

# PIM Training Program

Getting started with  
Problem/Opportunity

**SMART Problem  
Statements**

# Agenda

This session is the third of the **Getting started with a problem/opportunity** program.

## PIM Program Introduction

1. Analyzing a problem
2. Requirements gathering
3. SMART problem statements
4. Project customer impact
5. Practice problem statements



## Session Details

Session Facilitator: Karthic Raja (L5 Product Manager)

Session Duration: 2 hours

Note that at the end of this program, you will be evaluated on your ability to write clear business problem statements.



# Objectives of Training

- Problem statements are the loadstone of a PIM's project. This session is aimed at enabling you to write an effective problem statement. At the end of this topic, you should be able to:
  - Write a SMART Problem Statement



# Writing SMART Problem Statement

# Characteristics of SMART Problem Statement

## What is SMART Technique?

It is a method of writing a clear and effective problem statement. The characteristics of a SMART problem statement are:

- S (Specific)
- M (Measurable)
- A (Action Oriented/Attainable)
- R (Relevant)
- T (Time Bound)

A good problem statement should be all of those above things. The challenge is to balance being thorough with being concise.

# Non-SMART Statements

## Examples of Non-SMART statements

**Not Specific:** *"better manage the business."*

This is too **generic** and doesn't suggest where the greatest impact might be, how, or by when to capture it.

**Not Measurable:** *"reverse our deteriorating performance."*

Without specifying what **metrics** (or KPIs - Key Performance Indicators) best reflect "performance", it's **impossible to assess** whether or not we've made progress.

**Not Action-Oriented:** *"increase sales and decrease costs."*

While these are both appealing goals for any company, they have to be **actionable** to create impact.

**Not Relevant:** *"increase profits by raising prices."*

This sounds good, but not if the client is selling a commodity that sells at market prices. The problem statement has to be relevant to the client and their key problem(s).

**Not Time-Bound:** *"eventually increase profits by 10%."*

A specific **deadline** is needed to **motivate** people to action, hold them **accountable**, and know if the project was successful.

# Factors when Writing Problem Statements

## Factors apart from SMART principles when writing Problem Statement.

- SMART problem does little good if it isn't realistic for the business.
- A good problem statement also takes into account the relevant, critical factor that your client is facing.

*Some of the vital factors that create an impact on problem statement are as below.*

**Business Context:** Things going on at the company, in the industry, or with customers.

**Criteria for success:** Business goals for the project in a broad perspective.

**Stakeholders and decision makers:** People who will approve the project, and assess its success.

**Constraints:** Limitations that might prevent your client from achieving a solution.

**Risk and Appetite for Risk:** Assessing the downside implications of this project.

**Scope:** How far across or deep into the organization the problem goes?

# Inputs needed to write Problem Statement

## Inputs for writing Problem Statement:

- Business Context
- Underlying business issue to be addressed
- Who is affected by it
- Root Causes of the issue
- Symptoms
- CTQ (Critical To Quality)



# Problem Statement for a Business Scenario

## Problem Statement:

- Problem Statement is an effective way to define an issue and communicate a proposed solution.
- Before writing a problem statement think about the problem and your proposed solution, and be prepared to back it up with facts.
- There are few steps in writing a structured problem statement. The steps help to arrive at a well defined problem statement to solve the business problem.

## Business Scenario:

Let's say that you work at a major **airline (ABC aviation)** and that you've noticed that the way passengers board your planes is an inefficient use of time and resources.

# Problem Statement – Ideal State

## Describe the 'Ideal' state of affairs:

Start by describing how things should work. Before you mention your problem, explain in few sentences how things would be if the problem didn't exist.

## Example:

*The boarding protocols used by ABC Airlines **should** aim to get each flight's passengers aboard the plane **quickly and efficiently** so that the plane can take off as soon as possible. The process of boarding should be optimized for time efficiency but also should be straightforward enough that it can be easily understood by all passengers.*

# Problem Statement for a Business Scenario

## Explain your problem:

Articulate the problem being addressed to the reader in a way that's clear, straightforward, and easy to understand. Summarize the problem you intend to solve that cuts to the heart of the issue immediately and position the most important information in the problem statement.

## Example:

*ABC Airline's current passenger boarding system is an **inefficient** use of the company's time and resources. By wasting employee man hours, the current boarding protocols make the company **less competitive**, and by contributing to a slow boarding process, they create an **unfavorable brand image**.*

# Problem Statement for a Business Scenario

## Explain your problem's Financial Costs:

State why the problem is a big deal. Highlight the financial impact of your problem on the company or the business you're writing for. Be as exact and specific, about the financial burden of your problem.

## Example:

*On average, the current boarding system wastes roughly 4 minutes per boarding session, resulting in a total of 20 wasted man-hours per day across all ABC flights. This represents a waste of roughly **\$400 per day**, or **\$146,000 per year**.*

# Problem Statement for a Business Scenario

## Back up your assertions:

If you can't back up your claim with reasonable evidence, you may not be taken seriously. When you start making specific claims about how serious your problem is, you'll need to start supporting your statements with evidence/data.

## Example:

***Based on internal performance tracking data<sup>\*1</sup>. On average, the current boarding system wastes roughly 4 minutes per boarding session, resulting in a total of 20 wasted man-hours per day across all ABC flights. This represents a waste of roughly \$400 per day, or \$146,000 per year.***

# Problem Statement for a Business Scenario

## Explains the benefits of the project:

Focus primarily on the financial impact of your solution like the expenses it will reduce, new forms of revenue it will generate etc. You can also explain non-tangible benefits out of your project, like improved customer satisfaction, but make it short.

## Example:

*ABC airlines stands to **benefit substantially** by solving this business problem. For instance, the impact of \$146,000 in estimated yearly savings out of this project can be re-directed to **new source of revenue**, such as **expanding its selection of flights** to high-demand markets.*

# Problem Statement for a Business Scenario

## Summarizing the problem:

After all of these actions, now conclude with a summary of your main arguments that allows you to transition easily into the main body of your proposal. Provide a basic gist of what you've described in your problem statement and the approach you intend to take after this.

## Example:

*Optimization of current boarding protocols or adoption of new, **more-effective protocols is crucial** for the continued competitiveness of the company. Further in this proposal, the solutions for this problem will be identified and analyzed for their feasibility and steps for effective implementation will be suggested.*

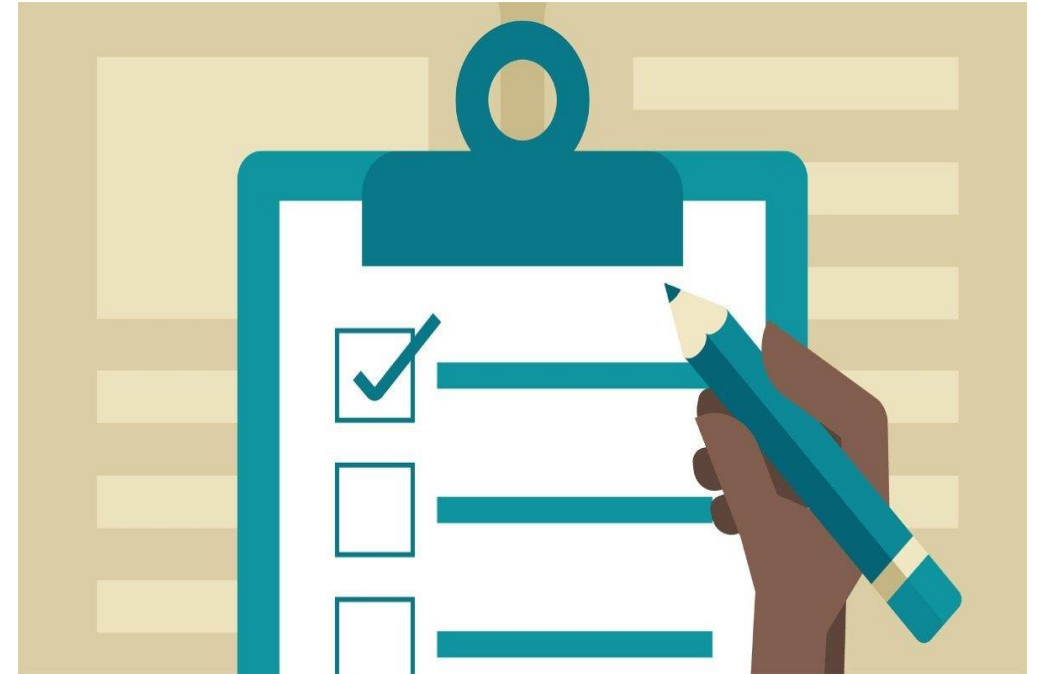
# Key Learnings



# What did you learn?

What is SMART technique?

- Factors when writing problem statement
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- Inputs for writing problem statement
  - Business Context
  - Who is affected by it
  - Root cause of the issue
  - Symptoms
  - CTQ (Critical To Quality)
- Steps in writing Problem Statement
  - Describe 'Ideal' state of affairs
  - Explain your problem
  - Explain your problem's financial cost
  - Back up your assertions
  - Explain the benefits of the project
  - Summarizing the problem



Thank You!