the Australian market, which proved to be a very lucrative strategic move for the subsidiary.

In each of these cases, questioning the logic and assumptions enabled the protagonists to reframe the challenge, thereby opening a whole realm of new strategic opportunities. The quest format is a key lever for formulating problems that the organization can actually solve.

## Why Stories Help

Statistician George Box famously said, “All models are wrong, but some are useful.” The key to developing a useful model is to include all that matters, but *only* what matters. This is how the story approach helps with problem-solving: by providing a straightforward way to define and clarify the problem to be solved. A concise description of the quest can lead to a clear strategy for moving forward.

The brevity of the quest narrative is part of its strength. Uncluttering exposes the chief pain point, the blind spots and constraints, and assumptions about causality. It makes it easy to share and to challenge the logic.

The simplicity of the template also makes it something that’s easy for business leaders to recall and useful in identifying what’s missing from or confusing in presentations from team members. It makes it easy to decide whether new evidence requires changing leading actors, goals, or obstacles. In short, it helps leaders sift out the background information so that they can focus on the essential components of the problem. Indeed, executives can use the quest narrative to educate teams on how to present problems.

The story ingredients depersonalize criticism when people question assumptions, blind spots, and artificial constraints. Tough questions like “*Why you? Why this? Why now? Why haven’t you ...? Aren’t you missing ...? Who will resist?*” are easier to voice and less likely to trigger defensiveness when couched in terms of a hero, treasure, or dragon.

Finally, stories tap into our playfulness. The language of

stories makes exchanges more engaging. It contributes to creating a safe environment. It is liberating, putting team members into a more expansive and upbeat frame of mind when discussing problems. It awakens our creativity. Of course we could slay the dragon, but what else could we do? Circumvent it, neutralize it, or turn it into an ally?

Beyond being an analytical challenge, complex problem-solving is also a people challenge. It requires input, different perspectives, involvement, and buy-in from other stakeholders. Integrating outside views obviously is important when making recommendations for a specific course of action, but it is critical when deciding the appropriate way to frame the problem. When the audience agrees with your framing, it becomes much easier to persuade them of your solutions.

## About the Authors

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## The Research

- The authors surveyed more than 700 IMD executive program participants who identified their biggest decision-making challenges as focusing on the wrong problem and not taking stakeholders’ perspectives into account.
- The authors piloted their story framework approach with program participants and then validated the methodology in both for-profit and nonprofit organizations.

## The Do’s and Don’ts of Framing

The quest is a classic storytelling technique to help structure a problem. Executives typically make several mistakes as they construct their own quests. Here are five things to keep in mind.

- **Remember the dragon.** The hero and treasure establish the protagonist and the goal. But one key ingredient is missing: tension. To identify the chief barrier to a goal, introduce the dragon with “However ...” or “But ... .”
- **Don’t use “and.”** Each part should have one element, and only one. If there are more, they should either be reconciled under an umbrella term or divided into separate challenges. If there are several potential dragons, choose the one that creates the most relevant tension.
- **Exclude unnecessary details.** A snappy frame is more useful than a detailed one. Include only what is needed to tell a coherent story, excluding everything else.
- **Be consistent.** Use the same terms when moving from the individual elements to the overall quest. Synonyms and ambiguous phrasing only cause confusion. The quest should be self-contained and easily understandable, even by a novice.
- **Don’t aim for perfection.** The first attempt at framing is just a communication tool. There is no such thing as the “right” frame — just a better one. Chances are that sharing the frame with others will reveal new angles and false assumptions that help improve it.





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