

Solving problems through looking at the options



Frank Buytendijk deals with dilemmas

Photo: Steve Eastwood

Modern business has become obsessed with analysis as a vital tool in making sense of problems but some are too intractable to be solved by traditional methods. Frank Buytendijk, a vice-president and fellow of Oracle Corp. has made a study of how we make decisions and is the author of the book : "Dealing with Dilemmas". He discussed his findings at an American Chamber of Commerce's ComIT event at the Alvisse Hotel.

Analysis frequently consists of taking something apart to see how it works. "IT people would call it functional decomposition," said Buytendijk. He said traditional management analysis boils down to three forms: variance analysis (looking at differences), root cause analysis (what led a notable variance) and trend analysis (the extrapolation of how a given solution is going to play out).

Limits to traditional analytical methods

Buytendijk demonstrated that there are limits to this kind of analysis. It fails, he said, when applied to a situation where the problem is not well understood. "At the core of a problem usually is a dilemma," he said. "The moment when you immediately jump to a solution, you will never reach the core of the problem." Buytendijk said a better approach to handling problems comes out of Greek philosophy, in the form of dialectics. This approach works by counter-posing a thesis with its antithesis, to come up with a synthesis.

This thinking underlies the message from management gurus like Jim Collins who in his book "Built to Last" discussed "the tyranny of the 'OR'" which pushes people to think that things must either be one way or another, but not both. Buytendijk said Collins' concept of "the genius of the AND" is in line with dialectical reasoning. However, most recent work on corporate strategy is still focused on making choices, not on synthesising new options.

Big, bold sweeping choices

Most recent business heroes (and antiheroes) are evaluated in terms of their ability to make big choices - big decisions, said Buytendijk. He gave as examples Apple's Steve Jobs', GE' former CEO Jack Welch, and less successful CEOs like the Royal Bank of Scotland's Fred "the shred" Goodwin and Porsche's Wendelin Wiedeking. These men have in common that they "set direction in big, bold, sweeping statements," he said. Research on what differentiates successful companies typically finds that the successful ones have this sort of decisive leader. "We're all going to go left," said Buytendijk, imitating such decisiveness.

But this research, he said, uses the wrong design. Instead, he proposed the researchers should compare the high performing companies with the companies that don't exist any more. "One thing that they typically have in common is that they had big, powerful leaders who at one moment said, we're all going to go left, and in the case of the companies that don't exist any more, it seems it was the wrong choice." So a CEO like Steve Jobs makes the right choices - or at least he has so far.

Leaving the doors open to options

"Perhaps our idea of what strategy actually means creates dilemmas in decision-making, makes it harder on us than it actually should be," Buytendijk said. He favours the view that sees strategy as creating options. "The choice is about closing doors . . . And options is about keeping doors open." Buytendijk illustrated this by looking at how making a synthesis of a variety of options before a company could achieve more at less risk than picking "the best strategy." Many tools are available to help companies with this kind of approach, he said.

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