Problem Solving vs. Purpose Finding

University of Louisville College of Business

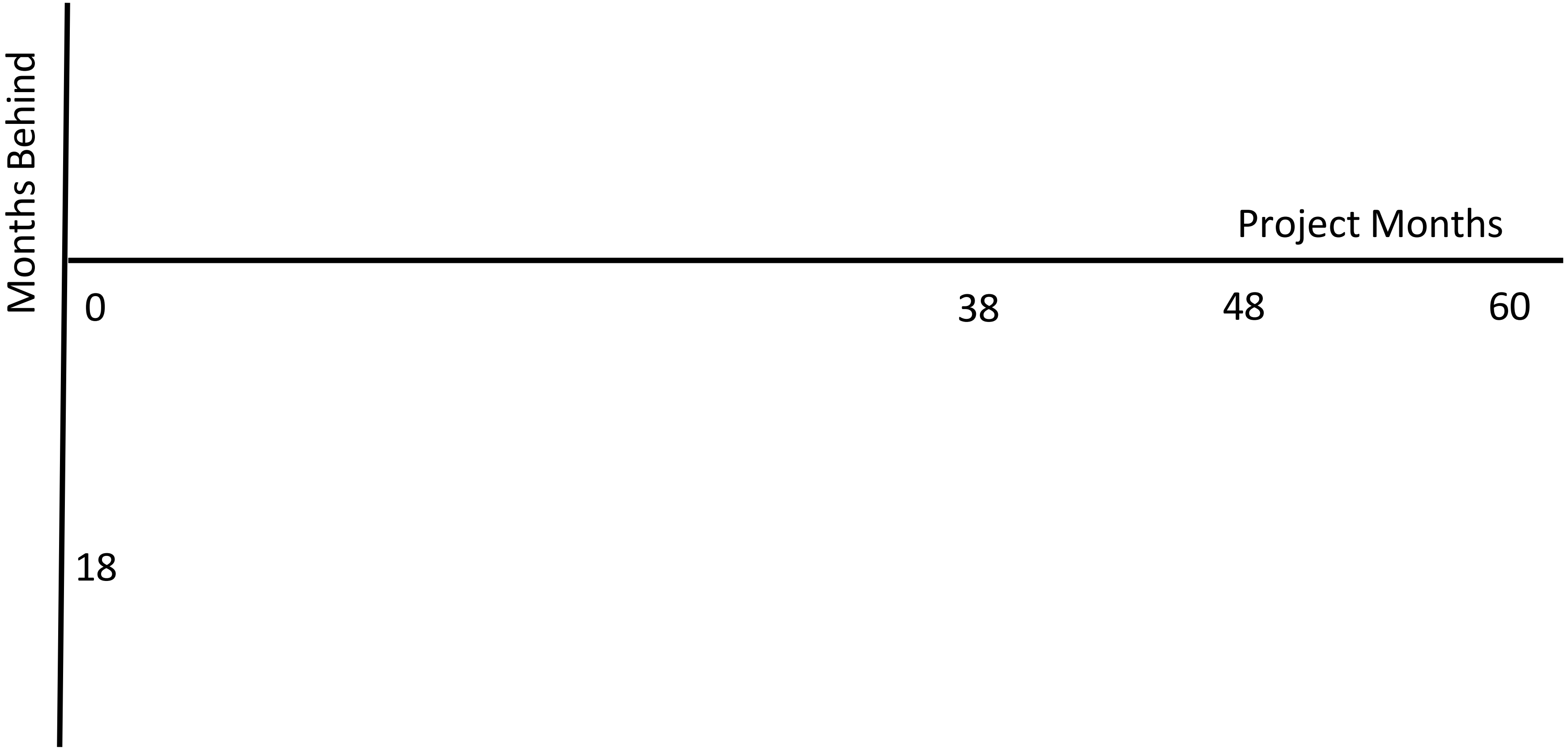
Project on Positive Leadership

Vignette #1

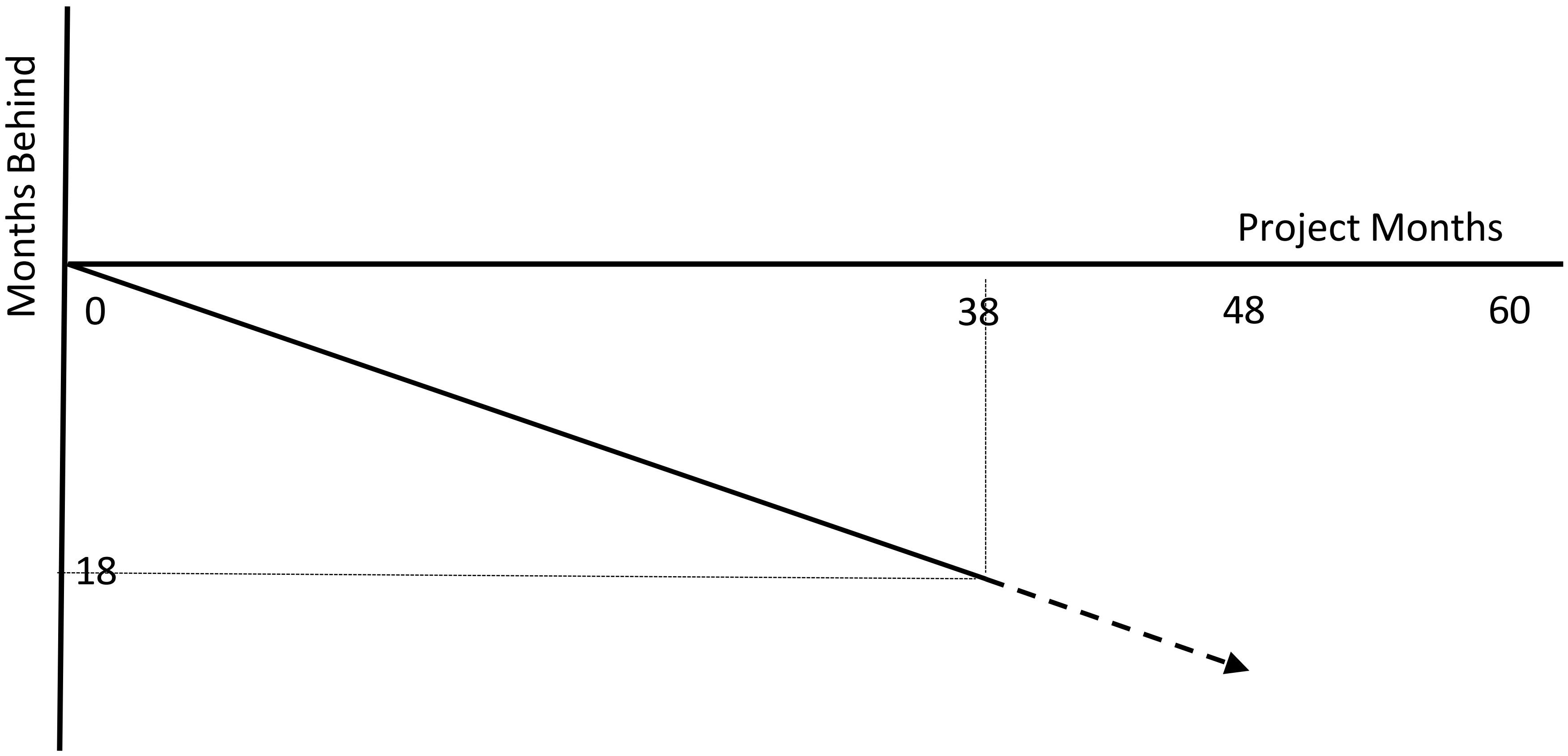
- Kurt Wright was a consultant for a company working on a $100 million, sixty-month, software development project for the government. There were 400 engineers working on the project. Thirty-eight months had already passed, the engineers have fallen behind on the project a little bit more every month that they have worked on this project and at the thirty-eight month mark the project was already eighteen months behind schedule. A clause in the contract stated that if the project was eighteen months behind at the forty-eight-month milestone the company would suffer a $30 million penalty. The stress that engineers and managers feel about this clause was beginning to escalate.

- This story is paraphrased from Kurt Wright, *Breaking the Rules: Removing the Obstacles to Effortless High Performance* (Boise, ID: CPM Publishing, 1998).

Why not just shave off a day?



Why not just shave off a day?



Vignette #1, Part 2

Wright felt that the engineers and managers needed to ask themselves a different question. After significant consideration, the question he came up with was, “What will it take to finish this entire project a week before the 60-month deadline?” He asked people this question in hallways and in meetings, wherever he could. Initially, his question angered people. Managers summoned him into their offices, told him that he was losing his credibility, and that he would get himself in trouble if he did not stop. He listened politely, went back into the halls, and kept asking the same question.

Wright finished his work in six weeks, using only $90,000 of his $150,000 budget. The project was completed on time (in sixty months), $15 million under budget, and did not lose the $30 million atthe forty-eight month mark. Wright’s simple question was worth $45,060,000.

Vignette #2

When Roberto Goizueta became the president and CEO of Coca-Cola in 1981, he had to figure out how to return the company to profitable growth. Coca-Cola had approximately a 35% share of the very mature soft drink market. Soft drink manufacturers—especially Coca-Cola and Pepsi—fought lengthy and expensive advertising and promotion battles in the United States over one-tenth of a percent of market share. Pepsi seemed to be winning the marketing battle—especially after Coca-Cola discontinued their gamble to produce a "New Coke." Analysts began dismissing Coca-Cola, giving it dismal financial projections.

- This story is paraphrased from Ram Charan and Noel Tichy, *Every Business a Growth Business: How Your Company Can Prosper Year After Year* (New York: Random House, 1998), 4–5.

Vignette #2, Part 2

While everyone else in Coca-Cola was thinking, “What can we do to beat Pepsi?” Goizueta asked a different question: “What is the average per-capita daily consumption of fluids by the world’s 4.4 billion people?” The answer was 64 ounces.

Goizuetta then asked what the daily per-capita consumption of Coca-Cola was. His executives told him that it was less than two ounces.

After hearing this response, Goizuetta declared that they would no longer fight Pepsi for their share of the cola market. Instead they would try to win in the non-alcoholic fluids market. In that move, Coca-Cola was no longer struggling solely in a mature industry, and instead was competing in a wide-open market full of possibility. When Goizuetta retired, the Coca-Cola brand was the best-known brand in the world, and he was the first non-founding head of a company to become a billionaire.

This story can be found in Ram Charan and Noel Tichy, *Every Business a Growth Business: How Your Company Can Prosper Year After Year* (New York: Random House, 1998), 4–5.

Vignette #3

In 2009, Amelia Epley was a senior asset manager in the real estate asset management group at First National Bank. Along with her unit of about 20 people, Epley had to figure out how to report on the management of a $7 billion portfolio of loans originated by the bank's structured finance group. Little to no reporting, documentation, or information existed regarding the loan portfolio, yet senior management demanded the report "yesterday." Epley and her colleagues needed the help of the people in structured finance to create the report.

After the bust of the real estate market and the devastation of the financial industry, it became evident that First National had too many non-securitized loans on the balance sheet (in this portfolio and in others): the bank was shouldering 100% of the risk. This is intolerable, but nothing can be done about it in this portfolio until a complete reporting of the status and management of its components is made. It went unnoticed throughout the real estate market boom because operations had flowed relatively smoothly and loans were generated quickly.

People in both the asset management and the structured finance groups thought poorly of each other and resisted cooperating with each other. Senior management did not notice because they allowed the divisions to operate with minimal supervision. Now senior management was demanding a report with no reporting procedure.

Vignette #4

The Boulder office of a national nonprofit hired Kwame Jones as a consultant to help address an issue in the Fort Collins and Boulder offices. The nonprofit provides services and support for low-income families with young children. The staff in Fort Collins come from circumstances similar to their clients and have a close relationship with the managers in the regional office. Most of the staff members in Boulder come from more affluent circumstances and are not as close with staff from the regional office.

Staff in Boulder have reported that staff in Fort Collins are failing to report behaviors in client families that they are legally bound to report. For example, in one home a staff member from Boulder found evidence of child abuse and neglect, including needles used for illegal drugs on a coffee table. This staff member knew that someone from Fort Collins had been in the home and that it was impossible to miss the available evidence. When she confronted staff members from Fort Collins, staff members in Fort Collins “covered up” the situation. Boulder staff say that this is one of many such instances and that the problem is becoming intolerable. The Boulder staff have reported this to the regional office, claiming that the staff members in Fort Collins have an unwritten rule of covering up for each other, and the leadership is turning a blind eye to the problem.

Vignette #5

- Ankita Choudhary is a junior staff member in the office of a U.S. senator. During a holiday party where alcohol was served, Pete, a senior staff member, grabbed Jill, an office intern, by the waist and told her that he wanted to "suck on the mole" on her lip. The next day, Jill told Ankita, whom she trusted. Ankita's direct supervisor, Fred, was brilliant legislatively but completely ineffective in personnel matters. Tom, the office manager who handled payroll and HR issues, was close friends with Pete. The only recent instance of sexual harassment in the office resulted in a different staff member being fired. Jill is an unpaid college intern in her first professional work environment.

References

- Fritz, Robert (1989). *The Path of Least Resistance: Learning to Become the Creative Force in Your Own Life*. New York: Fawcett.
- Quinn, Ryan W. and Quinn, Robert E. (2015). *Lift: The Fundamental State of Leadership*. San Francisco: Berrett-Koehler, chapters 3-4.