

# Course of Digital Management Consulting

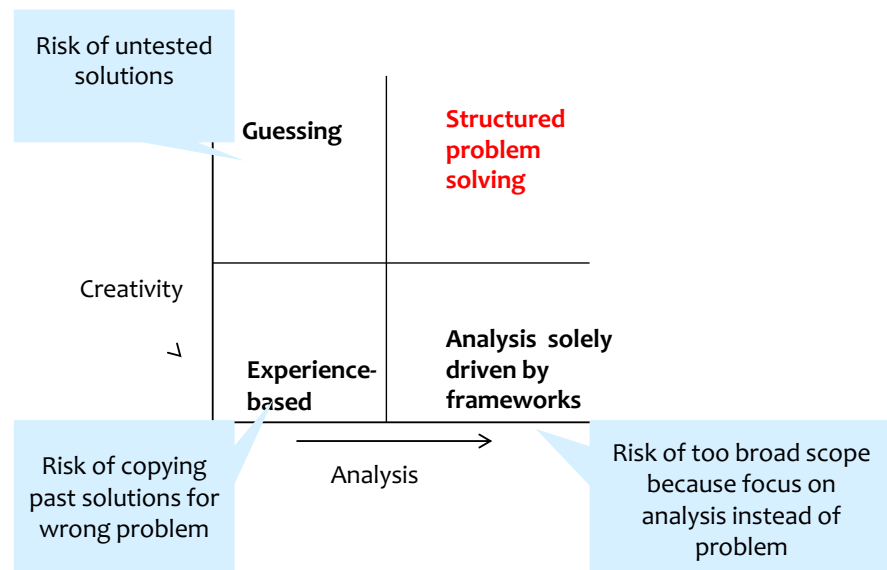
## *Structured problem diagnosis*

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### **Agenda**

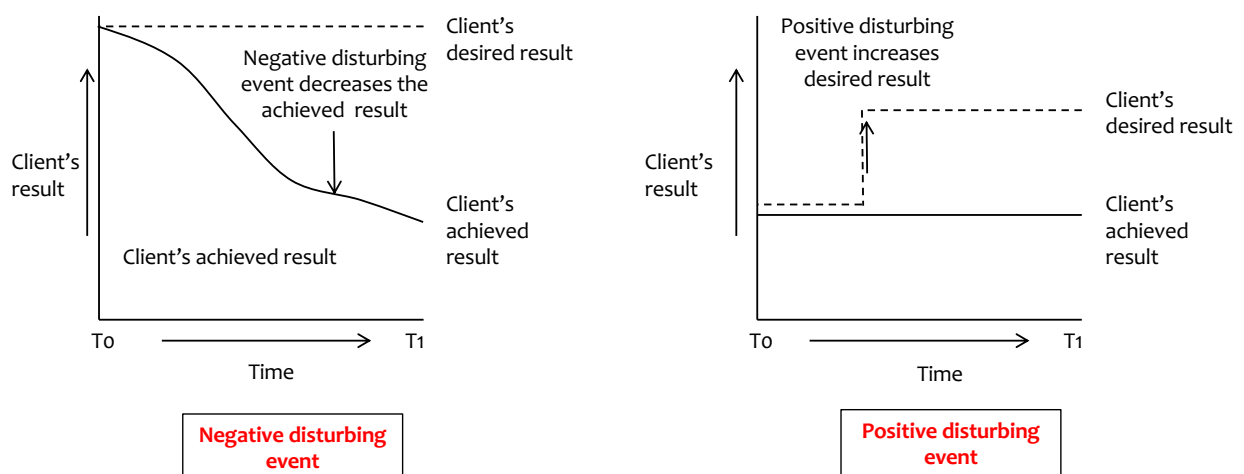
- 4 Approaches to problem solving;
- The result gap;
- The structured approach for diagnosing a problem;
- What? Where? Why?
- Define the problem statement;
- Structured opportunity diagnosis;
- Use of a structured approach in a case-based interview

## 4 Approaches to problem solving



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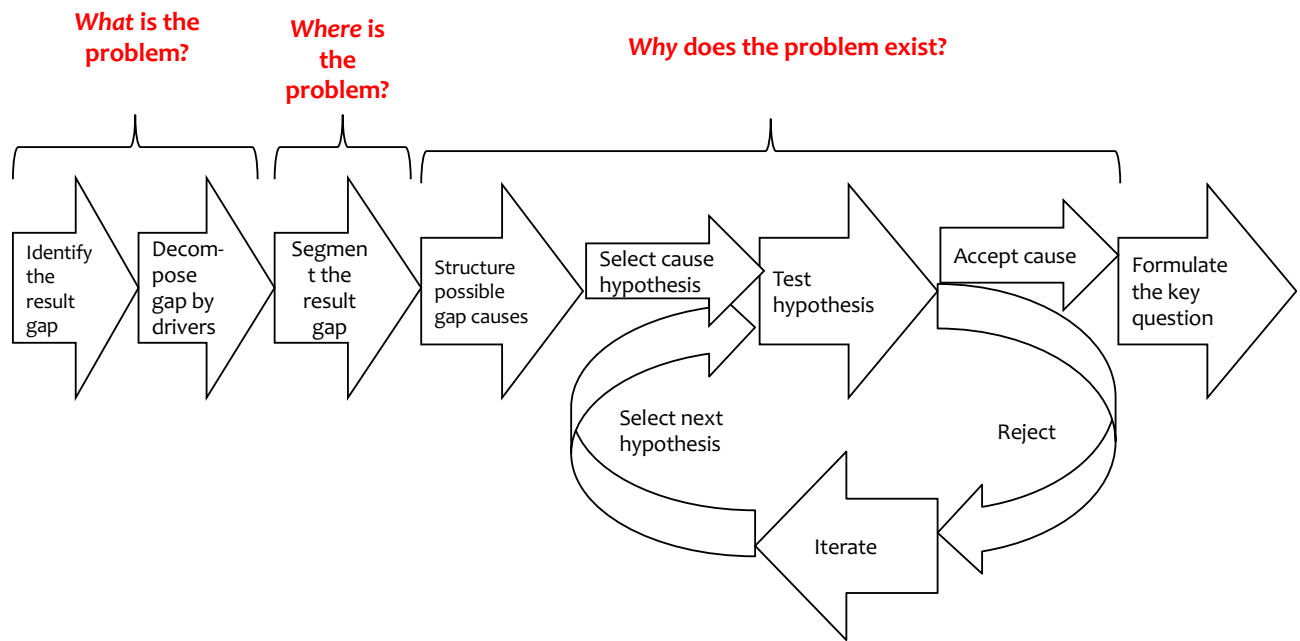
## The result gap



The **problem** is considered as the gap between the achieved result and the desired result of the problem-owner, then we may define problem solving as *closing the result gap*. The **diagnosis of the problem** will concentrate on *explaining the result gap*.

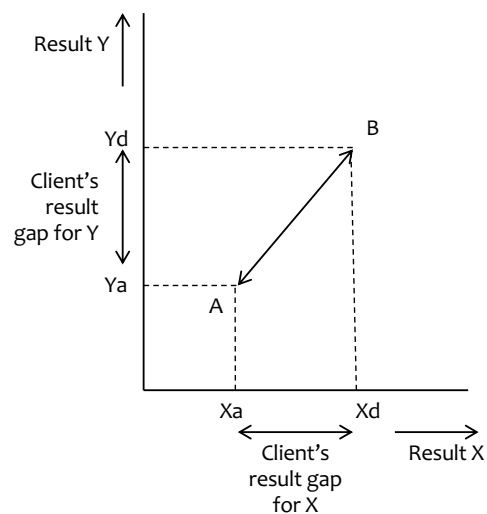
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## The structured approach for diagnosing a problem



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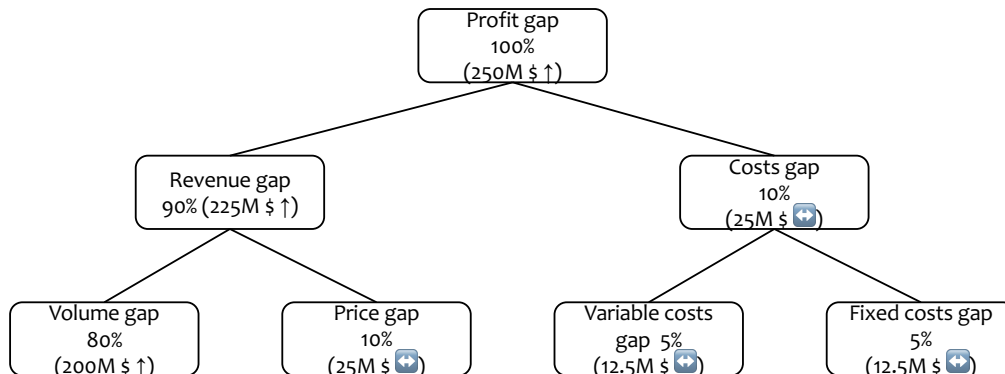
## What? - Identify the result gap



**A:** achieved result  
**B:** expected result

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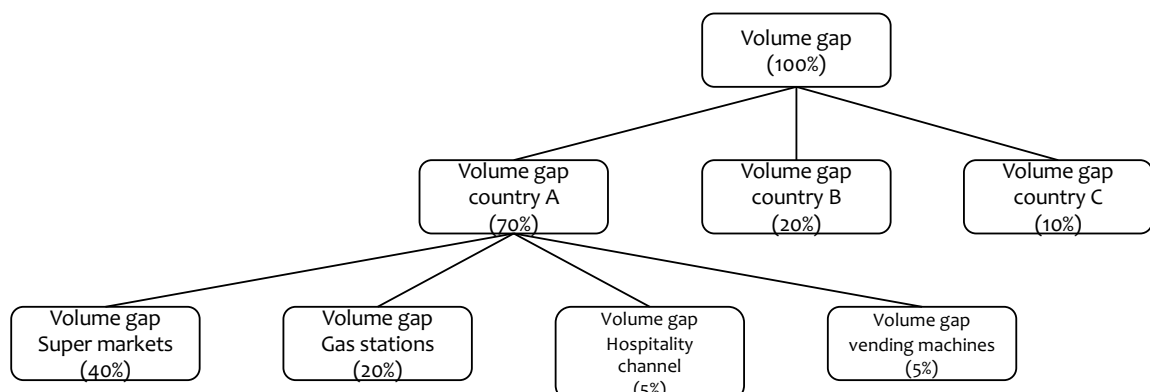
## What? – Decompose a result gap



This technique helps to reduce the complexity of analysis, however, consultants should be aware of the risk of oversimplification.

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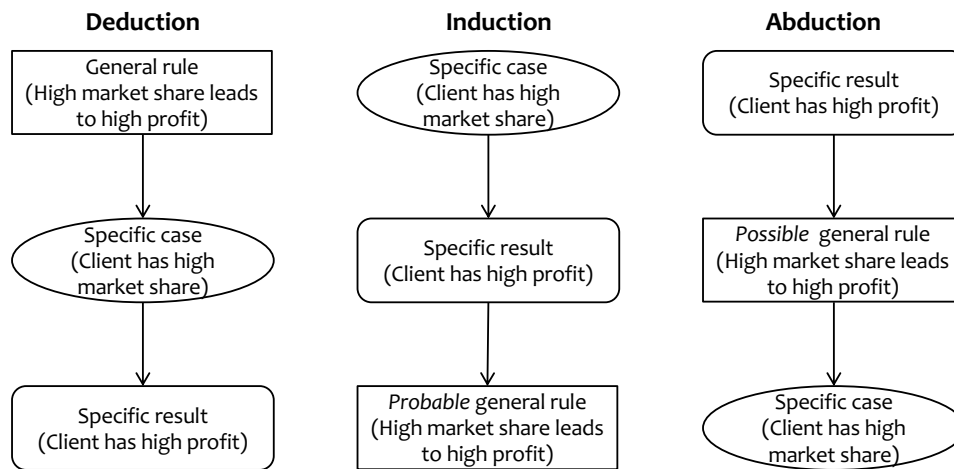
## Where? – Segment the result gap



The consultants want to know how the volume gap is distributed over the countries and channels; this contribute to determine where to focus their attention.

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## Why? – Select cause hypothesis



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## Why – Test hypothesis and accept cause

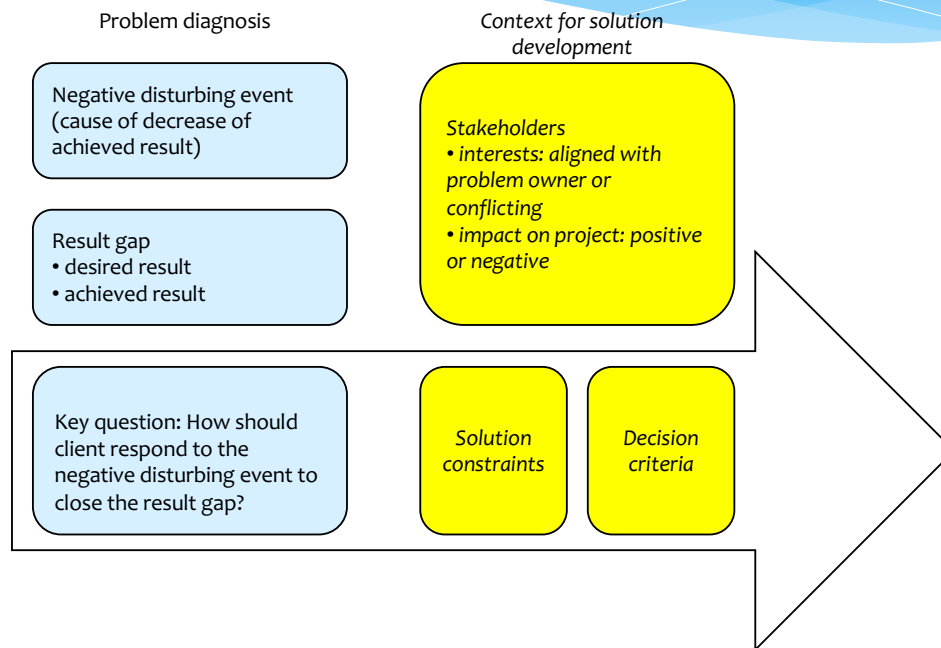
To identify the cause of the result gap, consultants use the «**abductive reasoning**». It aims to explain a specific result; it's about seeking a hypothesis to account for the specific result.

The hypothesis is what the consultants think is the best explanation of the result gap. They create an overview of possible explanations. Then, they have to verify the hypothesis. They will search for the root cause of the result gap.

To verify the hypothesis, consultants need to *collect data*. Then, *analysing data*, they understand if the cause could be accepted or not. When it is *confirmed* they have to measure how much the impact of this cause is responsible for the result gap. Usually more than one cause is responsible of the result gap.

In the end, consultants can formulate the **key question**.

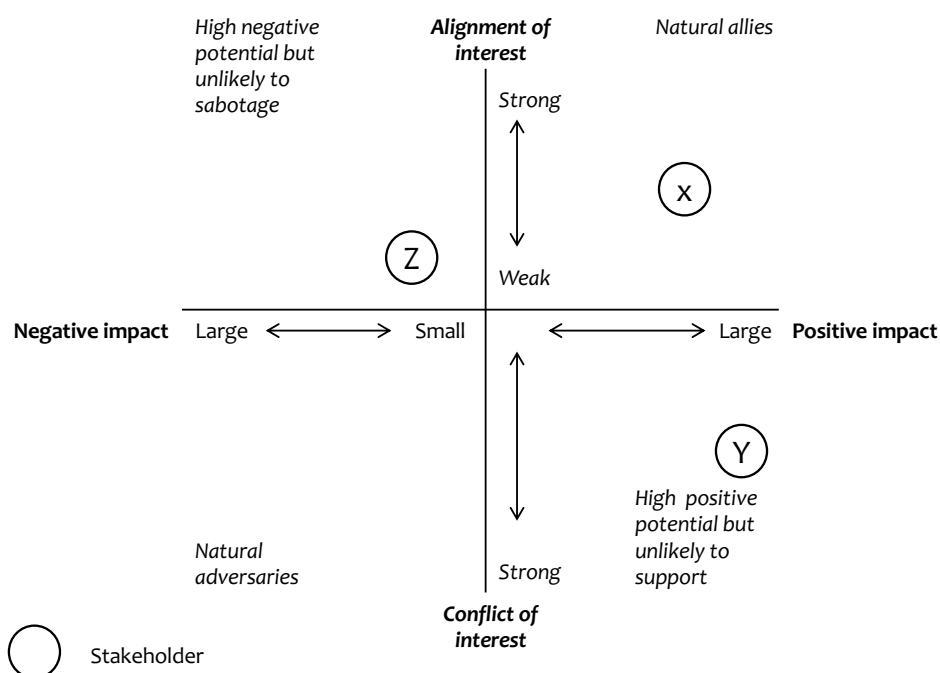
## Define the problem statement



Statements outline the **problem diagnosis** and **provides a context** for solution development. The problem diagnosis consists of a description of the negative disturbing event and the result gap.

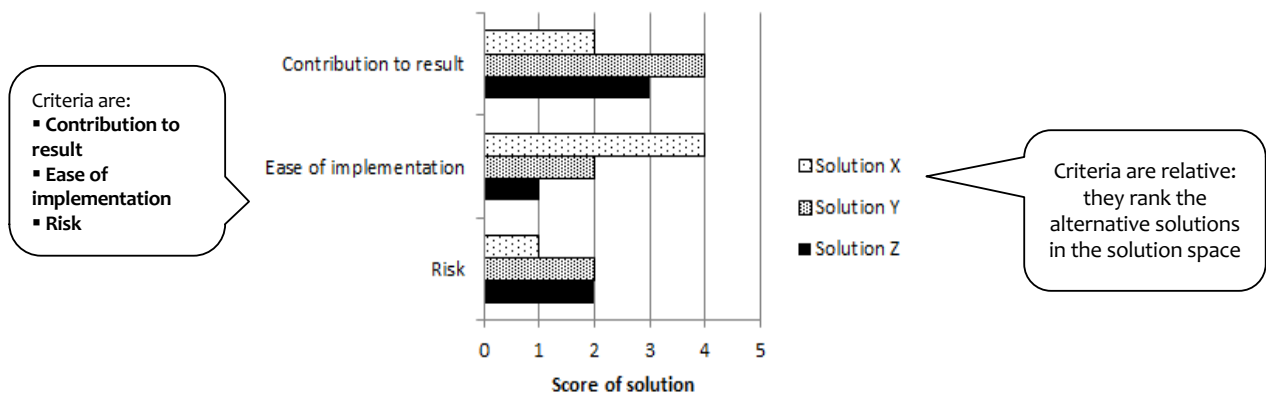
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## Context for solution development – Investigate the stakeholders



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## Context for solution development - Constraints



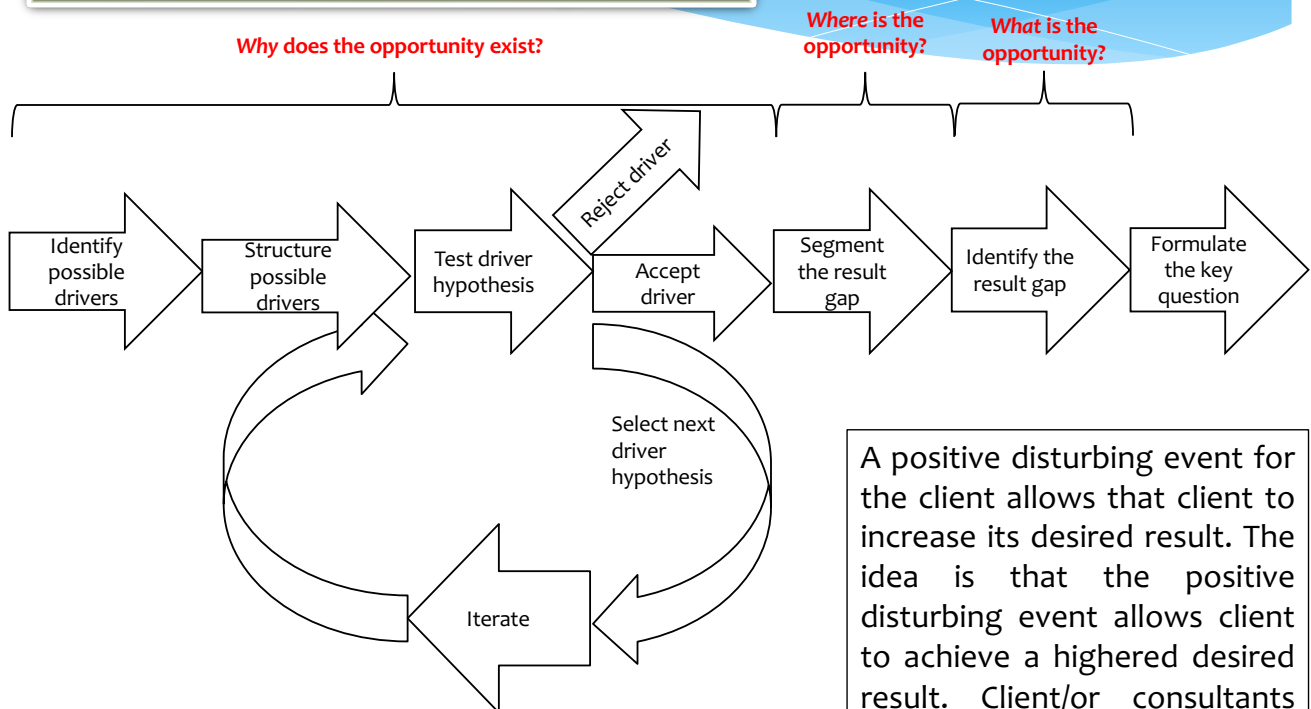
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## E.g. problem statement

Problem statement	AcStrat Ltd
<i>Achieved result</i>	A loss of US\$X
<i>Disturbing events</i>	Changing demand and increasing scale and experience advantages
<i>Desired result</i>	Within one year reach a breakeven result, and within three years realize a profit per partner of US\$Y
<i>Key question</i>	How should AcStrat Consulting respond to the changing demand and increasing scale and experience advantages to realize a profit per partner of US\$Y within three years?
<i>Stakeholders</i>	AcStrat's partners, consultants, support staff, clients, and alumni
<i>Constraints to the solution</i>	<ul style="list-style-type: none"> <li>▪ No financial reserves for absorbing further losses (no time)</li> <li>▪ No room for investment</li> </ul>
<i>Decision criteria</i>	<ul style="list-style-type: none"> <li>▪ Profit per partner</li> <li>▪ Maintaining the partnership base in tact</li> <li>▪ Speed of implementation</li> <li>▪ Ease of implementation</li> </ul>

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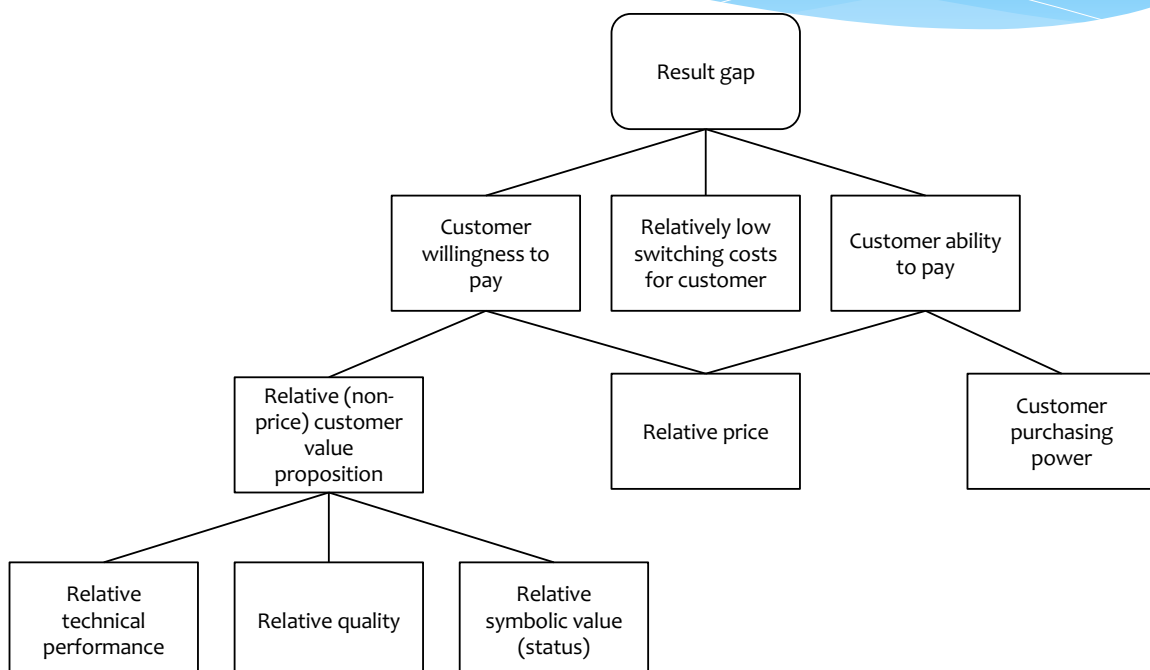
## Structured opportunity diagnosis



A positive disturbing event for the client allows that client to increase its desired result. The idea is that the positive disturbing event allows client to achieve a higher desired result. Client/or consultants perceive an opportunity for the client.

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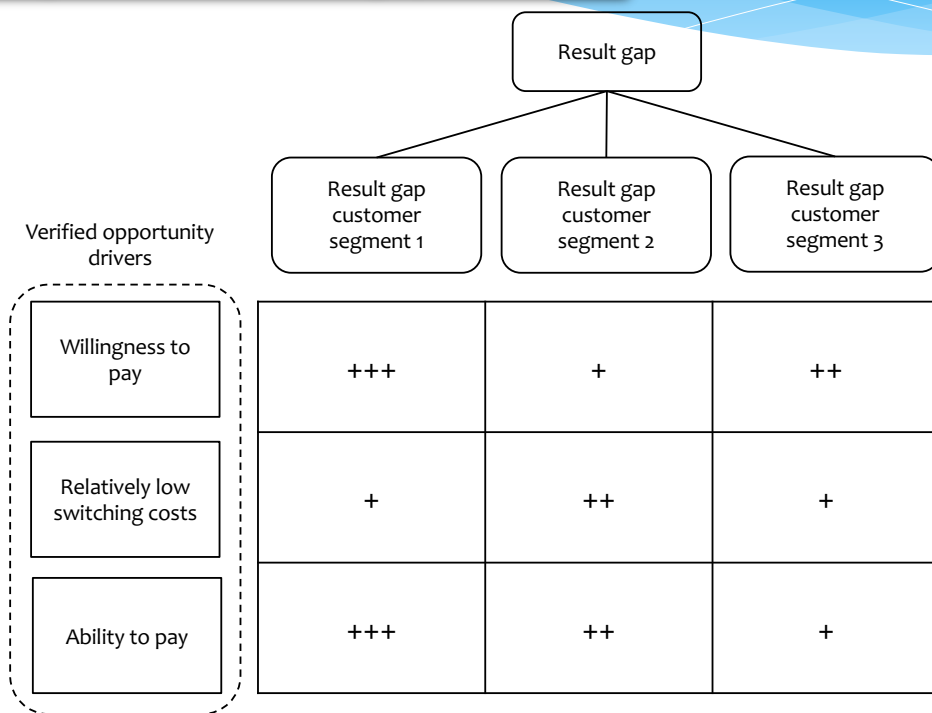
## E.g. a hypothetical model of opportunity



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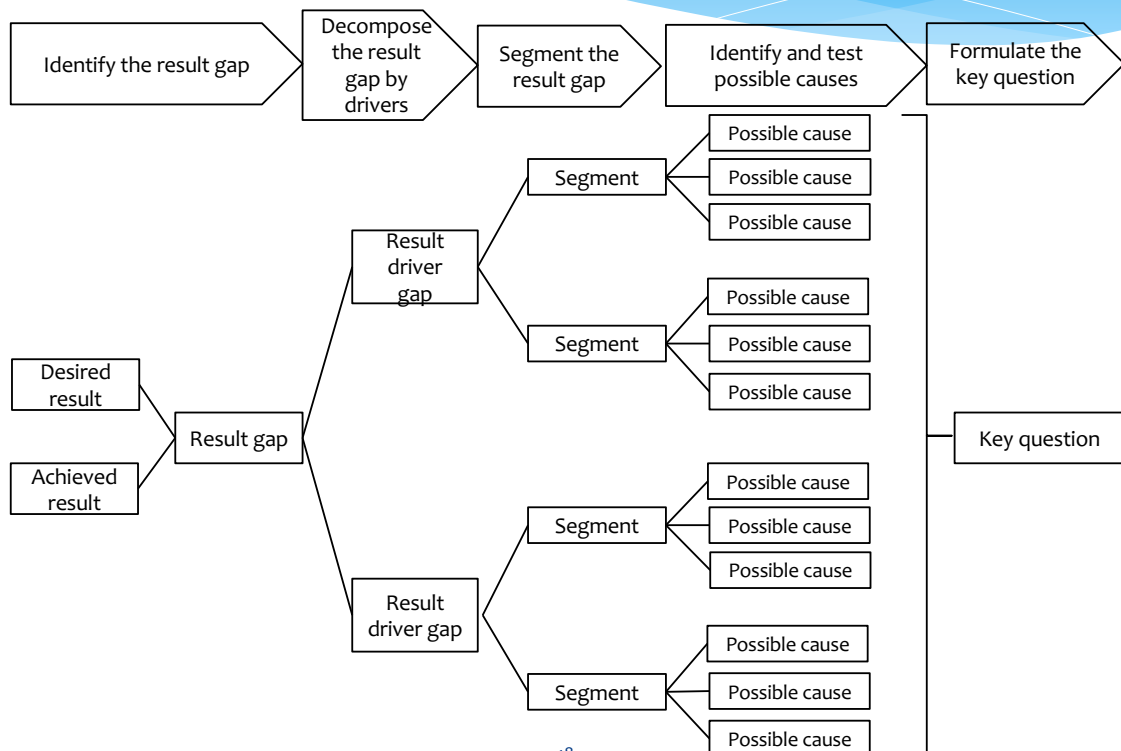


## E.g. segment the result gap



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## Summary – The process of structured problem diagnosis



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## Preparing to case-based interviews

*A structure approach to problem solving is key to prepare for case-based interviews .... and these interviews are an important step in the selection process in most consulting companies.*

*Many references to case-based interviews are available on the web (also as videos)*

## Preparing to case-based interviews

### 1. Role of The Case Interview

Case interviews help us learn how you think... and help you understand what we do.

**HOW DO YOU APPROACH  
UNSTRUCTURED  
CHALLENGES?**

**CAN YOU EVALUATE DATA AND  
USE IT IN YOUR ANALYSIS?**

**CAN YOU THINK OUTSIDE THE  
BOX?**

**CAN YOU APPLY COMMON  
SENSE TO COMPLEX BUSINESS  
PROBLEMS?**

**CAN YOU ASK THE RIGHT  
QUESTIONS?**

**CAN YOU COMMUNICATE  
YOUR IDEAS?**

# Preparing to case-based interviews

## 2. Case Interview Tips

Think of the case interviewer as your client. **Your interviewer wants you to solve the problem, and can help. Work together.**



### Pinpoint the issue

Think about the scenario. Ask clarifying questions. Summarize your understanding of the situation in your own words.



### Break it down

Are there smaller problems inside the big one? Put your initial thoughts on paper. Diagram your ideas. Structure your thinking process. Ask for the additional information you need.



### Pick an approach

Show your client why it's better than the alternatives. State your assumptions. Agree on the key concepts to explore more fully.



### Analyze the issues

Analyze and incorporate data into your thought structure. If you need more data, ask for it. If you're stumped, take a creative leap.



### Use numbers

Show your quantitative skills. Be careful with simple calculations.



### Make a recommendation

Summarize your key findings: What has your analysis told you? Tie it all together: How does your recommendation answer the key issues? What should your client do?

From BCG website:

<https://careers.bcg.com/students>

From McKinsey website:

<https://www.mckinsey.com/careers/interviewing>

From Oliver Wyman website:

<https://www.oliverwyman.com/careers/entry-level/interview-preparation.html>

There are also youtube videos from:

- Bain - [https://www.youtube.com/watch?v=Nib4\\_5\\_4afA](https://www.youtube.com/watch?v=Nib4_5_4afA)
- McKinsey - <https://www.youtube.com/watch?v=nGzYzq3Wsos>
- Former McKinsey - <https://www.youtube.com/watch?v=fBwUxnTpTBo>