

How Serious Is Your Problem?

When something goes wrong, how do you make sure that you understand the real gravity of the situation? The quality and accuracy of initial information is critical to evaluating the magnitude of the problem as well as providing direction for the solution.

Learn from Natural Disasters

The gravity and response to the Japan tsunami and nuclear plant disaster provides some excellent learning we can apply to business. After the tsunami, there was widespread chaos but also the heroism and creativity of the initial responders. There were also serious mistakes that could have been avoided if the proper process was used to assess the gravity of the situation. Here are some lessons that each of us can apply to any business situation when things go wrong. These events can vary in severity from the nuclear disaster, to the fuselage ruptures of the 737-300 to a new product launch that falters or fails.

Four Point Checklist

Here is a four-point checklist to help you correctly assess serious business problems assembled from best practices in natural disasters and other major failures.

1. Collect and coordinate all relevant information in one place.
2. Validate all assumptions and then reconfirm them with hard facts.
3. Avoid overly optimistic assumptions.
4. Apply sufficient resources to understand the problem.

Business Implications

Whenever I have seen business problems that ended up far worse than warranted, I found that one or more of these core principles was not executed well.

In more severe problems or a crisis, the time dependencies become very critical. However, even in areas like poor product launches or reorganizations, violation of any of these four principles can be very harmful.

Think about the last time something went wrong in your company. How well did your leadership team implement these four elements? Failure to implement all four can cause significant financial or reputational damage. It can also waste valuable resources and time better spent on growing your business.



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Bad things happen unexpectedly in business and in life. Much of how we react is predicated on how we assess the situation and that's largely within our control.