7 Step problem-solving

AGENDA

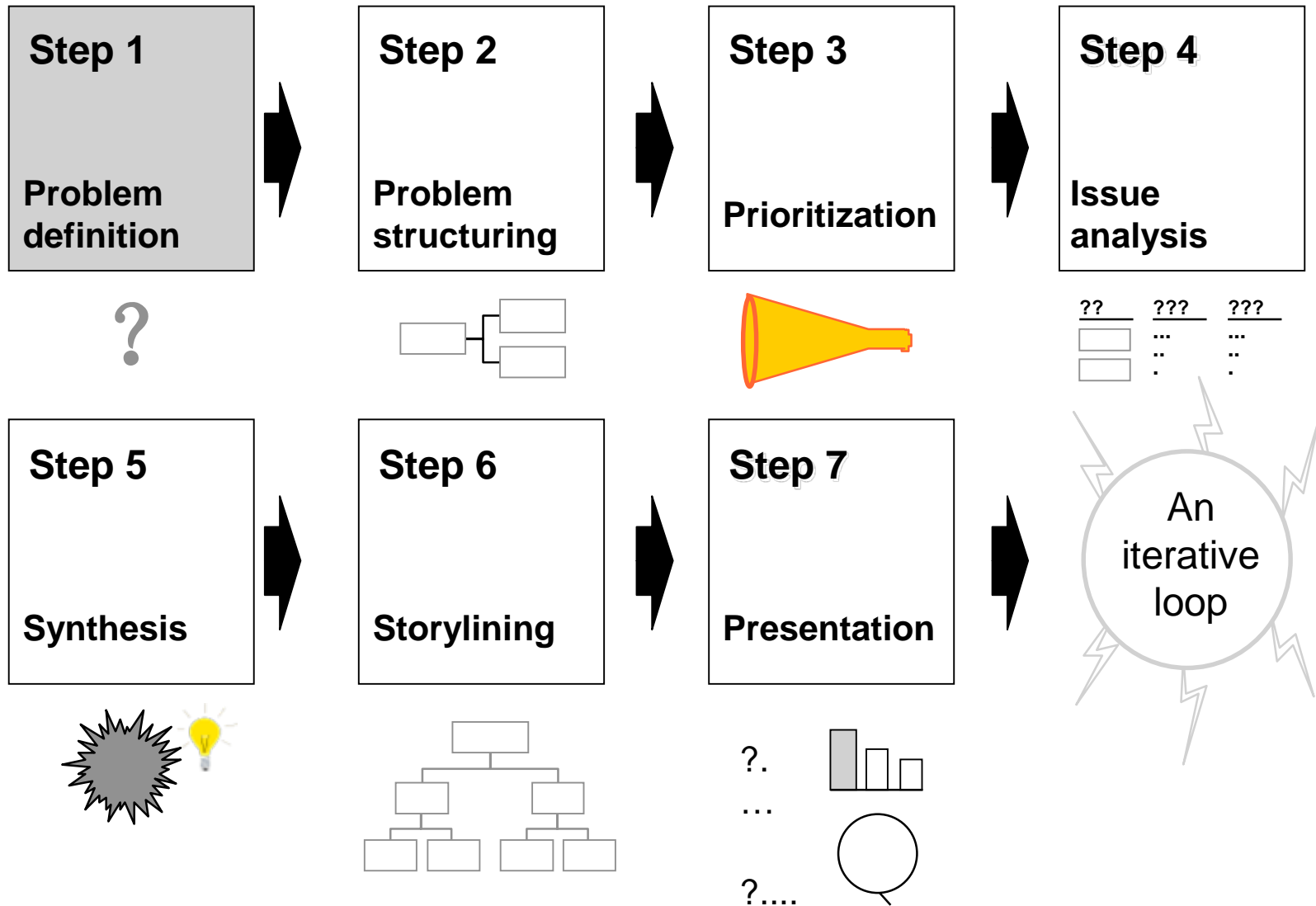|	
Overview of 7 steps	9:00 - 9:15
Step 1: Problem definition	9:15 - 9:30
Step 2: Problem structuring	9:30 - 10:30
Step 3: Prioritization	10:30 - 11:00
Step 4: Issue analysis	11:00 - 11:30
Step 5: Synthesis	11:30 - 12:00
Lunch	12:00 - 1:00
Step 6: Storylining using pyramid principle	1:00 - 3:00
Step 7: Presentation - Saying it with Charts	3:00 - 5:00

OBJECTIVES

- Learn how to tackle and develop a logical approach to solving major problems

  - Clearly understanding the key question to solve

  - Break down major problems into smaller issues

  - Prioritizing each issues and understand which data/analysis is needed

  - Synthesize findings into pyramid principle of communication and storytelling

  - Clear presentation charts

7-STEP PROBLEM SOLVING LOOP

7-STEP PROBLEM SOLVING LOOP

Step 1

Problem definition

Step 2

Problem structuring

Step 3

Prioritization

Step 4

Issue analysis

Step 5

Synthesis

Step 6

Storylining

Step 7

Presentation
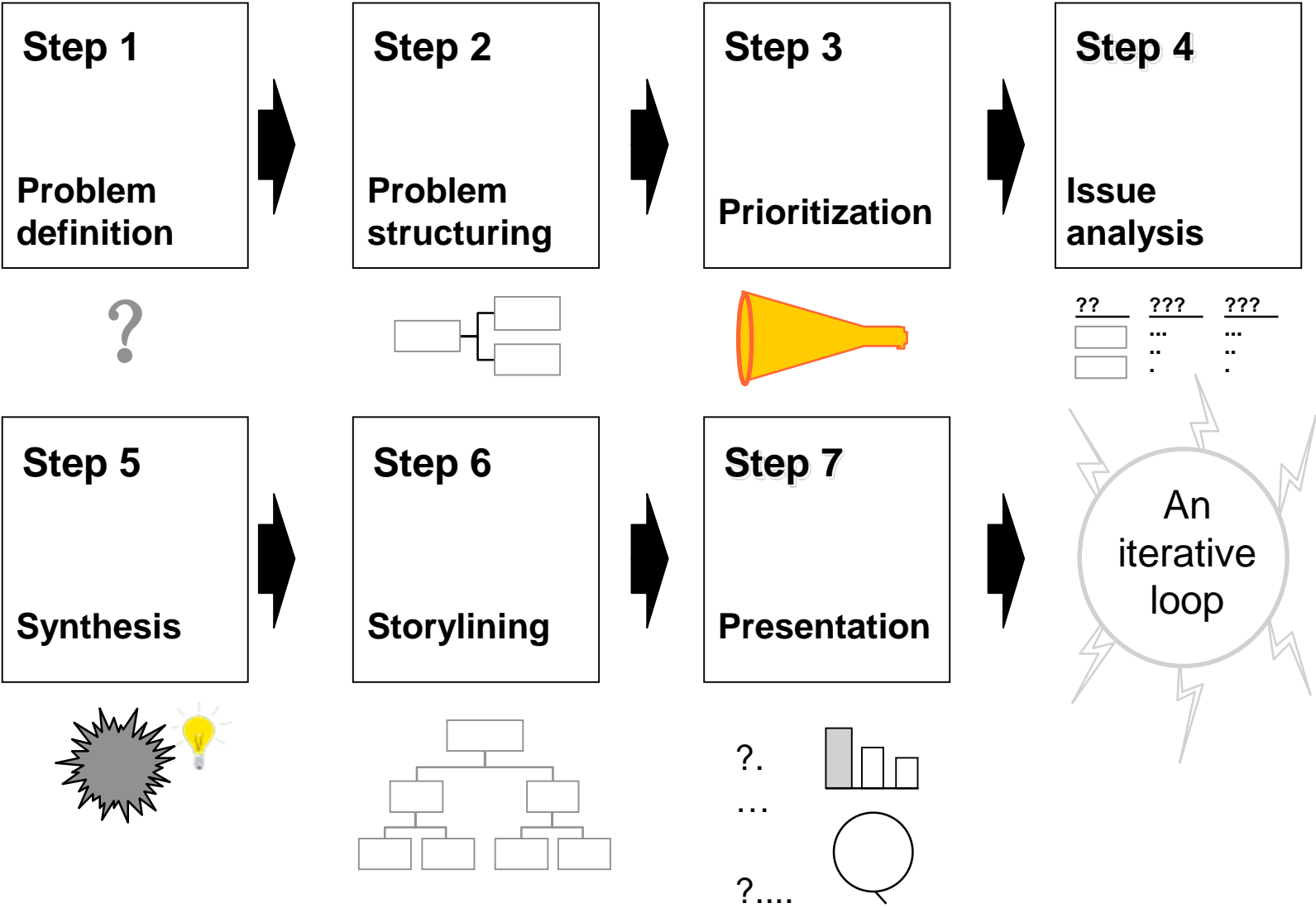
An iterative loop

STEP 1 - PROBLEM STATEMENT WORKSHEET

Basic question

Synthesize your problem down to 1-2 sentences (the elevator speech). Define what must be resolved to deliver impact on a business problem (not a technical solution, e.g. how to install a server).

1. Context
Sets out the situation and complication facing the team, which would later on be the foundation of the governing thought – *e.g., industry trends, relative position in the industry*

2. Criteria for success
Defines success for the project. Must be shared by client and team and must include relevant qualitative and quantitative measures – *e.g., impact and impact timing, visibility of improvement, client mindset shifts*

3. Scope of solution space
Indicates what the study will and will not include, and try to be as inclusive as possible – *e.g., international markets, research and development activities, uncontrolled corporate costs*

4. Constraints within solution space
Defines the limits of the set of solutions to consider by revisit the issue tree on regular basis – *e.g., must involve organic, rather than inorganic, growth*

5. Stakeholders
Identifies who makes the decisions and who else could support (or derail) the study – *e.g., CEO, division manager, SBU manager, key outside influencers*

6. Key sources of insight
Identifies where best-practice expertise, knowledge, and program approaches exist (internal and external of the team) – *e.g., experts, previous projects, senior level managers*

CHARACTERISTICS OF A GOOD PROBLEM STATEMENT

- A statement becomes the overarching governing thoughts along the way
- A debatable thought-provoking question (not a statement of fact or non-disputable assertion)
- A meaningful business problem, e.g. organizational, operational, or strategic related; not a technical questions, e.g. how to install a server
- Actionable and focused on what the decision maker needs to move forward
- Specific problem, not general
- Broad solution space, not narrow

BEST PRACTICES TO PRESSURE TEST PROBLEM STATEMENT

Approach	Questions
State the problem	• How would you describe the problem in one sentence?
Understand the framing	• Does the language of the problem statement introduce any unwarranted constraints? How could the problem be restated?
Check the scope	• Is there a bigger adjacent problem? What are you solving for? • Who is the client in a real sense?
Evaluate assumptions	• What are your core beliefs about the problem? What evidence supports them? • What other assumptions have you or your client made? How solid are they?

PROBLEM STATEMENT EXAMPLE – CSMB NB SOURCING STRATEGY

Basic Question

What is the sourcing strategy and optimize TAM allocation for consumer notebooks in next 1-2 years?

1.   Perspectives/Context
Currently, each business unit has been sourcing notebooks separately and lacks communication. However, all the suppliers are the same, and they treat us as one customer instead of multiple. Need an integrated approach to sourcing

4.   Other key study
Operations engineering heads
Quality heads
Service heads

2.   Criteria for success
One integrated strategy to sourcing notebooks and agreed upon by **all business unit leaders.** Successful implementation of new strategy among across business units.

5.   Constraints within
Small suppliers will not be considered in this study. Relations with certain key suppliers should be maintained

3. Decision makers
CPO
Procurement heads from each business unit. Product development group heads

6.   Scope of solution space
Only notebook and netbooks for consumer will be included. Exclude enterprise business unit and hand phones.

PROBLEM STATEMENT EXAMPLE – CSMB NB TRANSITION STRATEGY

Basic Question

What is the transition strategy for CSMB NB

1.　　　　Perspectives/Context
Transition from predessor to successor has
been a challenging task for almost all teams of
the organization. CoS & E&O are the 2 major
concerns, but difficult to find a balancing point
that can achieve good result.

4.　　　　Other key study
MKT teams
ODM suppliers

2.　　　　Criteria for success
No gap out between predessor & successor
No E&O materials
Meeting the market required timing

5.　　　　Constraints within
　　Intel roadmap
Competitors product lines availability
LTS margain guide line

3.　　　　Decision makers
Regional CoC, PLM team
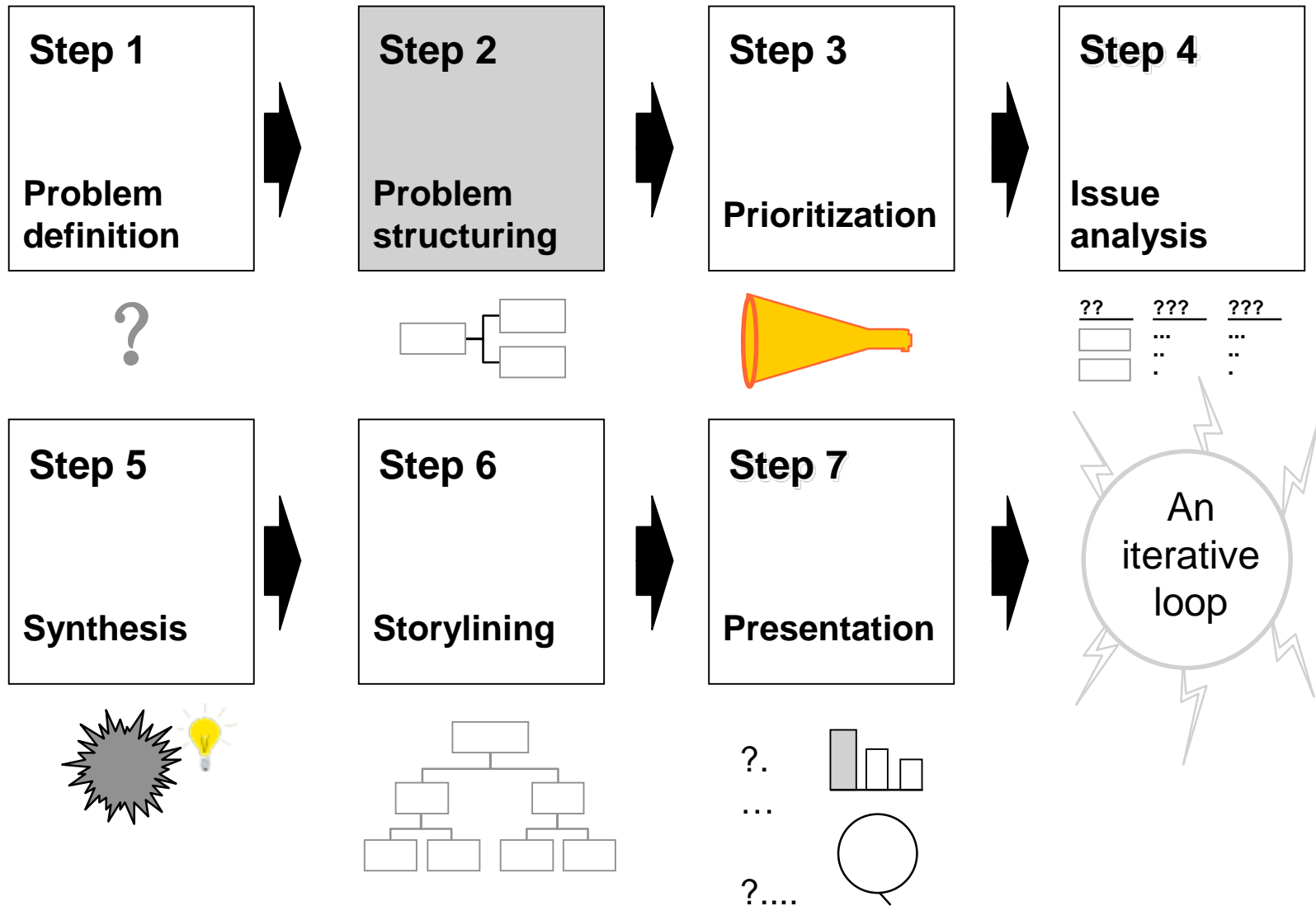Sustaining Core Team & NPI Core Team

6.　　　　Scope of solution space
Focus on SMB notebook, using Winery & Nirvana as
real life example
Include retail channel as an option (not yet offered on
Vostro)

EXERCISE: PROBLEM DEFINITION

- Identify a real life Dell problem that your team can solve using the 7-step process

- Complete a problem statement worksheet for your problem

- Team breakout discussion for 20 minutes
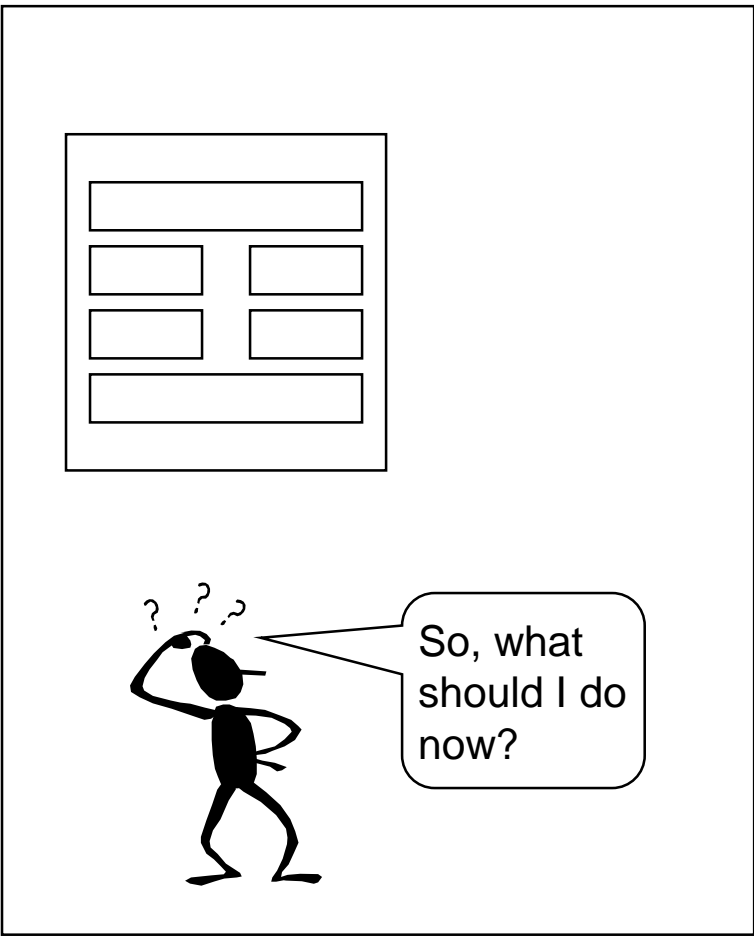

7-STEP PROBLEM SOLVING LOOP

Step 1

Problem definition

Step 2

Problem structuring

Step 3

Prioritization

Step 4

Issue analysis

Step 5

Synthesis

Step 6

Storylining

Step 7

Presentation

An iterative loop

PUZZLE 1

Three men in a cafe order a meal the total cost of which is $15. They each contribute $5. The waiter takes the money to the chef who recognizes the three as friends and asks the waiter to return $5 to the men.

The waiter is not only poor at mathematics but dishonest and instead of going to the trouble of splitting the $5 between the three he simply gives them $1 each and pockets the remaining $2 for himself.

Now, each of the men effectively paid $4, the total paid is therefore $12. Add the $2 in the waiters pocket and this comes to $14.....where has the other $1 gone from the original $15?

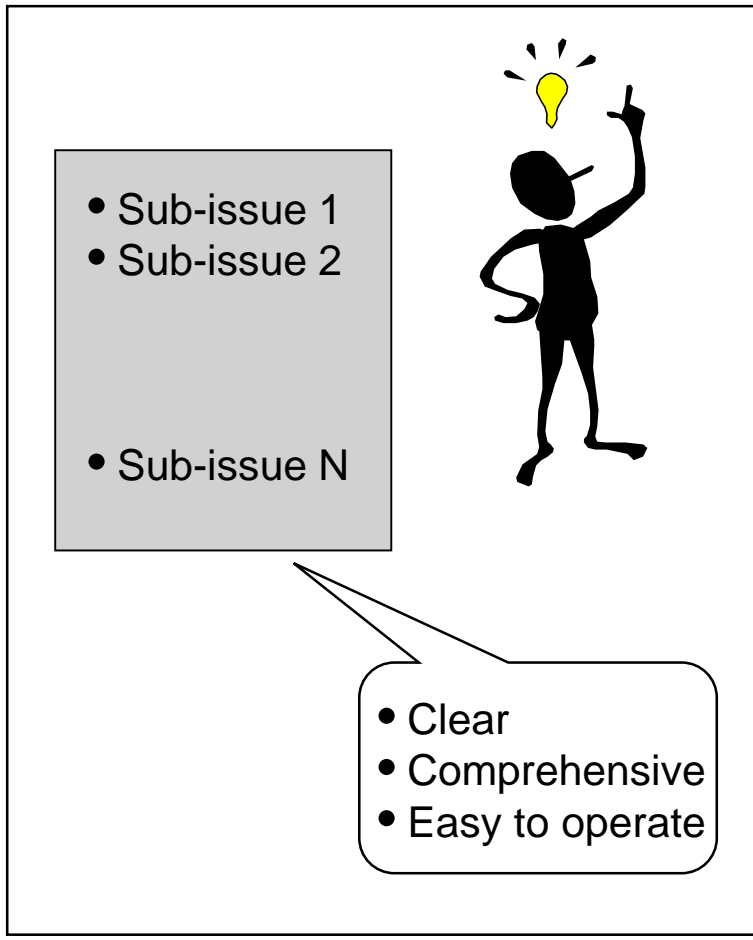# STEP 2: PURPOSE OF LOGIC TREES
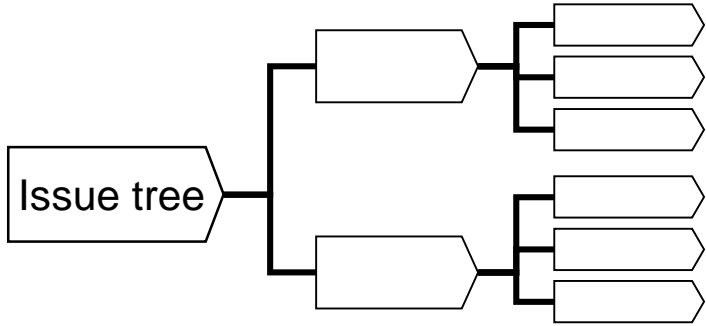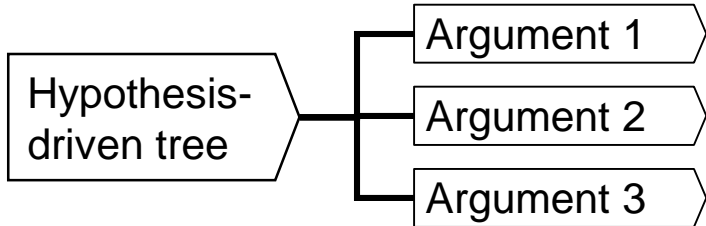
From a roughly defined complex issue . . .

. . . to a series of sub-issues linked intrinsically

So, what should I do now?

Logic Tree

- Sub-issue 1
- Sub-issue 2

- Sub-issue N

- Clear
- Comprehensive
- Easy to operate

TYPES OF LOGIC TREES

| Type		Description	Objective
Issue tree		• Disaggregate a problem into a set of issues that are logically linked	• To disaggregate a problem into a set of individually manageable issues
Hypothesis-driven tree	Argument 1 Argument 2 Argument 3	• Establish a hypothesis first, then prove or negate the hypothesis with sufficient arguments	• To focus on potential solutions early on to facilitate problem-solving

EACH TREE USES DIFFERENT METHODS TO DRIVE DOWN TO BRANCHES

Issue tree

Hypothesis-driven tree

Issue (question)

Hypothesis (potential answer)

Argument 1

Argument 2

Argument 3
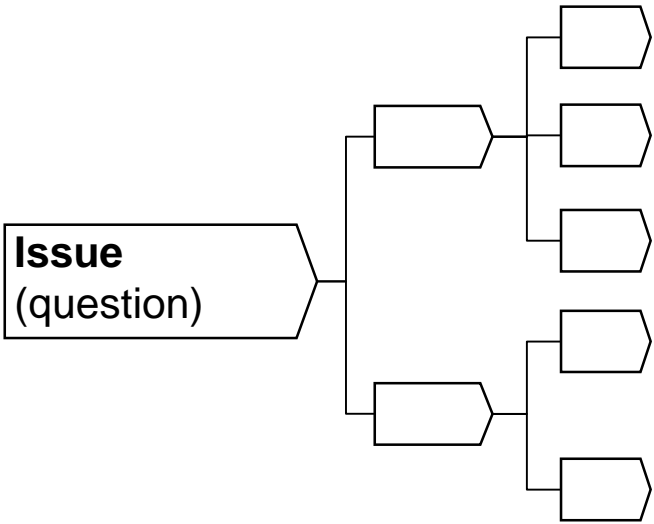
"What?" or "How?"
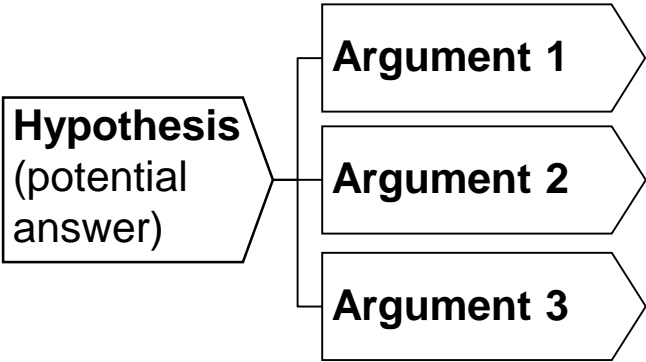
"Why?"

THE USE OF ISSUE VS. HYPOTHESIS TREES DEPENDS ON SEVERAL FACTORS

Issue tree

Hypothesis-driven tree

Two approaches
- Disaggregate a problem into a set of sub-issues
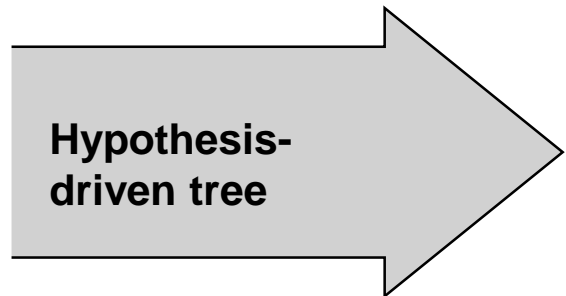- Help identify fundamentals
- Create a "problem structure" for the team

- Provides a reliable approach; may be slow but credible
- Applicable when understanding of the problem is limited
- Conveniently disaggregates a problem into pieces
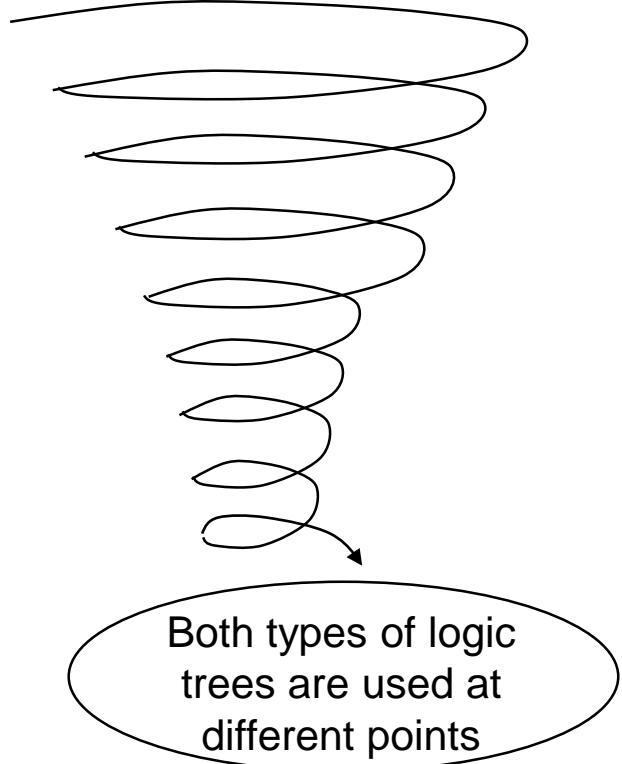- Addresses the entire solution space

- Provides an effective approach and more efficient than issue trees
- Applicable when an established view is already in place
- Requires more deliberation to disaggregate a problem
- Addresses hypothesis-relevant elements in a solution

Both types of logic trees are used at different points

MAKE SURE YOUR ISSUE TREE IS "MECE"
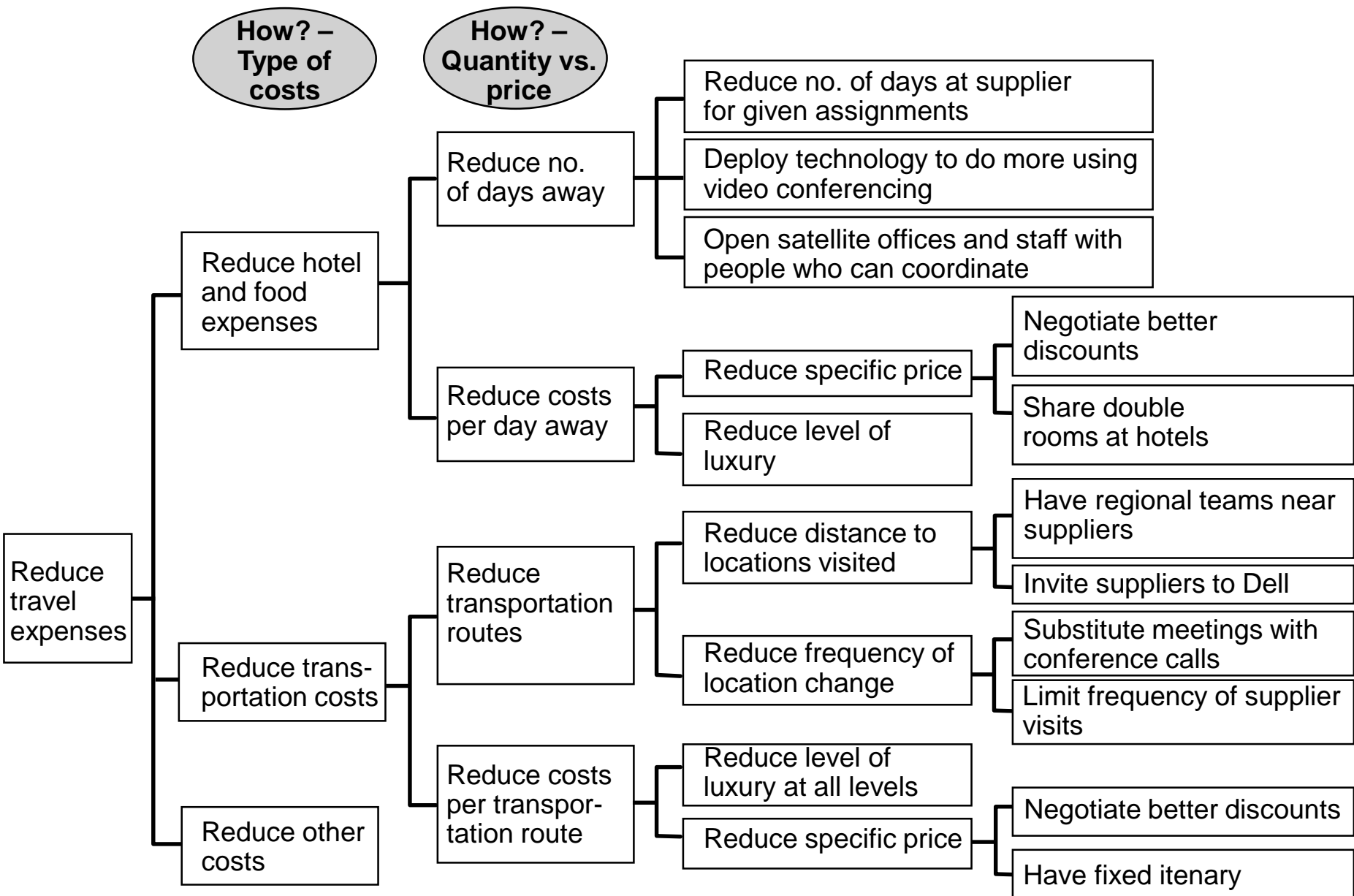

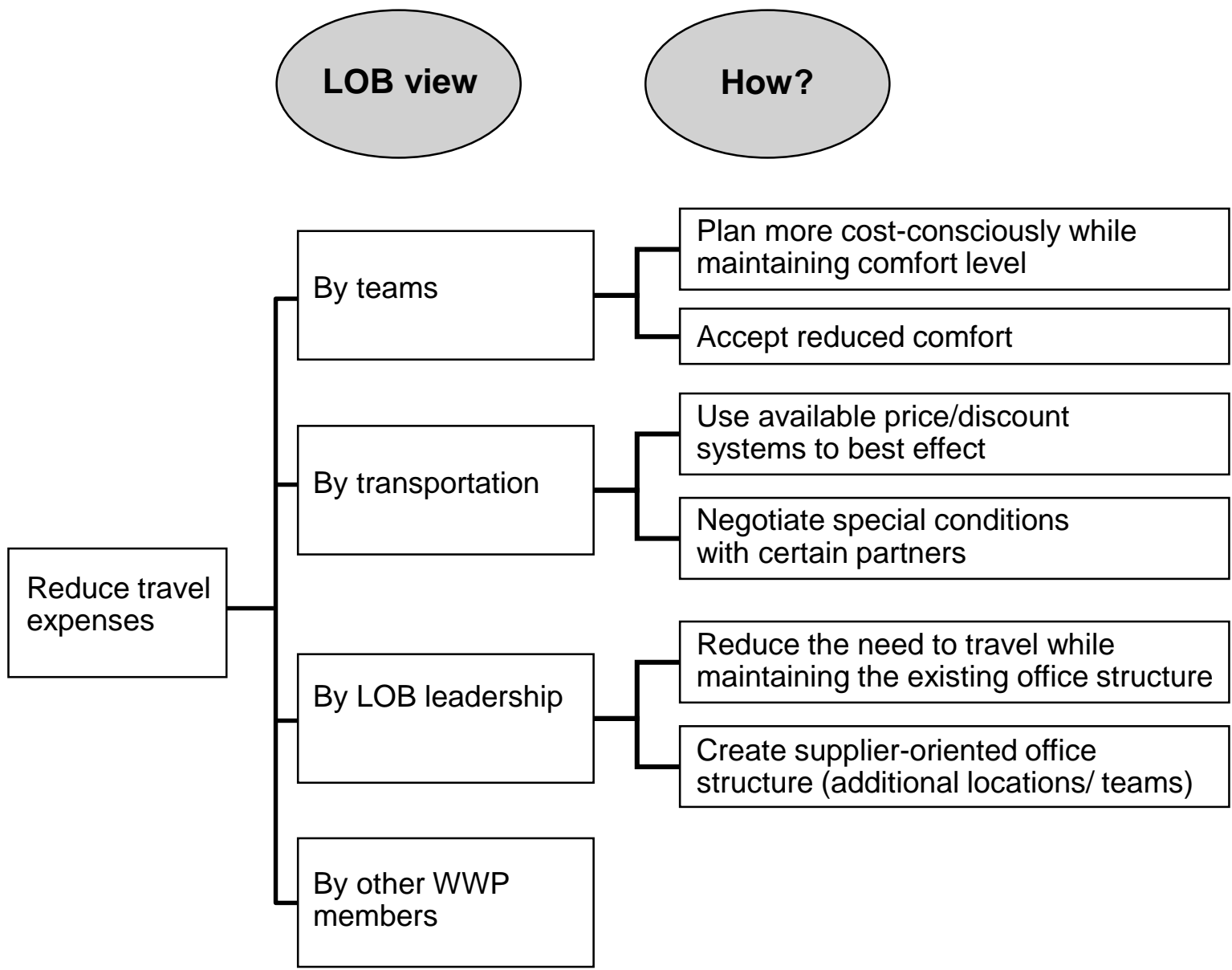**Mutually**   **Exclusive**   **Collectively**   **Exhaustive**
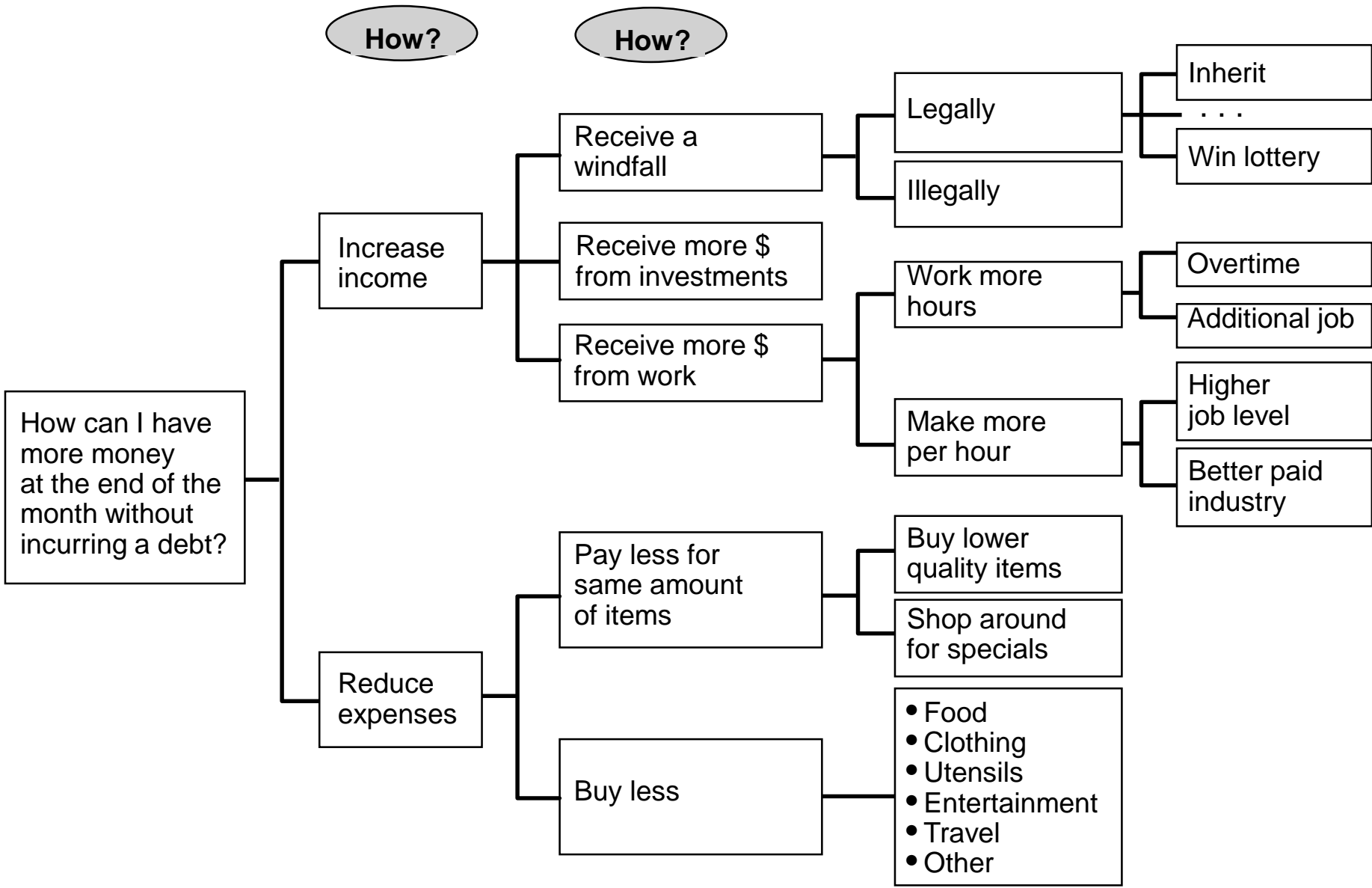
ISSUE TREE EXAMPLE 1 – REDUCING TRAVEL EXPENSES

How? – Type of costs

How? – Quantity vs. price

Reduce travel expenses

- **Reduce hotel and food expenses**
  - **Reduce no. of days away**
    - Reduce no. of days at supplier for given assignments
    - Deploy technology to do more using video conferencing
    - Open satellite offices and staff with people who can coordinate
  - **Reduce costs per day away**
    - Reduce specific price
      - Negotiate better discounts
      - Share double rooms at hotels
    - Reduce level of luxury
- **Reduce transportation costs**
  - **Reduce transportation routes**
    - Reduce distance to locations visited
      - Have regional teams near suppliers
      - Invite suppliers to Dell
    - Reduce frequency of location change
      - Substitute meetings with conference calls
      - Limit frequency of supplier visits
  - **Reduce costs per transportation route**
    - Reduce level of luxury at all levels
    - Reduce specific price
      - Negotiate better discounts
      - Have fixed itenary
- **Reduce other costs**

ISSUE TREE EXAMPLE 2 – ANOTHER WAY OF LOOKING AT THE SAME KEY ISSUE

LOB view

How?

Reduce travel expenses

By teams
- Plan more cost-consciously while maintaining comfort level
- Accept reduced comfort

By transportation
- Use available price/discount systems to best effect
- Negotiate special conditions with certain partners

By LOB leadership
- Reduce the need to travel while maintaining the existing office structure
- Create supplier-oriented office structure (additional locations/ teams)

By other WWP members

19

EXERCISE: HOW TO SAVE MONEY

- Take the small cards and arrange into an issue tree

- Team breakout discussion for 10 minutes
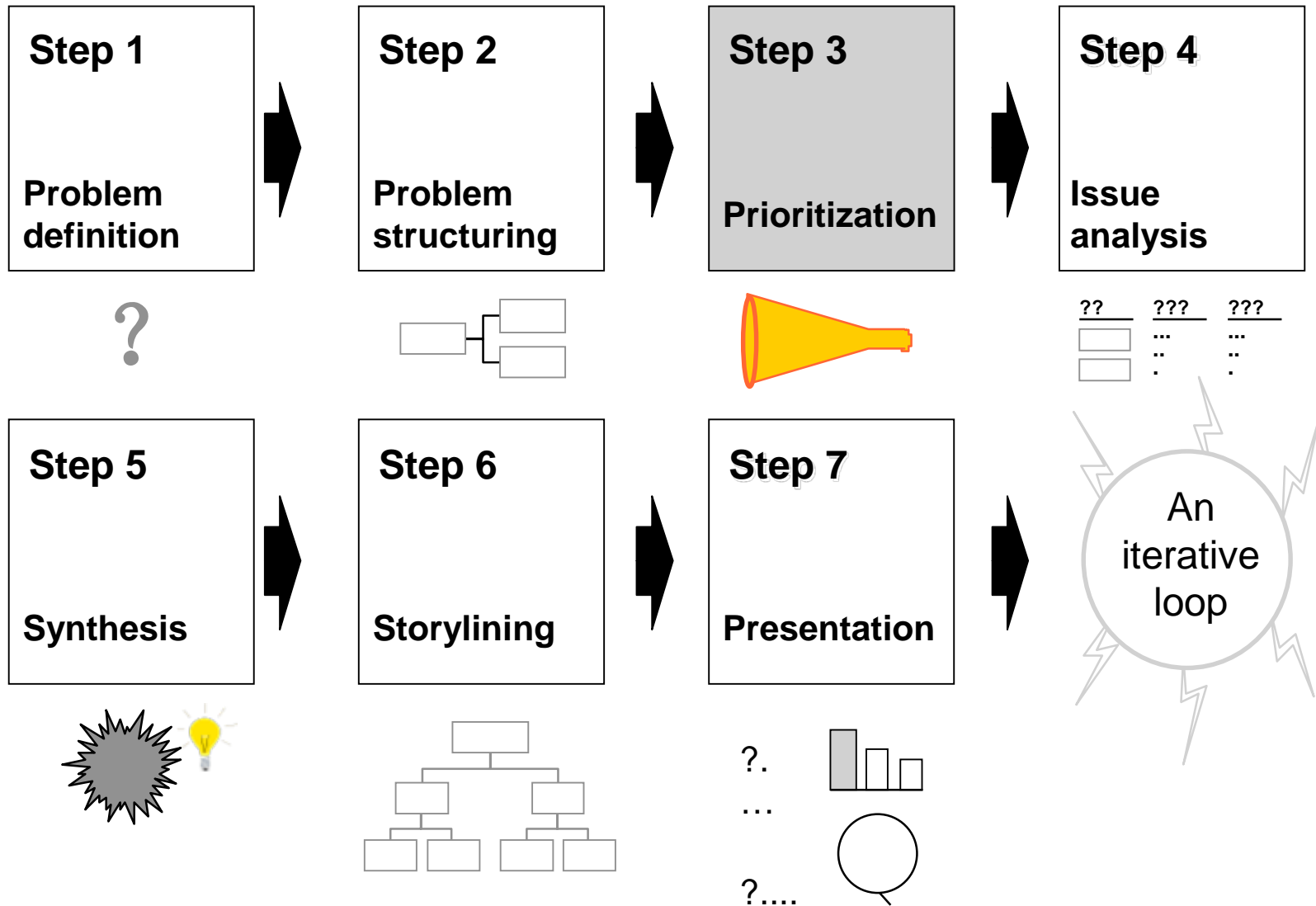

ISSUE TREE EXAMPLE 3 – SAVING MONEY ANSWERS

How?

How?

How can I have more money at the end of the month without incurring a debt?

- Increase income
  - Receive a windfall
    - Legally
      - Inherit
      - . . .
      - Win lottery
    - Illegally
  - Receive more $ from investments
  - Receive more $ from work
    - Work more hours
      - Overtime
      - Additional job
    - Make more per hour
      - Higher job level
      - Better paid industry
- Reduce expenses
  - Pay less for same amount of items
    - Buy lower quality items
    - Shop around for specials
  - Buy less
    - Food
    - Clothing
    - Utensils
    - Entertainment
    - Travel
    - Other

HYPOTHESIS-DRIVEN TREE -- SAVING MONEY

Why?   **Why?**   **Why?**

The **best way** for me to have more money at the end of the month is to spend less through comparison shopping

- Comparison shopping is an interesting opportunity
  - Savings are feasible
    - Key spending categories have competition in new formats
      - Hypermarkets
      - Price Club
      - Home Depot
      - Auto mall
    - New formats offer same quality at lower price
  - Additional time investments does not wipe out savings
    - Opportunity cost of additional time taken up by comparison shopping is insignificant
    - Additional time spent shopping will not cause me to buy more
- Changing my lifestyle is not an option
  - To compensate for demanding workload, I need to invest in weekly visits to the spa and the opera
  - My profession does not allow me to wear lower quality clothes
  - To balance the junk food I eat during the week, I need at least one three-course meal on the weekend

22

EXERCISE: PROBLEM STRUCTURING

_____

- Develop an issue tree for your problem to structure it and drive towards an exhaustive list of potential solutions

- Team breakout discussion for 20 minutes

_____

7-STEP PROBLEM SOLVING LOOP

Step 1

Problem definition

Step 2

Problem structuring

Step 3

Prioritization

Step 4

Issue analysis

Step 5

Synthesis

Step 6

Storylining

Step 7

Presentation

An iterative loop

FINANCIAL IMPACT OF IMPROVEMENT LEVERS
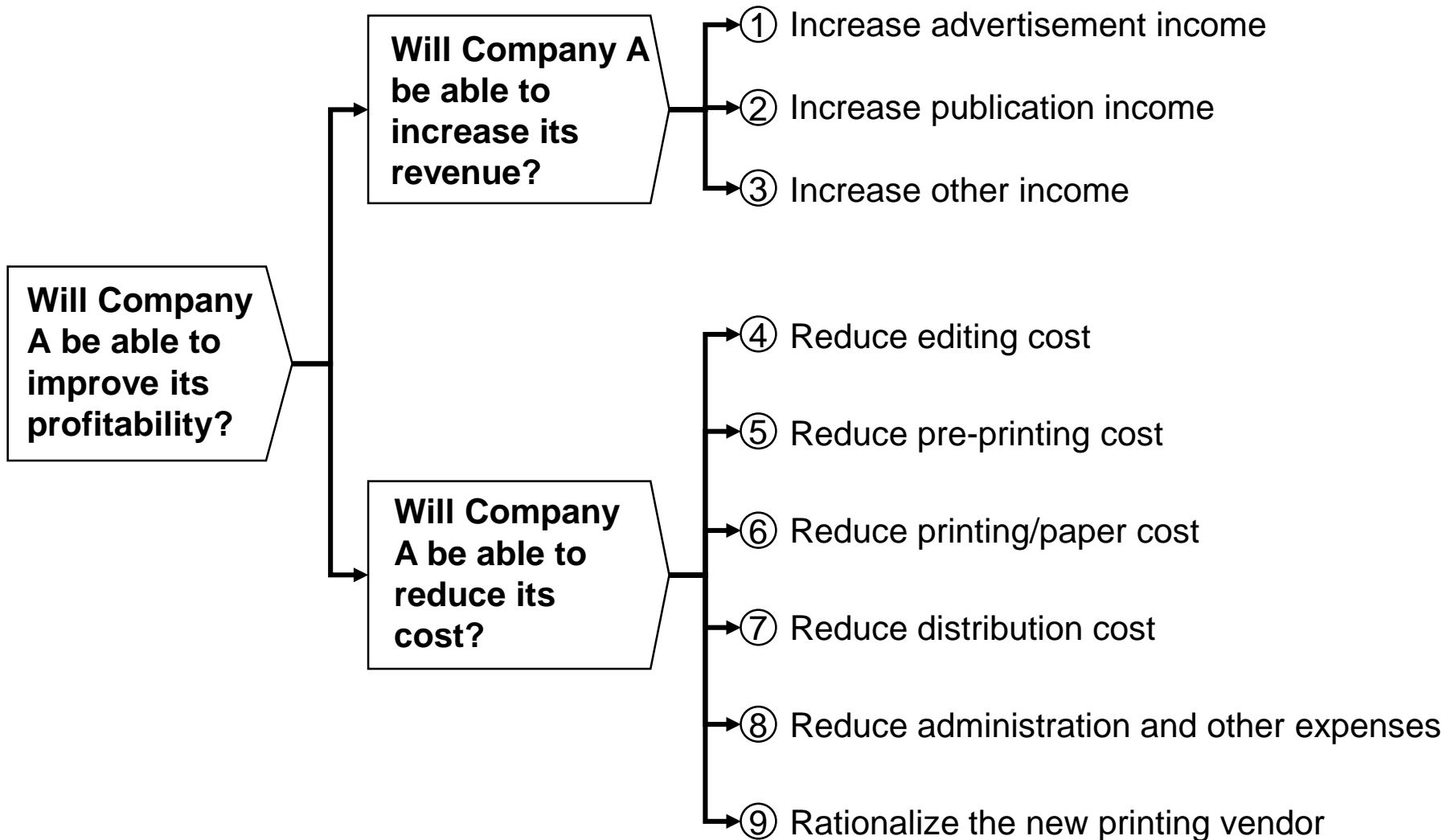
SOLUTION – OPPORTUNITIES TO IMPROVE PROFITABILITY OF COMPANY A

Item	Lever	Rough estimate of financial impact (RMB millions, 2000)
1	Increase advertisement income	180
2	Increase publication income	163
3	Increase other income	21
4	Reduce editing cost	57
5	Reduce pre-printing cost	78
6a	Reduce printing cost	10
6b	Reduce paper cost	71
7	Reduce distribution cost	60
8	Reduce administrative expenses	8
9	Rationalize the new printing vendor	30
	Total	661

Ease of implementation (vertical axis, L to H)

Financial impact (within 3 years) (horizontal axis, L to H)

26

SOLUTION – PRIORITIZATION

☐ Focus of future
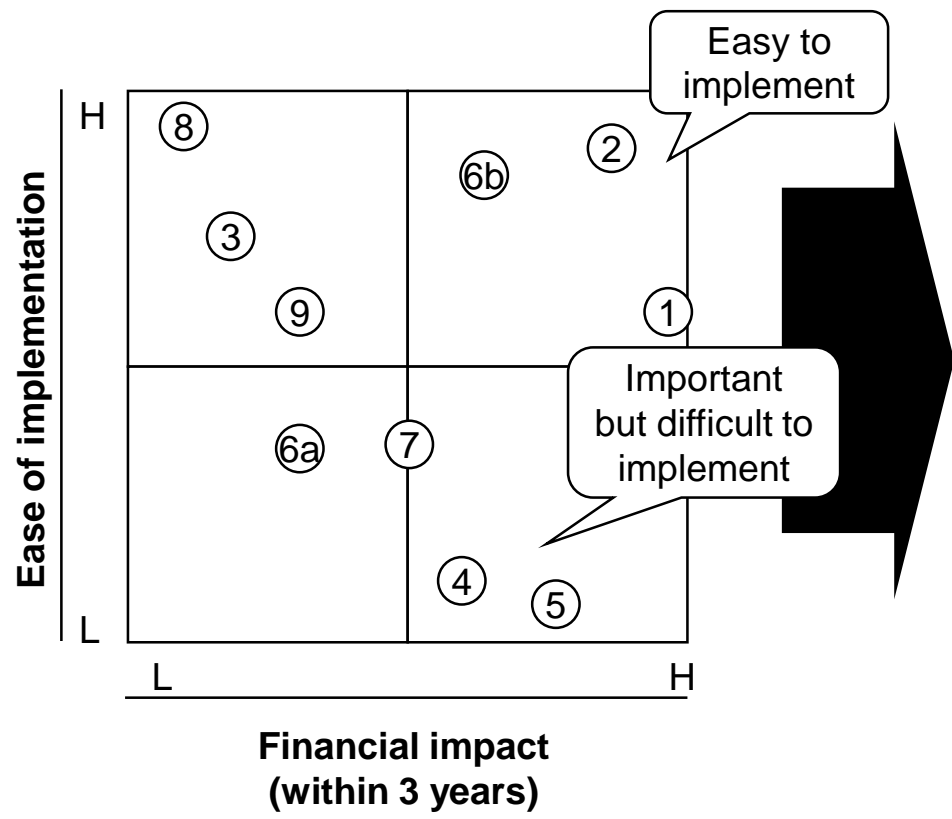
Prioritization

② Increase publication income ⎫
① Increase advertisement income
⑥b Reduce paper cost ⎬ **Priority**
⑤ Reduce pre-printing cost
④ Reduce editing cost ⎭

⑦ Reduce distribution cost ⎫
⑧ Reduce administrative and other expenses
③ Increase other income ⎬ **Second priority**
⑨ Rationalize the new printing vendor
⑥a Reduce printing cost ⎭

Ease of implementation

H ⑧   ⑥b   ②
   ③
     ⑨   ①
   ⑥a ⑦
     ④ ⑤
L

L   H

Financial impact (within 3 years)

Easy to implement

Important but difficult to implement

27

TEAM EXERCISE: PRIORITIZATION

- Prioritize the levers from your issue tree and map onto the 2x2 table based on ease of implementation vs. impact

- Time: 15 min

Item   Improvement lever

①

②

③

④

⑤

Ease of implementation (vertical axis: H at top, L at bottom)

Impact (horizontal axis: L at left, H at right)

7-STEP PROBLEM SOLVING LOOP

Step 1	Step 2	Step 3	Step 4
Problem definition	**Problem structuring**	**Prioritization**	**Issue analysis**

Step 5	Step 6	Step 7	An iterative loop
Synthesis	**Storylining**	**Presentation**	
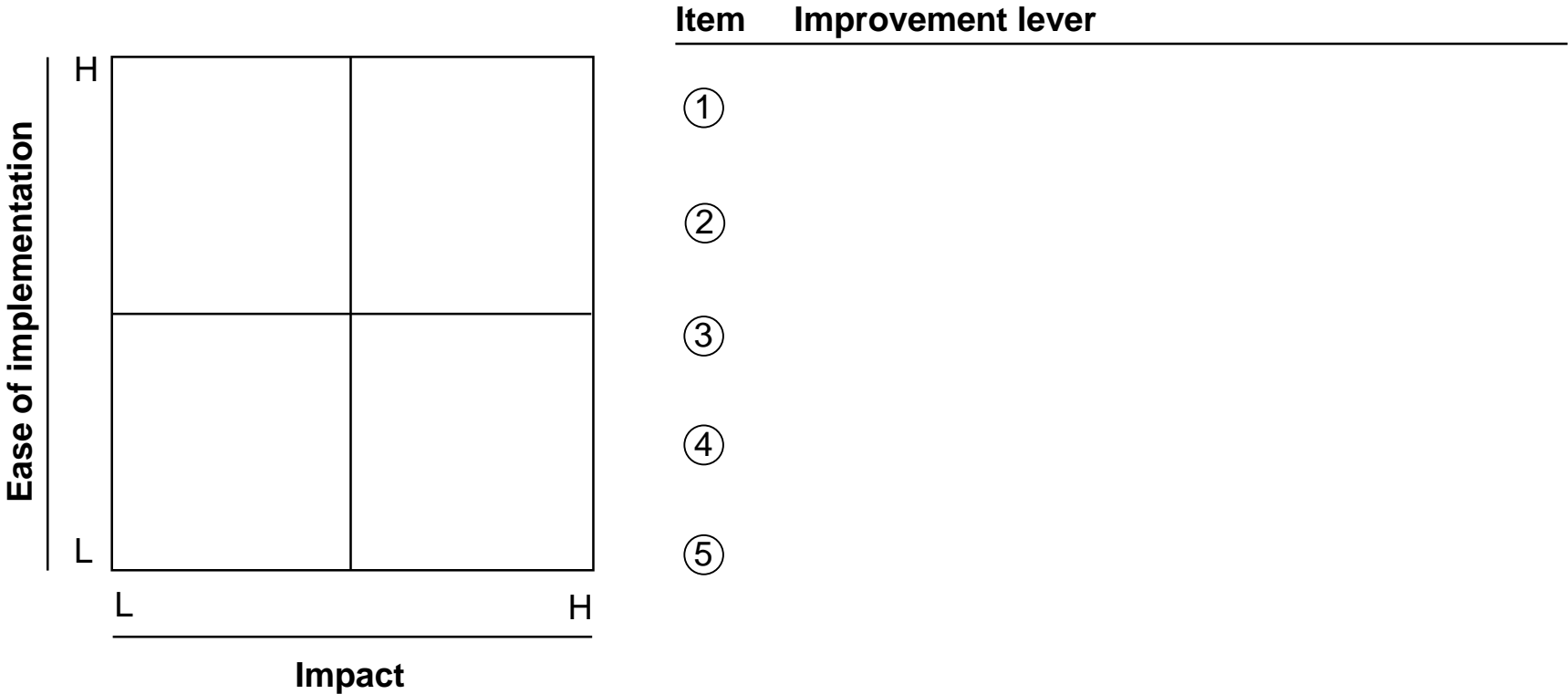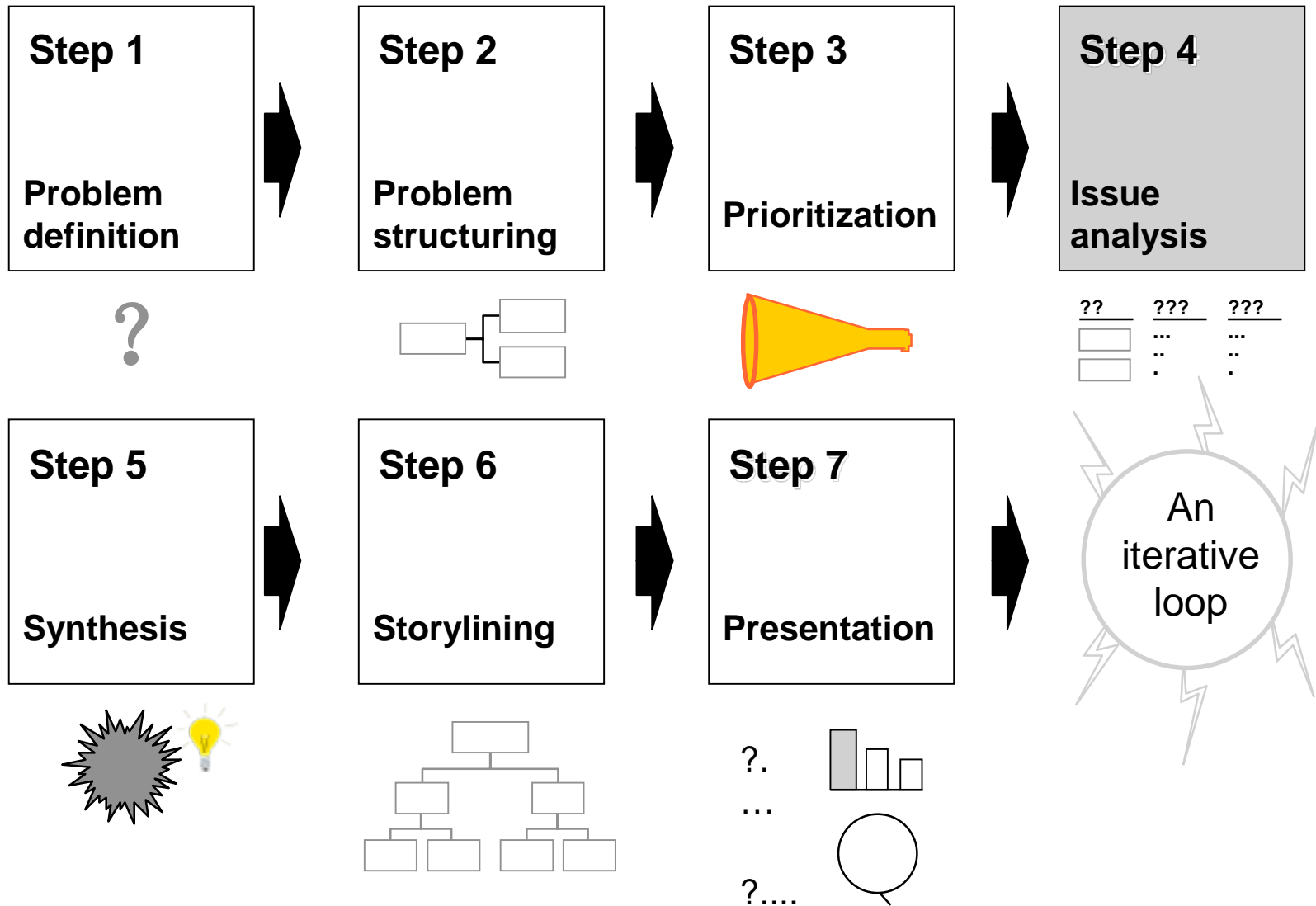
ISSUE ANALYSIS SETS THE STAGE FOR ACTION

**Logic tree after prioritization
of issues**
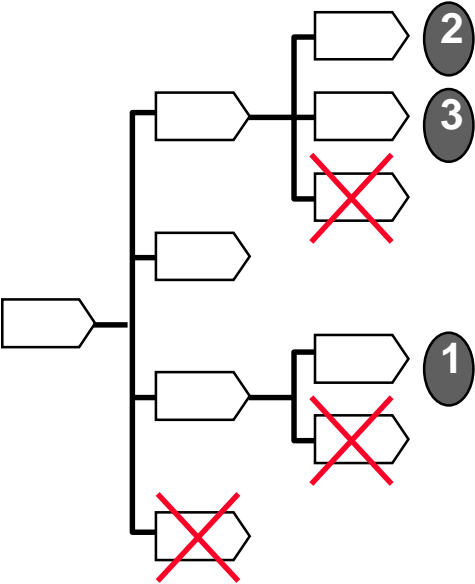
Analyses

Issue analysis

TO DOs

Mon Tue   Wed Thu   Fri

FROM ISSUE ANALYSIS TO WORKPLAN

Proposed solution	Information/ analysis required	Source/ Provider	Responsibility	Timing

WORKPLAN EXAMPLE

	Responsibility	Location	July Week 3						Week 4							Aug Week 5							Week 6						Week 7			
			19	20	21	22	23	24 25	26	27	28	29	30	31	1	2	3	4	5	6	7 8	9	10	11	12	13	14 15	16	17	18	19 20

"WORPLAN"

TEAM MEETINGS
- Weekly update
- Steering committee meeting
- Adv manufacturing meeting – non-transformer
- Adv manufacturing meeting – transformer
- Transfer file meeting
- Weekly market update

DATA/SAMPLE COLLECTION
- Transfer file
  - Technical data — Jim
  - Purchasing data — Jim
  - Quality data — Jim
  - Industrial data — Jim
  - Logistics data — Jim
- Tooling preparation
  - tbd1 — Jim
  - tbd2 — Jim
- Sample collection
  - sample request — Brad
  - receive sample — Brad
- Supplier background filing approach — each subteam

SUPPLY MARKET ANALYSIS
- Hypothesis on sourcing strategy and process — each subteam
- Economics/insights of supply base — each subteam

SUPPLIER IDENTIFICATION
- Develop supplier database with expansive list of potential — each subteam
- Develop short list of suppliers through college phone interview — each subteam
- Fine (second) filter screening criteria — each subteam
- Second phone interview — each subteam
- Send RFI — each subteam
- Follow up on RFI — each subteam
- Screening/decision on RFI — each subteam

SUPPLIER VISIT TO PRE-QUALIFIED LIST
- Schedule visits — each subteam
- conduct visit to each new supplier on 'Short List' and SAM — each subteam
- Pre-qualified List' generated after evaluation of SAM — each subteam
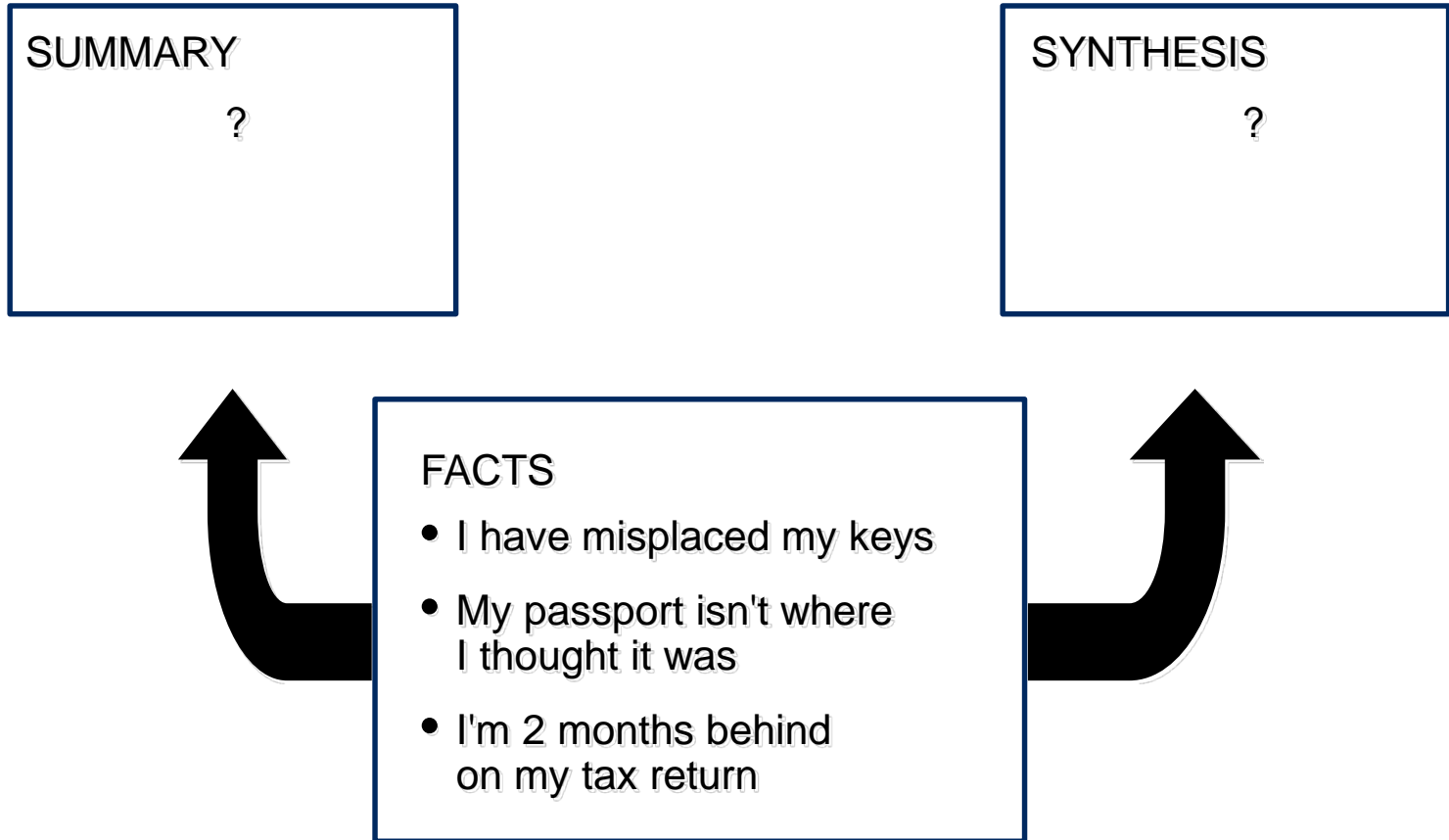
WORKPLAN EXAMPLE

2/23 kick off — 3/3 scope review meeting — 4/7 CPO checkpoint — TBD 2nd CPO checkpoint — Ongoing reviews

Set up project team and scope	Identify root causes of STBL issues	Develop solutions	Development pilot plan of key initiatives	Pilot key initiatives and monitor the result

Timing

~ 2 weeks	~ 3 weeks	~ 3 weeks	~ 1-2 weeks	~3-6 months

Key activities

• Set up internal and external interviews • Propose team structure • Develop issue tree and key analysis • Develop work plan	• Conduct internal interviews to identify root causes • Investigate the forecast accuracy • Assess forecast practices • Break down STBL by LOB, sites, and components to identify key focus • Conduct external interviews to understand best practices	• Assess applicability of best practices • Conduct internal workshop to brainstorm potential solutions • Drive "no regret move" and detail selective solutions • Estimate impact of different solutions • Prioritize solutions	• Identify key initiatives to pilot and goal to achieve • Further detail work streams and time line for pilot • Develop governance mechanism of pilot • Assign responsibility • Gain consensus of key stakeholders	• Kick off pilot plan • Drive key initiatives • Periodically monitor the result and problem solve pilot issues • Collect the learning and revise pilot plan if necessary • Transfer the pilot experiences to formal COS organization and processes

DELL

EXERCISE: ANALYSIS

_____

- Choose one of your better ideas (based on your prioritization), and develop a workplan to validate the prioritization

- Team breakout discussion for 20 minutes

_____

7-STEP PROBLEM SOLVING LOOP
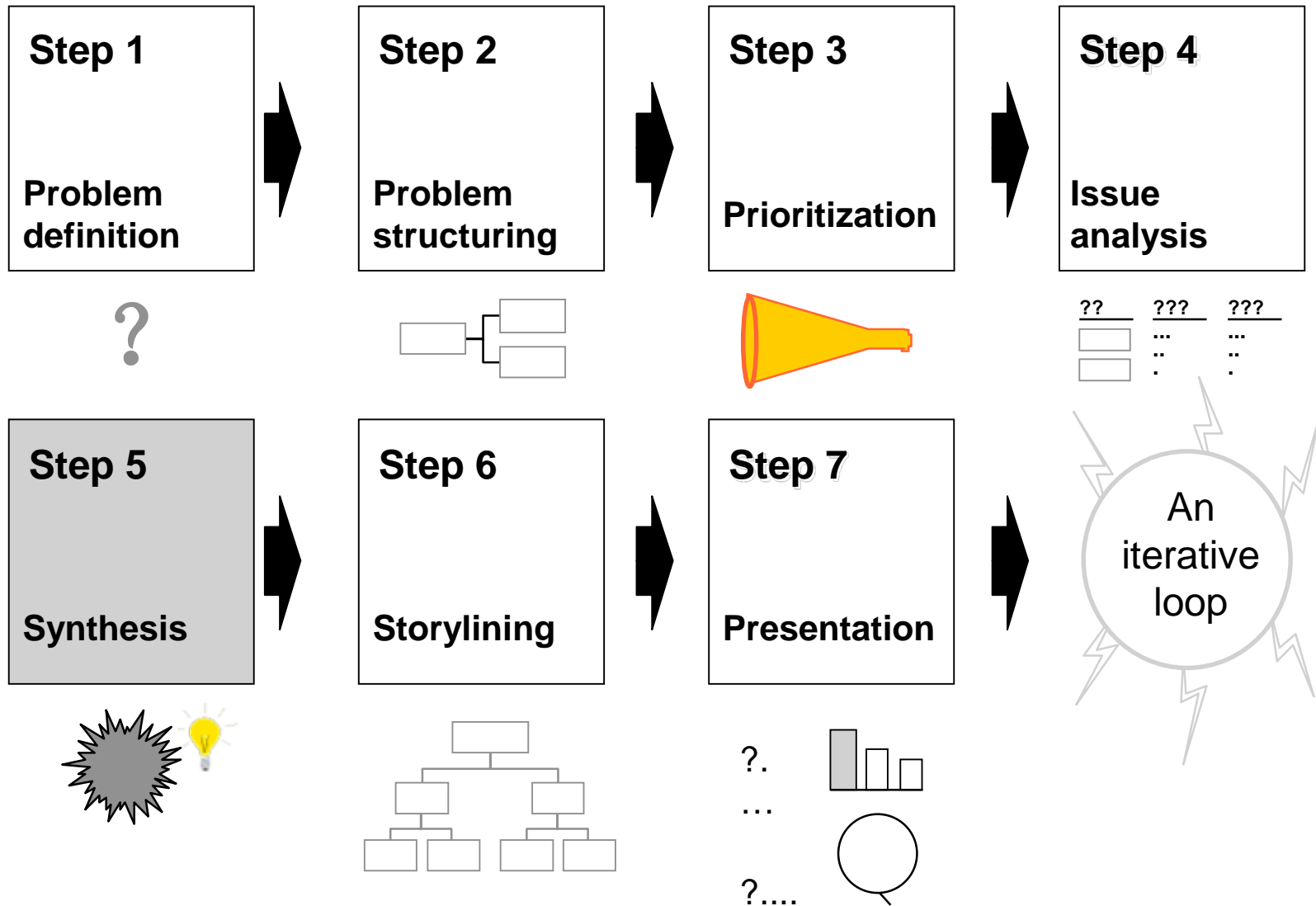
Step 5: FACTS CAN BE SUMMARIZED OR SYNTHESIZED…

SUMMARY

?

SYNTHESIS

?

FACTS

- I have misplaced my keys

- My passport isn't where
  I thought it was

- I'm 2 months behind
  on my tax return

SUMMARY IS A MERE LINKAGE OF FACTS WHILE SYNTHESIS IS THE IMPLICATION OR ROOT CAUSE

SUMMARY

I've lost my keys and passport and I'm behind on my tax return

SYNTHESIS

I've been sloppy

FACTS

- I have misplaced my keys

- My passport isn't where I thought it was

- I'm 2 months behind on my tax return
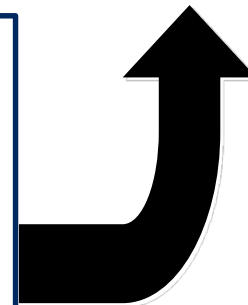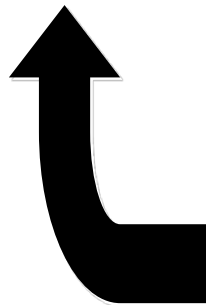
EXERCISE: SYNTHESIS

- Choose one activity from your analysis workplan and develop a dummy slide of results

- Synthesize the results to form the slide's message

- Team breakout discussion for 20 minutes
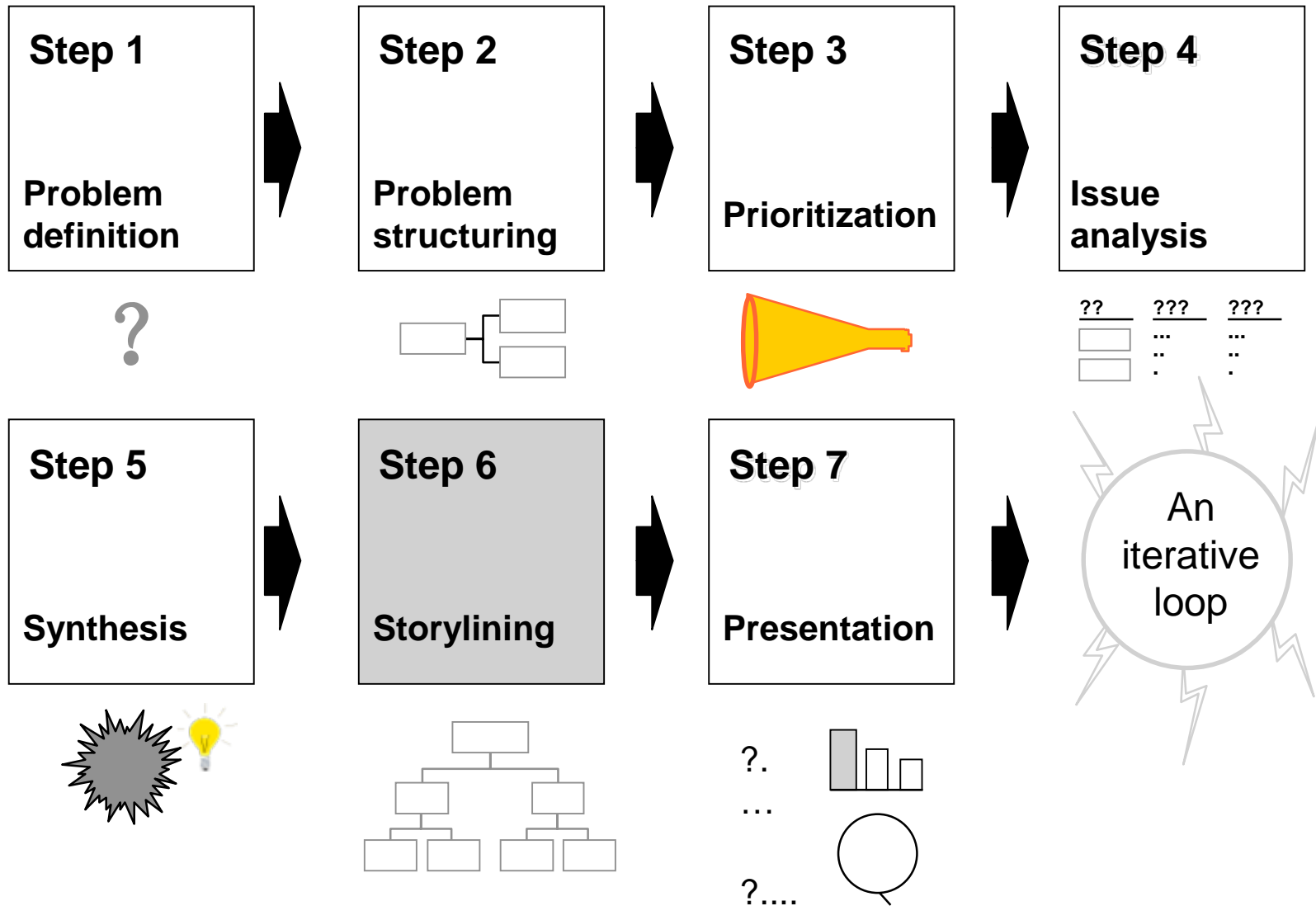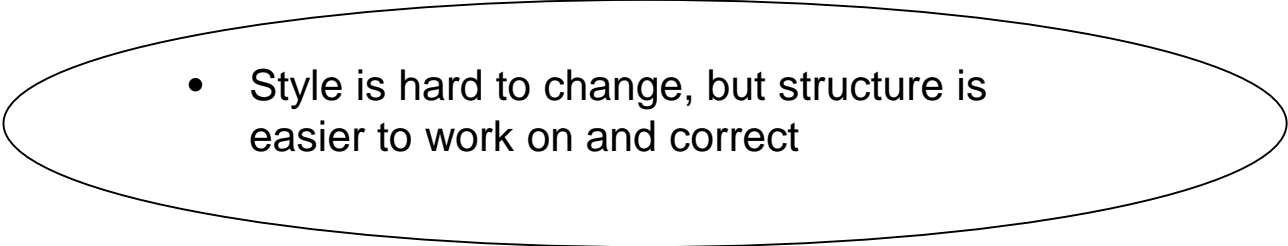
7-STEP PROBLEM SOLVING LOOP

Step 1

Problem definition

Step 2

Problem structuring

Step 3

Prioritization

Step 4

Issue analysis

Step 5

Synthesis

Step 6

Storylining

Step 7

Presentation

An iterative loop

STORY LINING AGENDA

Introduction to pyramid structure

Structures within the pyramid

How everything comes together

WE ALL FACE COMMON PROBLEMS IN WRITTEN AND VERBAL COMMUNICATION

- Have you ever come across documents that took a long time to read and find out the key points?

- Have you ever listened to a speech and is unclear the main points of what he/she is trying to say?

- Have you had to swim through pages and pages of data but with no conclusions or so-what from the data?

- Ever try to comprehend an organization chart from the bottom up?

- Style is hard to change, but structure is easier to work on and correct

FOLLOWING THE PYRAMID PRINCIPLE WILL ENSURE THIS DOES NOT HAPPEN TO YOU

"I've lost track of the story"
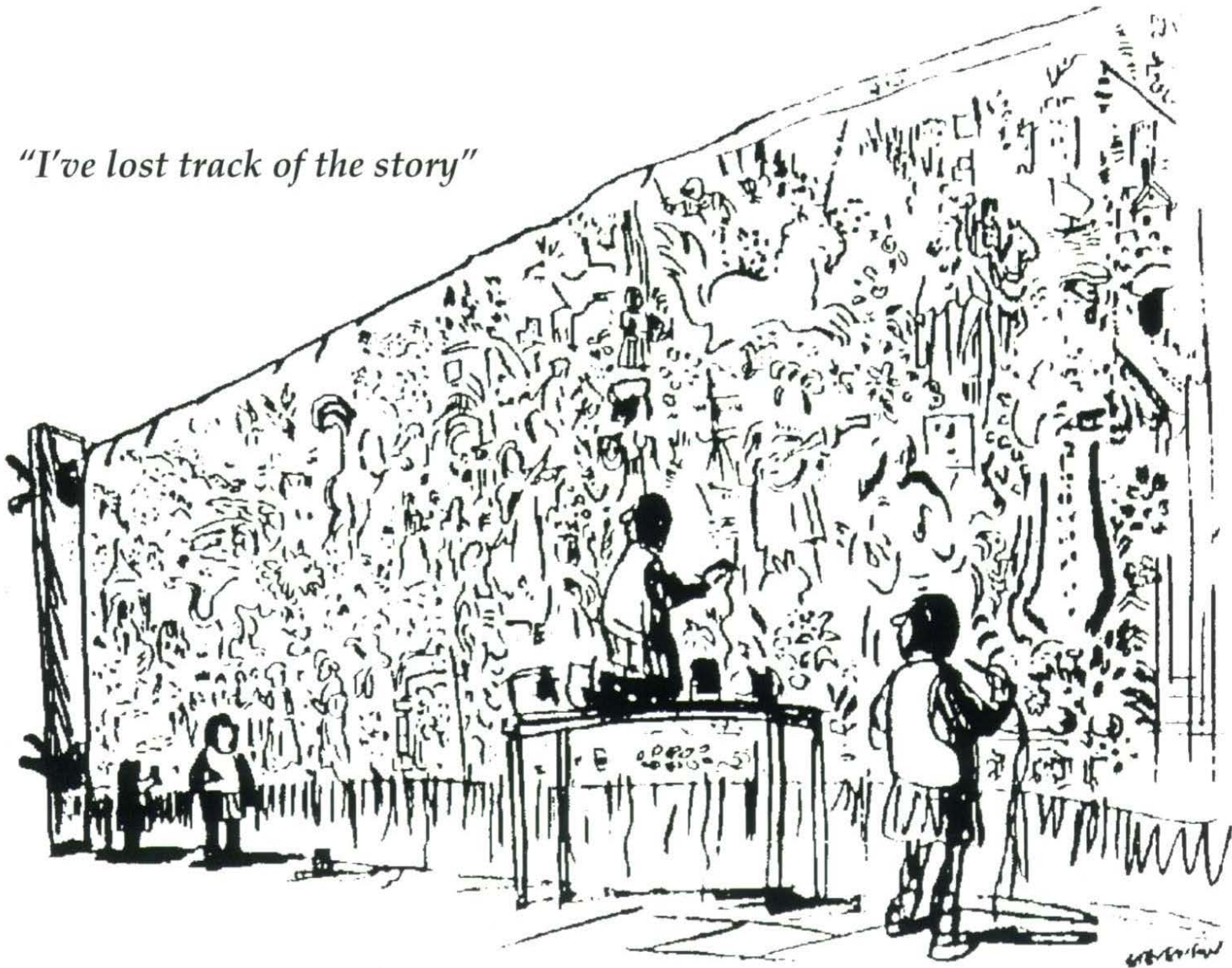
THE MIND WORKS BY SORTING INFORMATION INTO GROUPS IN ORDER TO COMPREHEND IT

- **Magic number 7:** The mind cannot hold more than 7 items. Ideally is three, but most can take up to five

Example: Shopping for groceries.

How would you categorize these to help you remember?

- Grapes
- Milk
- Potatoes
- Eggs
- Carrots

- Apples
- Sour cream
- Butter
- Oranges

ANSWER TO GROCERY SHOPPING EXAMPLE

Vegetables
- Potatoes
- Carrots

Fruit
- Grapes
- Apples
- Oranges

Dairy Products
- Butter
- Milk
- Eggs
- Sour cream
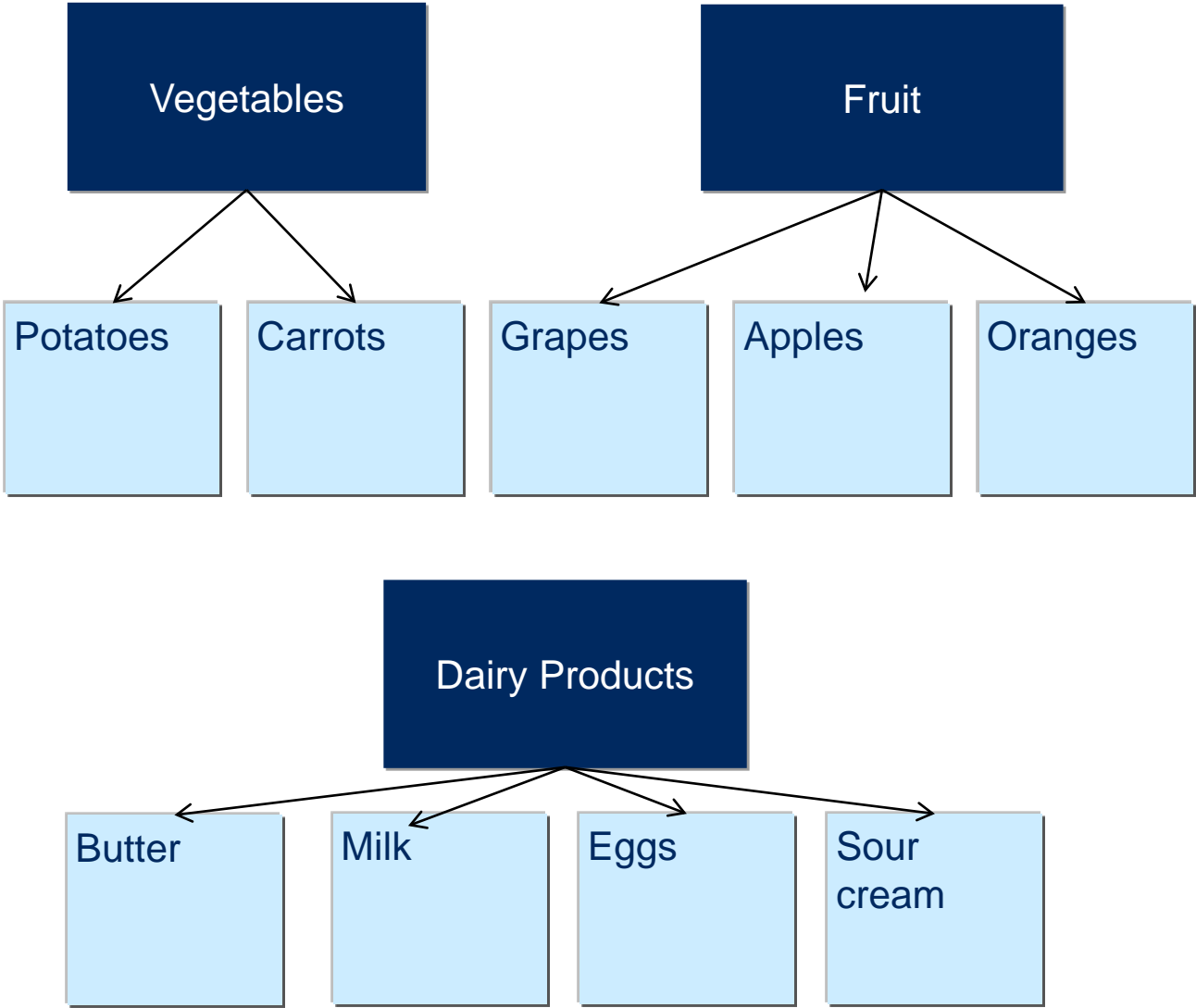
IS THIS GROUPING MUTUALLY EXCLUSIVE?

We should sell our house:

- We need more room

- The house is old and needs expensive, basic repairs

- The kitchen is too small

- The furnace is broken

- Our street has too much traffic

SIMPLY GROUPING IS NOT ENOUGH, WE NEED TO STATE THE LOGIC OF THE RELATIONSHIP

The need to state the logic

- **Reader groups and summarizes ideas** in order to remember them

- **Controlling the sequence of ideas** by summarizing ideas before you give individual ideas. People can only take in one sentence/idea at a time

- **Top down presentation of ideas** in a pyramid structure is the clearest way to present written documents

Pyramid structure of grouping ideas

- Present major, more abstract ideas before the minor, supporting ideas is the easiest order for reader to understand

- Ideal structure is a pyramid of groups of ideas tied together by single overall thought.
    - Vertical relation: a point in any level always be a summary of ideas grouped below
    - Horizontal relation: ideas have grouped together because together they present a logical argument

IDEAS IN WRITING SHOULD ALWAYS FORM A PYRAMID UNDER A SINGLE THOUGHT

Rules to obey in pyramid structure

- **Rule 1: Ideas at any level must always be summaries of the ideas grouped below them**

- **Rule 2: Ideas in each grouping must be same kind of idea**
  - Grouping must fall into same logical category
  - Shortcut is whether can label ideas into plural nouns (e.g. recommendations, reasons, problems, changes to be made)

- **Rule 3: Ideas in each grouping must always be logically ordered:**
  - Deductive: a line of reasoning that presents a "therefore"
  - Inductive: defines group of ideas then make an inference

Main message

So what? *How so?*

Conclusions

How so?

So what?

Conclusions

Fact/ analysis   Fact/ analysis   Fact/ analysis   Fact/ analysis   Fact/ analysis   Fact/ analysis
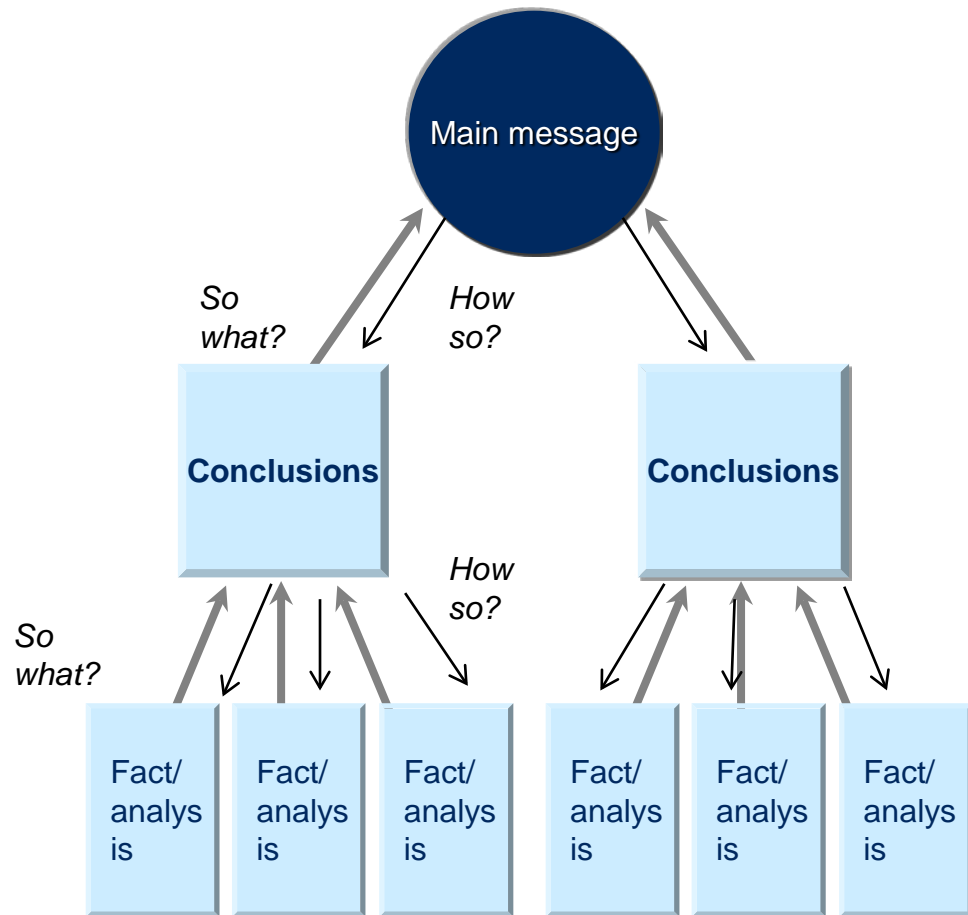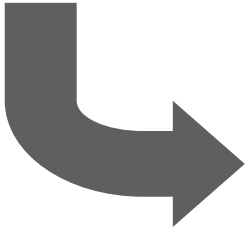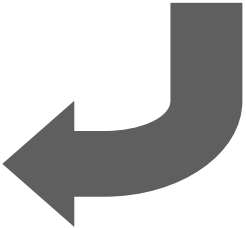
TWO TYPES OF PYRAMIDS SHARE CHARACTERISTICS

Pyramids built of stone . . .
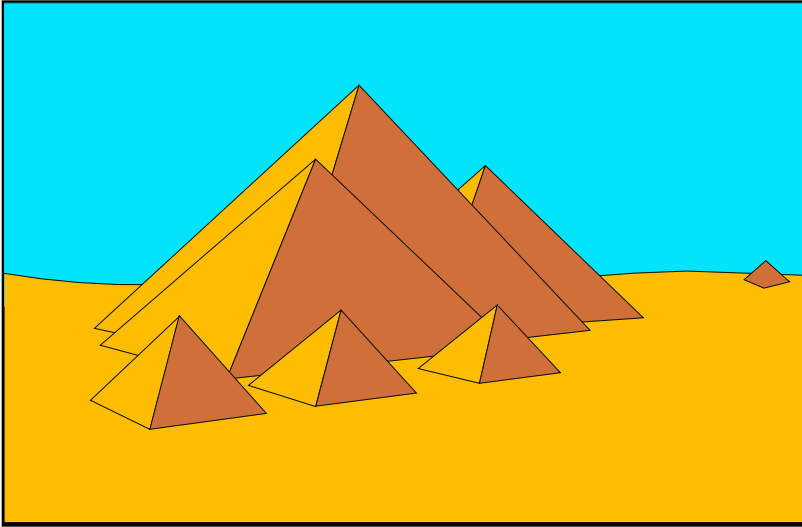
Pyramids built of ideas . . .
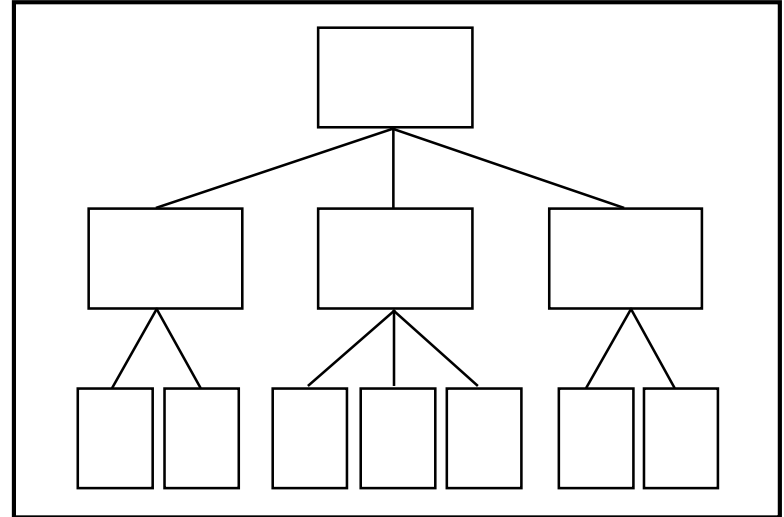
- Only one "stone" at the top
- Every stone supported by at least two other stones
- Sturdy – not easily thrown over

STORY LINING AGENDA

Introduction to pyramid structure

Structures within the pyramid

How everything comes together

# THE PYRAMID DICTATES A SET OF SUBSTRUCTURES - VERTICAL RELATIONSHIP

Pyramid substructures

A **Vertical relationship between points and subpoints**

B **Horizontal relationship within a set of subpoints**

C **Narrative flow of introduction**

- Set up a question/answer dialogue that will pull reader with great interest through your reasoning

- Telling reader something she doesn't know raises the question of why? How? Answer is then below the pyramid. Each answer then tells something she doesn't know, so you must again provide answers on the line below

- Refrain from raising any questions in reader's mind before you are ready to answer them. e.g. Don't provide assumptions before giving the major points

- Forces you to present information only as the reader needs it

EXERCISE 1: PIG PYRAMID

Instructions:

Organize the cards and construct into a pyramid structure

EXERCISE 1: PIG PYRAMID ANSWER
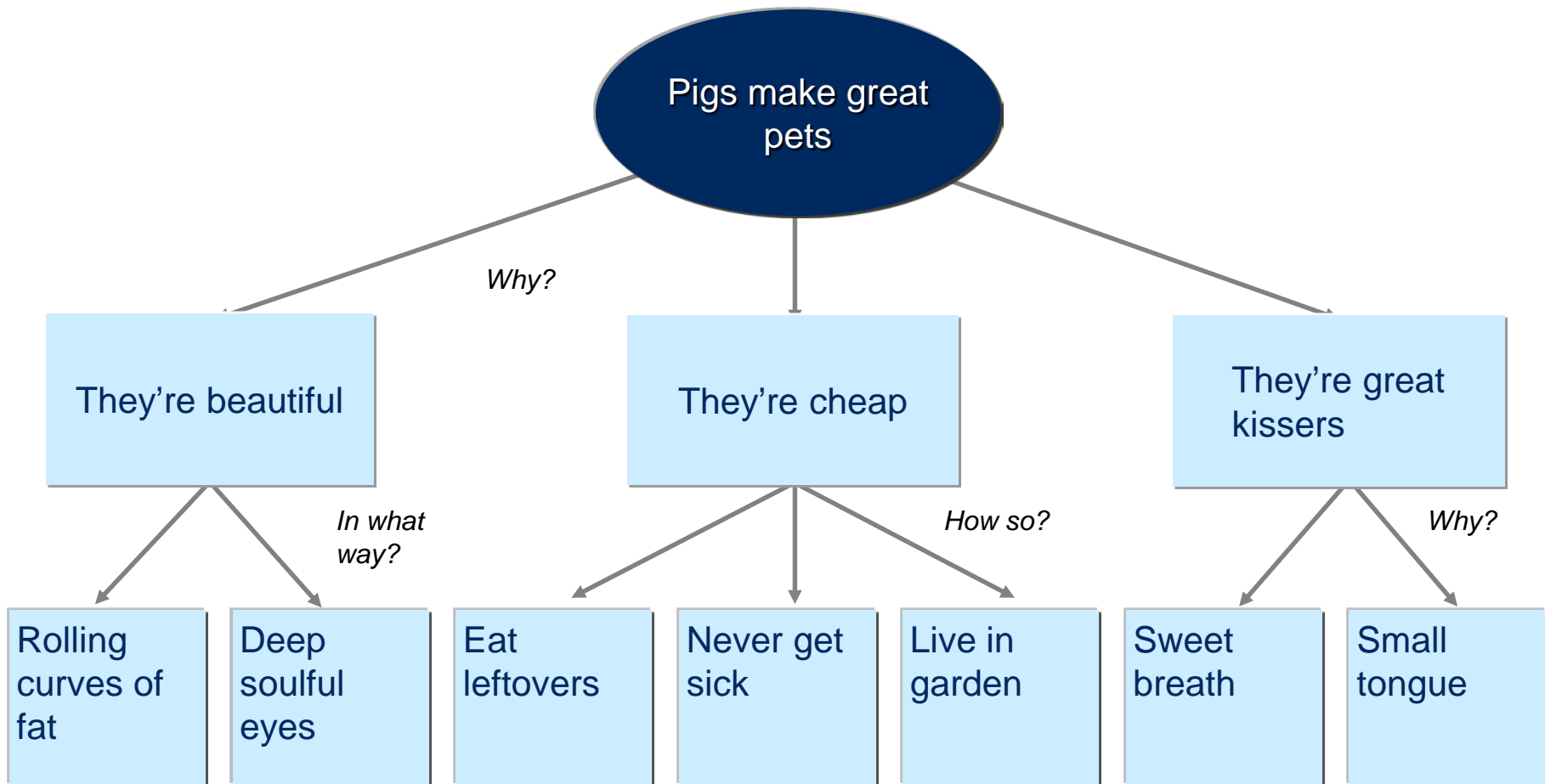
BRITISH LEYLAND FRANCHISE EXAMPLE

Purchase a large British Leyland Franchise

Why?

- **Will grow faster than the industry**
  Why?
  - Large market share
  - Little retail competition

- **Will have positive financial impact**
  Why?
  - Low cost
  - Growing sales
  - Rising profits

- **Will be easy to absorb**
  Why?
  - Separate business
  - Same managers
  - Simple control processes
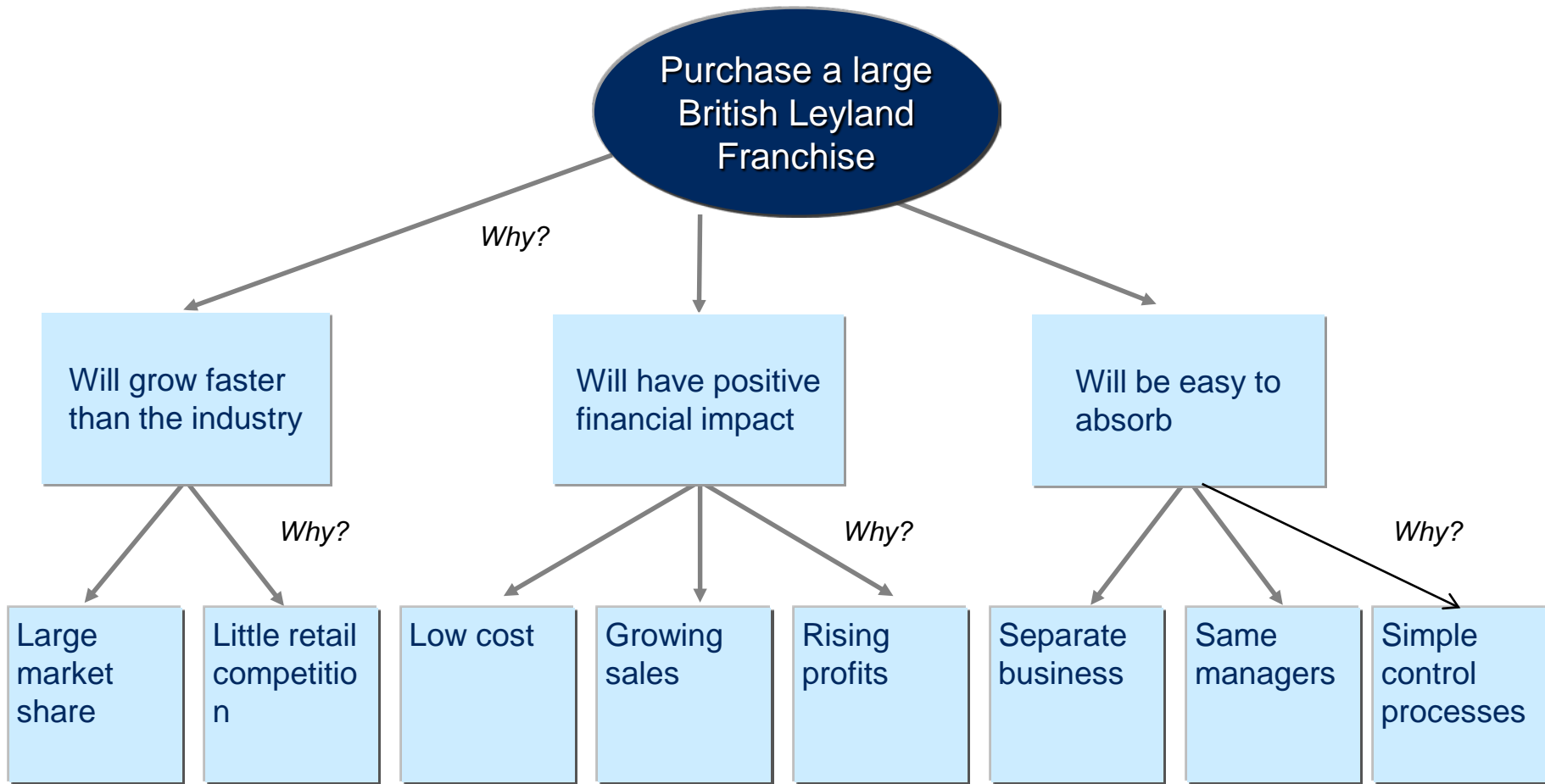
Value of pyramid structure is that is forces visual recognition of the vertical questions/answer relations on you as you work out your thinking

EXERCISE 3: BERT EXAMPLE

Instructions:

Organize the cards and construct into a pyramid structure

EXERCISE 3: AND BERT'S SO WHAT IS …?

```
                              ( ? )

        He ingests a          He does very little      He has a natural
        lot of calories       physical exercise        tendency to gain
                                                        weight
```

He eats large portions	He eats fattening foods	He frequently eats between meals	He is not active inside his home	He is not active outside his home	His mother is obese	He has a thyroid disorder

He has very large dishes	He takes advantage of 2x1 offers	He fries all his food	He collects fastfood brochures	He tries all the samples offered at the supermarket	He goes to numerous parties	He has casters on all of his chairs at home	His TV has remote control	He always takes his car	He uses escalators and elevators	He does his clothes shopping by internet

THE PYRAMID DICTATES A SET OF SUBSTRUCTURES - HORIZONTAL RELATIONSHIP

Pyramid substructures

1 Vertical relationship between points and subpoints

2 Horizontal relationship within a set of subpoints

3 Narrative flow of introduction

- Answers must be logical: present a clear inductive or deductive argument. One or the other but not both at once

- Deductive reasoning: presents an argument in successive steps. First idea makes a statement about a situation, second idea comments on the subject or statement, the third idea states the implication of those two situation. The third point draws a "therefore" from the previous two.

- Inductive reasoning: take a set of ideas that are related simply by describing them by same plural noun (e.g. reasons, steps, schemes, etc)

HORIZONTAL RELATIONSHIP MUST BE INDUCTIVE OR DEDUCTIVE REASONING

Inductive (or grouping)

Deductive (or argument)
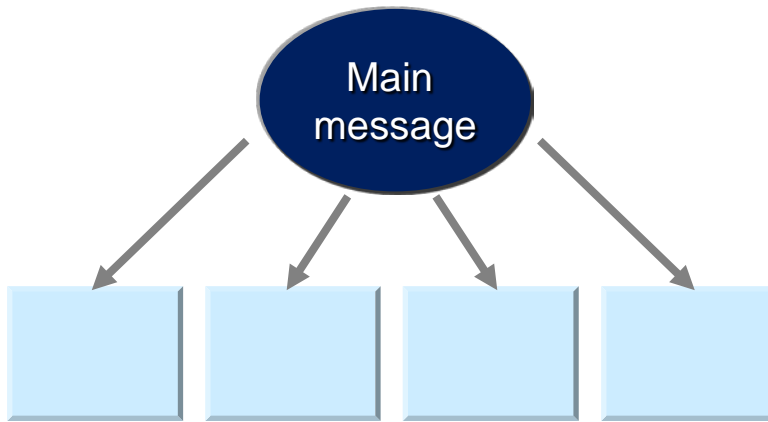
Reasons

Actions

Receptive reader

VS.
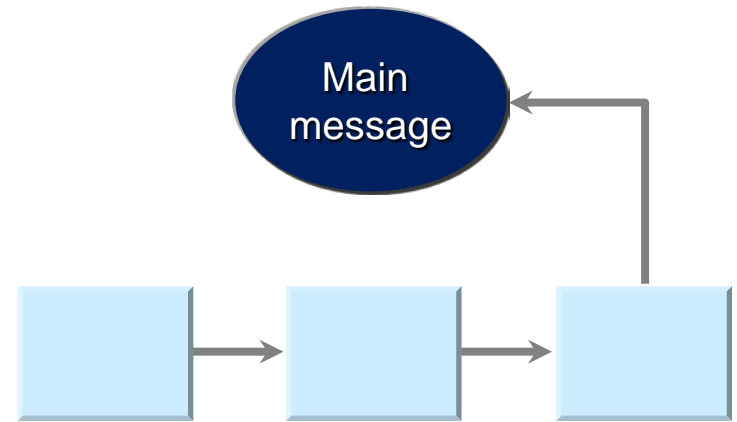
Reasoning

Need for action

Resistant reader

What?   Why?   How?

Why?

INDUCTIVE OR GROUPING PROVIDES SEVERAL LOGICALLY SEQUENCED PIECES OF SUPPORT, ALL OF WHICH CAN BE DESCRIBED BY A COMMON NOUN
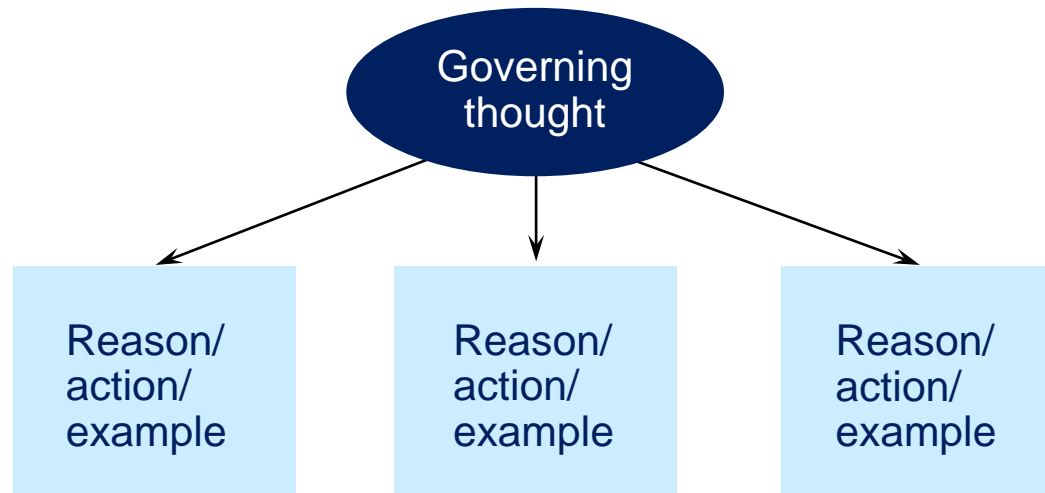
Pros
- Highly effective for action-oriented readers
- Major points easy to remember
- If one point is rejected, remaining points may still persuade

Cons
- Could be too forceful/direct for some readers

INDUCTIVE REASONING: A INDUCTIVE GROUPING CAN HAVE 2 TO 5 POINTS TYPICALLY AND RESULTS IN AN INFERENCE AS THE GOVERNING THOUGHT

The industrial products plant should not be shut down

Plant economics are fundamentally sound

Industrial products can be marketed profitably

The industrial market has attractive potential
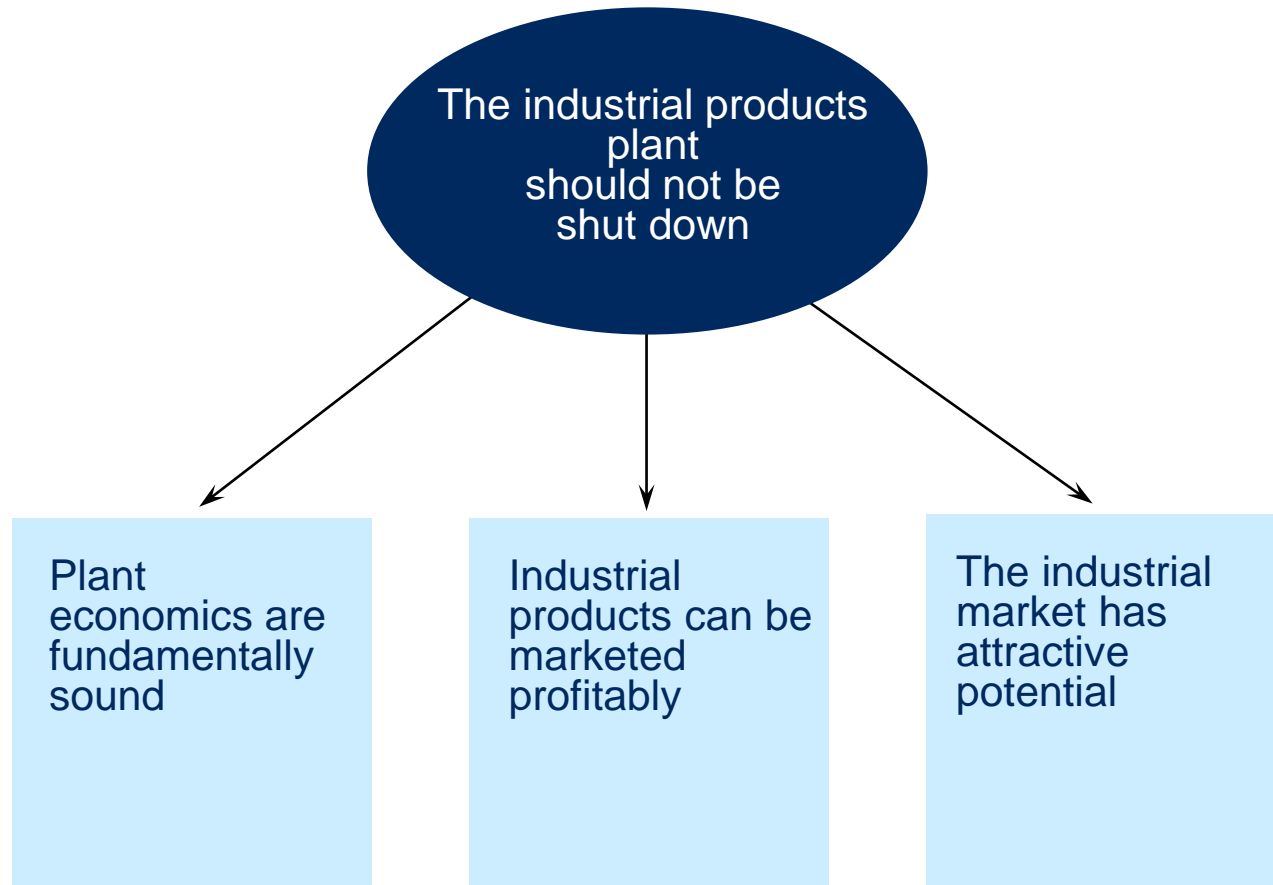
INDUCTIVE REASONING: POLAND EXAMPLE

Synthesis

Poland is about to be invaded

Summary

Foreign tanks are massing at the Polish border

Facts

Russian tanks are at the Polish border

French tanks are at the Polish border

German tanks are at the Polish border

INDUCTIVE REASONING: THE INFERENCE SHOULD NOT GO BEYOND THE GROUPING

Managers mismanage because they want to

| Don't face reality | Won't countenance internal criticism | Won't cut off losing activities | Neglect details | Don't question policies |
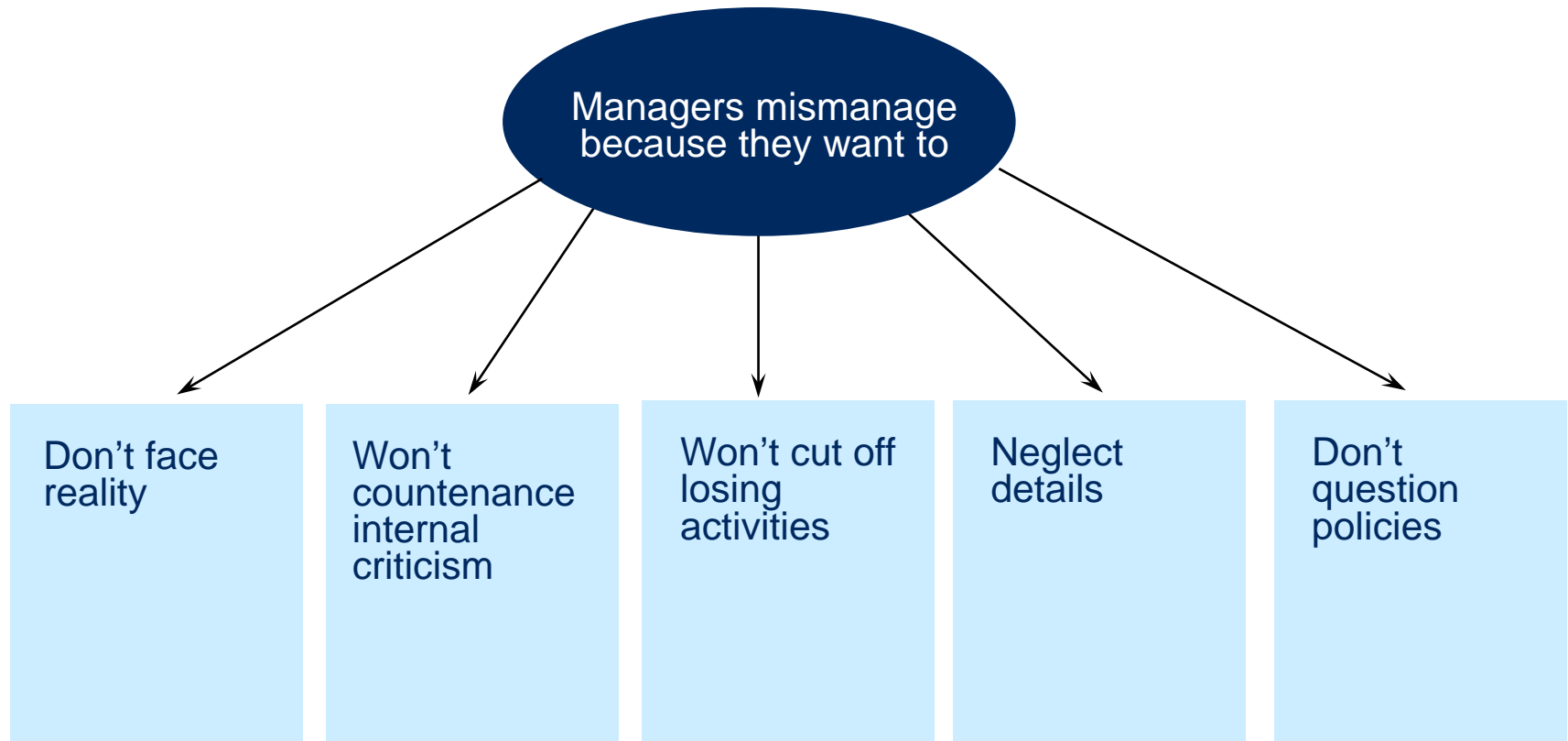
Can you infer that they mismanage because they want to?

DEDUCTIVE REASONING: A LOGICAL ARGUMENT DEMONSTRATES A CHAIN OF REASONING IN WHICH EACH THOUGHT GROWS OUT OF THE THOUGHT PRECEDING IT

Recommendation

Non-controversial, insightful statement about the situation (Yes)

Comment on the situation (But/Moreover)

Implication of the situation and comment (Therefore)
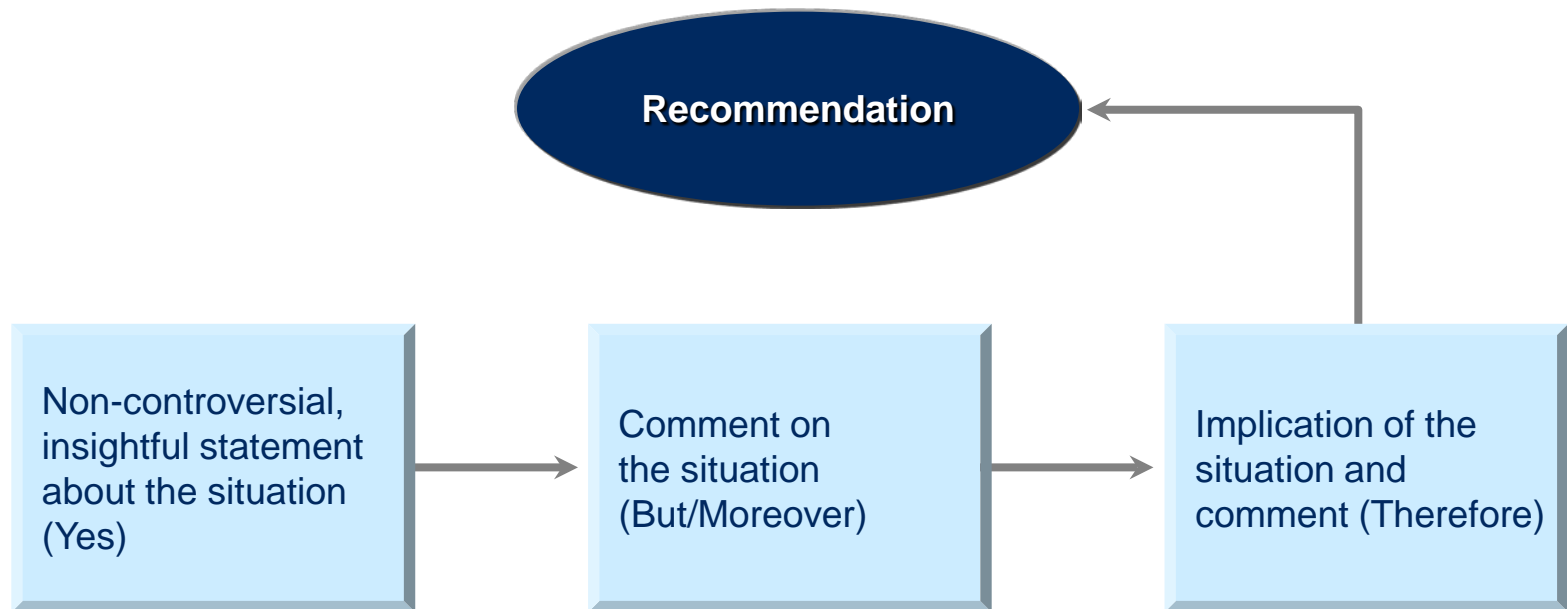
Pros

- Demonstrates no other avenue will work
- Presents all conclusions/ recommendations at the same time
- Is particularly effective with resistant readers

Cons

- Can fail to persuade if reader disagrees with "situation" or "comment"
- Requires reader to remember a lot of information before getting to the "so what?"

DEDUCTIVE REASONING: EXAMPLE

Deductive argument process

- Make a statement about a situation that exists in the world

- Make another statement about a related situation. The second statement relates to the first if it comments on either its subject or its predicate

- State the implication of these two situations existing in the world at the same time

Because Socrates is a man, he is mortal

| Men are mortal | → | Socrates is a man | → | Therefore Socrates is mortal |
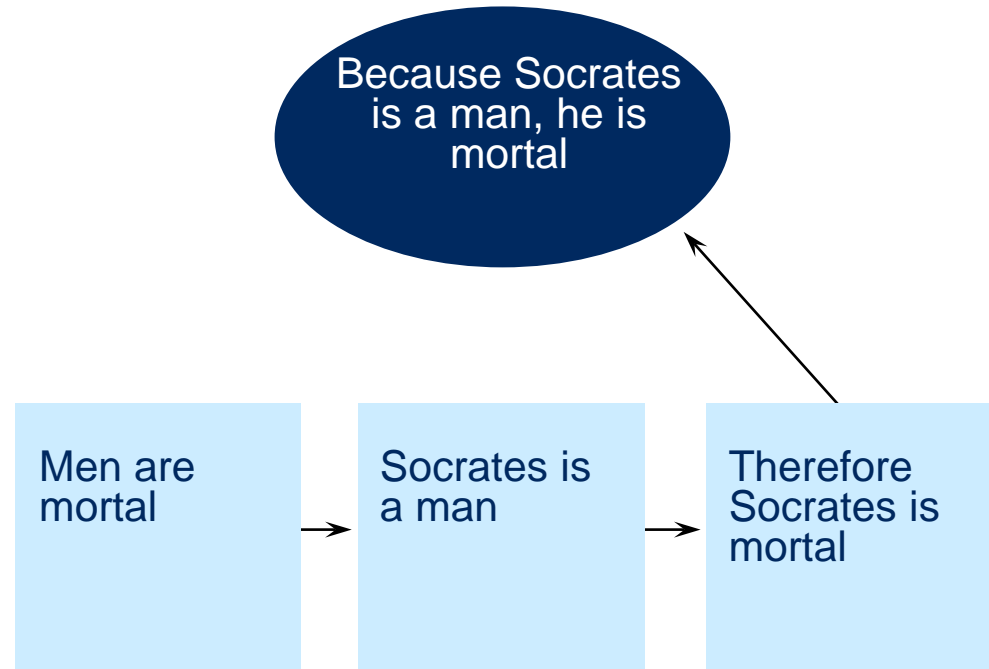
DEDUCTIVE REASONING: ABC EXAMPLE

Because today's standards are so stringent and ABC lacks the essential resources and the time needed to meet these standards, ABC should exit the industry promptly

Industry requirements are tough

ABC is unlikely ever to meet the requirements

Therefore, ABC should take steps now to exit the industry
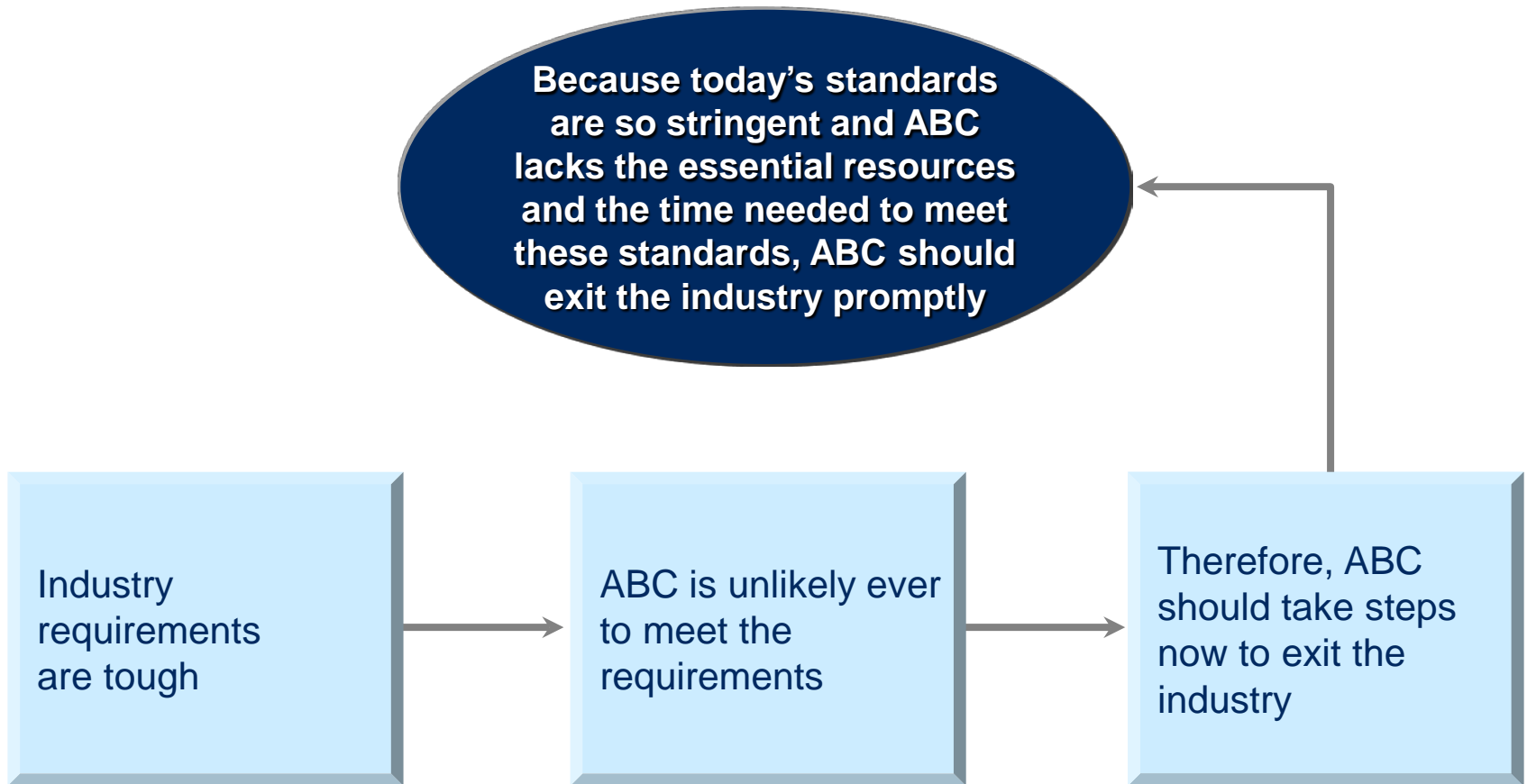
ARGUMENTS REQUIRE TIGHTLY LINKED REASONING

Because today's standards are so stringent and ABC lacks the essential resources and the time needed to meet these standards, ABC should exit the industry promptly

Industry requirements are tough

ABC is not well positioned to meet requirements

Therefore, ABC should take steps now to exit the industry

ARGUMENT PYRAMID

To enable our company to continue to develop high-quality software, it needs to develop and execute an effective marketing and customer support plan that would strengthen its competitive position

Product X has enormous potential

→ However, gaps in marketing and customer support are having a negative impact on its sales

→ Therefore, we should develop and execute a targeted marketing plan and bolster its customer support

- No 1 product
- Great demand

Marketing
- Product X: relatively unknown
- Small dept.

Support
- Poor rating
- Small dept.

- Benchmark
- Determine gaps
- Fill gaps

EXERCISE 4: HOUSE EXAMPLE

Instructions:

Organize the cards and construct into a deductive reasoning structure

EXERCISE 4: THE HOUSE PYRAMID ANSWER

To be more comfortable and to remain sane, we need to do extensive work on our house

Our house is too small

- One bath is deadly with 2 teenagers and 2 pre-adolescents
- Three bedrooms aren't enough for our growing family
- We can't fit a large enough table in the kitchen for all of us
- It looks as though my mother will come to live with us next year

Although we could afford to buy a new house, we don't want to

- The schools are excellent and within walking distance
- The house has our kind of charm
- We love our 5 acres and wonderful trees
- All family members have good friends in the neighbourhood

We should remodel

- Add 2 bedrooms with a connecting bath
- Bump out a wall in the kitchen to create more space
- Add a mother-in-law suite, with a separate entrance

INDUCTIVE REASONING: POSSIBLE PYRAMID FOR TRAVEL AGENCY

The North Pole has a great deal to offer as a vacation spot

- It's interesting
- It's uncongested
- It's inexpensive

It has unusual natural features and unique wildlife

It has many unique recreational opportunities

It has hardly any vehicles

It has few visitors

All you need is a tent…

…a fishing rod…

…and a few dollars for souvenirs

DEDUCTIVE REASONING: POSSIBLE PYRAMID FOR TRAVEL AGENCIES

Travel agencies could profit substantially by marketing the North Pole's potential as a tourist destination for adventure seekers

The number of adventure seekers with substantial disposable income traveling to the North Pole has increased 800% since 2000

However, hardly any travel agencies are promoting the North Pole's advantages as a destination to this highly profitable segment

Therefore, to attract adventure seekers and benefit financially, travel agencies should develop and execute a targeted marketing plan stressing the North Pole's advantages as a travel destination

THE PYRAMID DICTATES A SET OF SUBSTRUCTURES - NARRATIVE FLOW OF INTRODUCTION

Pyramid substructures

1 Vertical relationship between points and subpoints

2 Horizontal relationship within a set of subpoints

3 Narrative flow of introduction

- Question/answer dialogues need to engage his interest, and can only do so when it is relevant to him

- Relevance ensured by making sure it directly answers a question that already exists in his mind

- Introduction identifies that question by tracing the history of its origin

- Classic pattern of story-telling
    - **S**ituation
    - **C**omplication
    - (Question)
    - **R**esolution

THE BENEFITS OF A STORY IS TO ESTABLISH A COMMON POINT AND TRIGGER THE QUESTION IN READER'S MIND

- Best to tell the reader things you know he will agree before telling him things reader may disagree

- Easy reading of agreeable points is apt to render reader more receptive to your ideas than confuse plodding through a morass of details

- Situation: Start at a point where you can make self-sufficient and noncontroversial statement about the subject

- Complication: the complication in the story you are telling, and creates a tension that triggers the Question

- Resolution: gives the answer to the Question that is triggered and leads to the key lines of your document

EXAMPLE INTRODUCTION: BEFORE

The purpose of this memorandum is to pull together some ideas for further reflection and discussion in such questions as:

1. Composition of the Board and its optimum size

2. A conception of the broad roles of the Board and the Executive Committee, the specific responsibilities of each, and the relationship of one to the other

3. Making the outside Board member an effective participant

4. Some principles dealing with the selection of Board members and their tenure

5. Alternate ways for the company to get from where it is to where it wants to be in Board and Executive Committee operations

EXAMPLE INTRODUCTION: AFTER

Situation

The new organization installed in October places full authority and responsibility for running the day-to-day activities of the two divisions squarely on the shoulders of the managers of those divisions. This move frees the Board to deal entirely with the broad matters of policy and planning that are its exclusive responsibility.

Complication

However, the Board has for so long oriented itself to dealing with short term operating problems that is it not presently in a position to focus its attention effectively on long-range strategy development. Consequently, it must consider the changes needed to permit itself to do so. Specifically, we believe it should:

- Relinquish responsibility for day-to-day operating matter to the Executive Committee
- Broaden its composition to include outside members
- Establish policies and procedures to formalize internal operations

Resolution

TIPS YOU CAN USE FOR RESOLUTION KEY LINES

Tips you can use for key lines

Some Common patterns

- Key messages early on for long documents: set the points out early by providing executive summary and enable reader to get your entire thinking in the first 30 sec of reading

- Highlight topic sentences for short documents: use the points as topic sentences to your paragraphs and underline or bold them so they jump out at the reader

A Giving direction: What should we do? Or how should we do it?

B Seeking approval to spend money: should we do it?

C Explaining "how to": How should we do it?

D Choosing among alternatives: What should we do?

A GIVING DIRECTIONS EXAMPLE: DIRECTIVES PLANT THE QUESTION FOR THE READER

Example

S = We want to teach you to give a presentation
C = Need information on a problem chain from each region
R = Prepare a profile of a problem chain

```
                    Prepare a profile of a
                       problem chain
```

| Select a suitable chain by July 11 | Collect necessary data by Aug 10 | Organize and return data by Aug 15 |
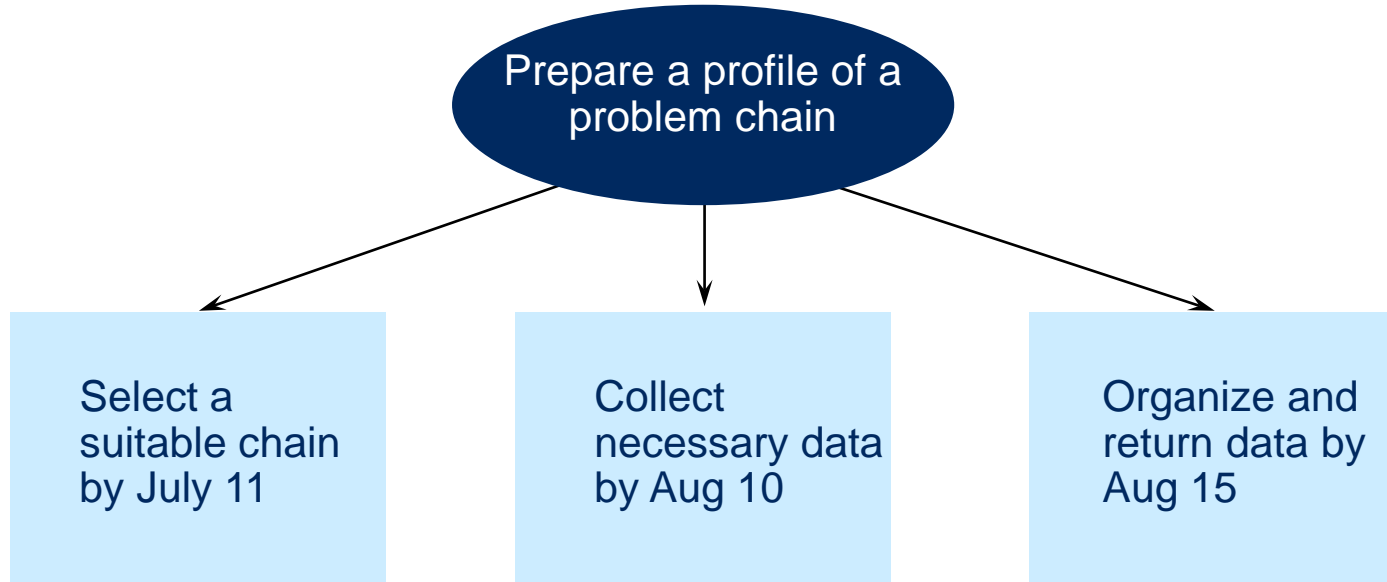
Whenever the question is "how?" the answer is always "steps"

B SEEKING APPROVAL TO SPEND MONEY EXAMPLE

Example

S = Department has X employees and covers Y product line
C = Work in department increased but head count maintained the
same. Backlog growing and satisfaction is down
R = We should install _____ at a cost of $_____

Typical reason used to defend expenditure

We should install _____ at a cost of $_____

We must act now

This action will solve the problem

The financials look good

There are other goodies we get if we do this
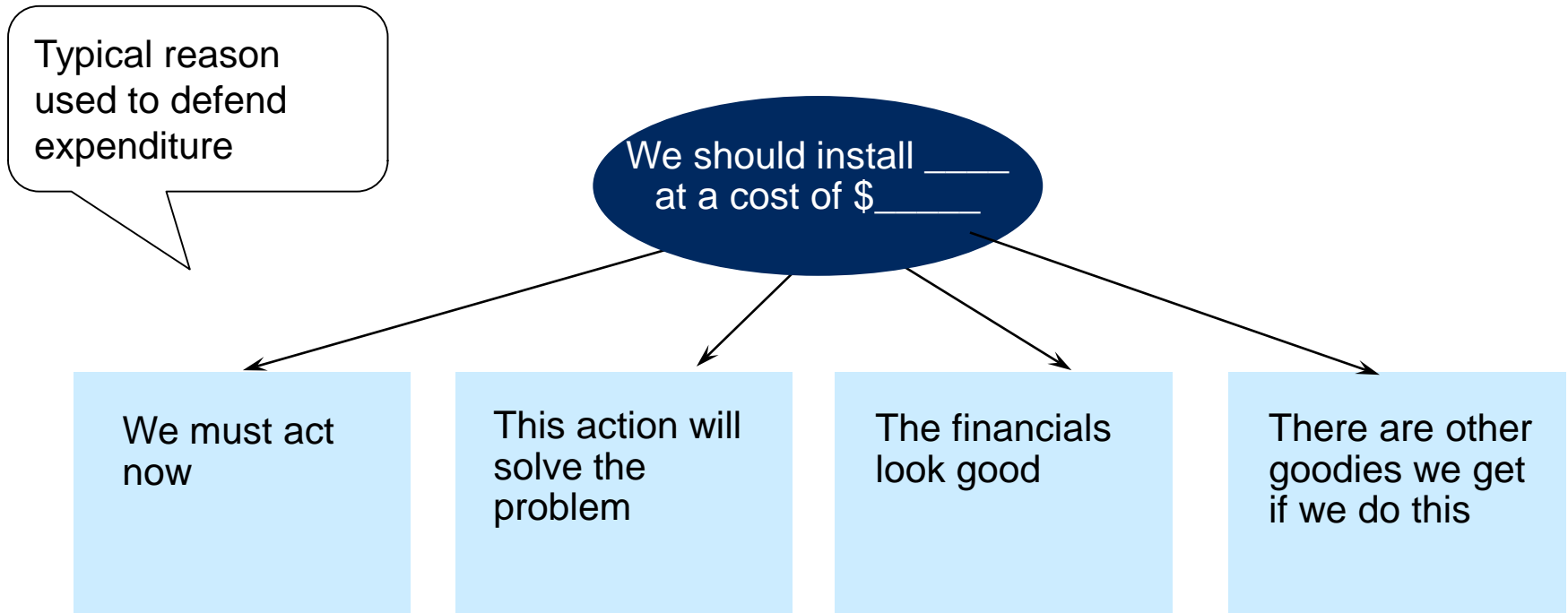
Example

S = Your present system is X
C = It doesn't work properly
R = Do forecasting later in year

Do forecasting later in year

Establish inventory target levels to guide scheduling

Delay making master schedule until September

Use formal process to decide monthly revision

Begin by laying out the present process as they do it now; Then lay out the process as you think it should be done
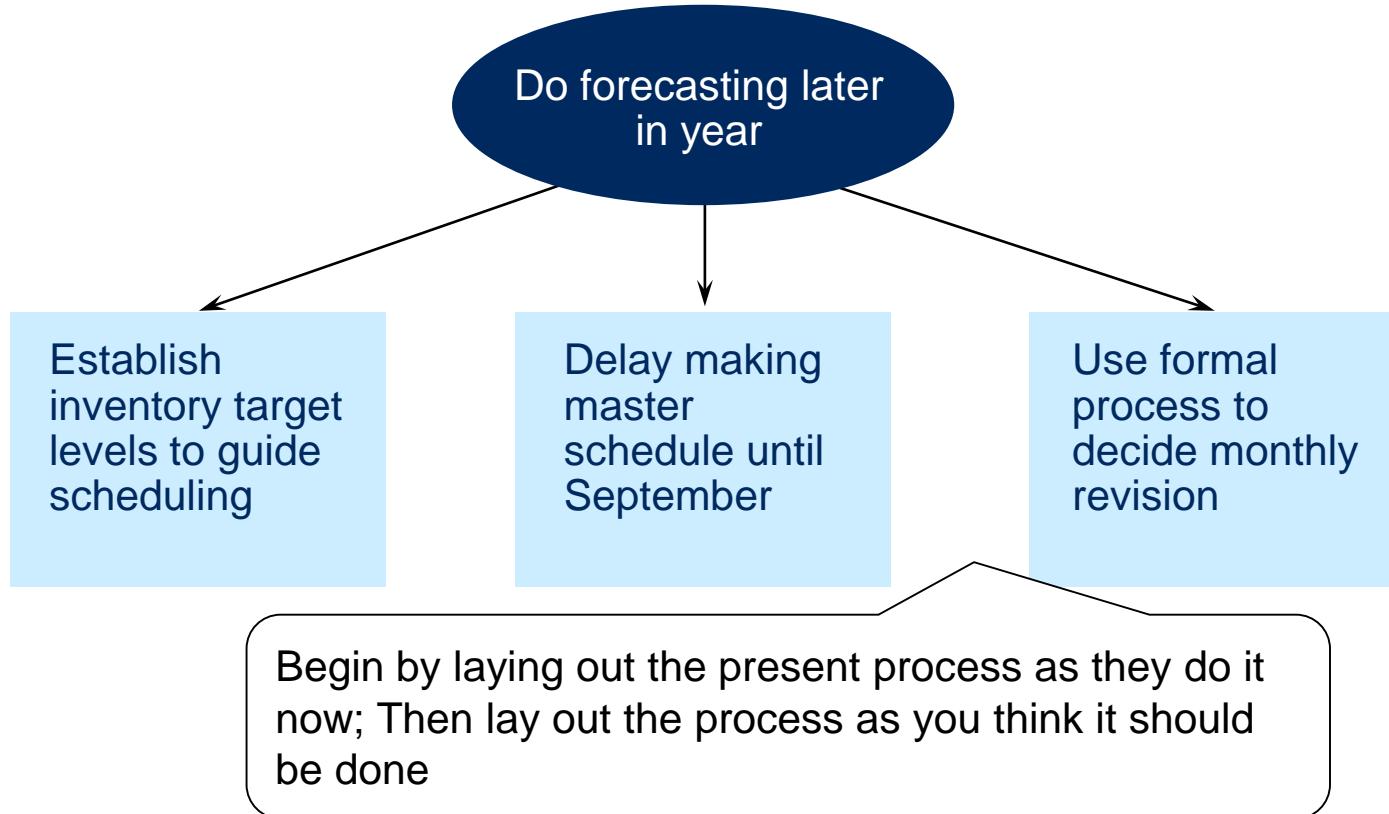
D CHOOSING AMONG ALTERNATIVES EXAMPLE

Example

S = We want to do X
C = We have alternative ways of doing it
R = We should implement option B
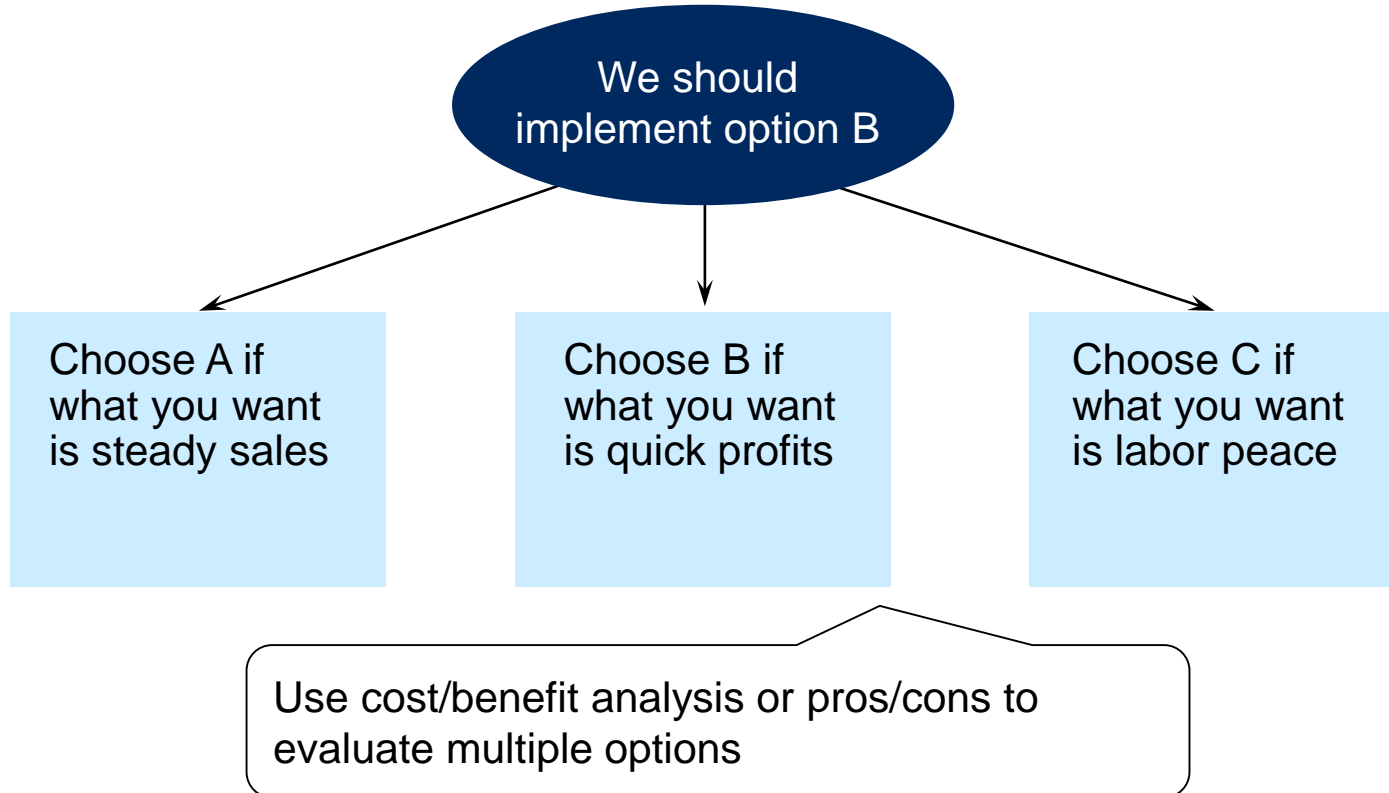
We should implement option B

Choose A if what you want is steady sales

Choose B if what you want is quick profits

Choose C if what you want is labor peace

Use cost/benefit analysis or pros/cons to evaluate multiple options

STORY LINING AGENDA

Introduction to pyramid structure

Structures within the pyramid

How everything comes together

HOW EVERYTHING COMES TOGETHER
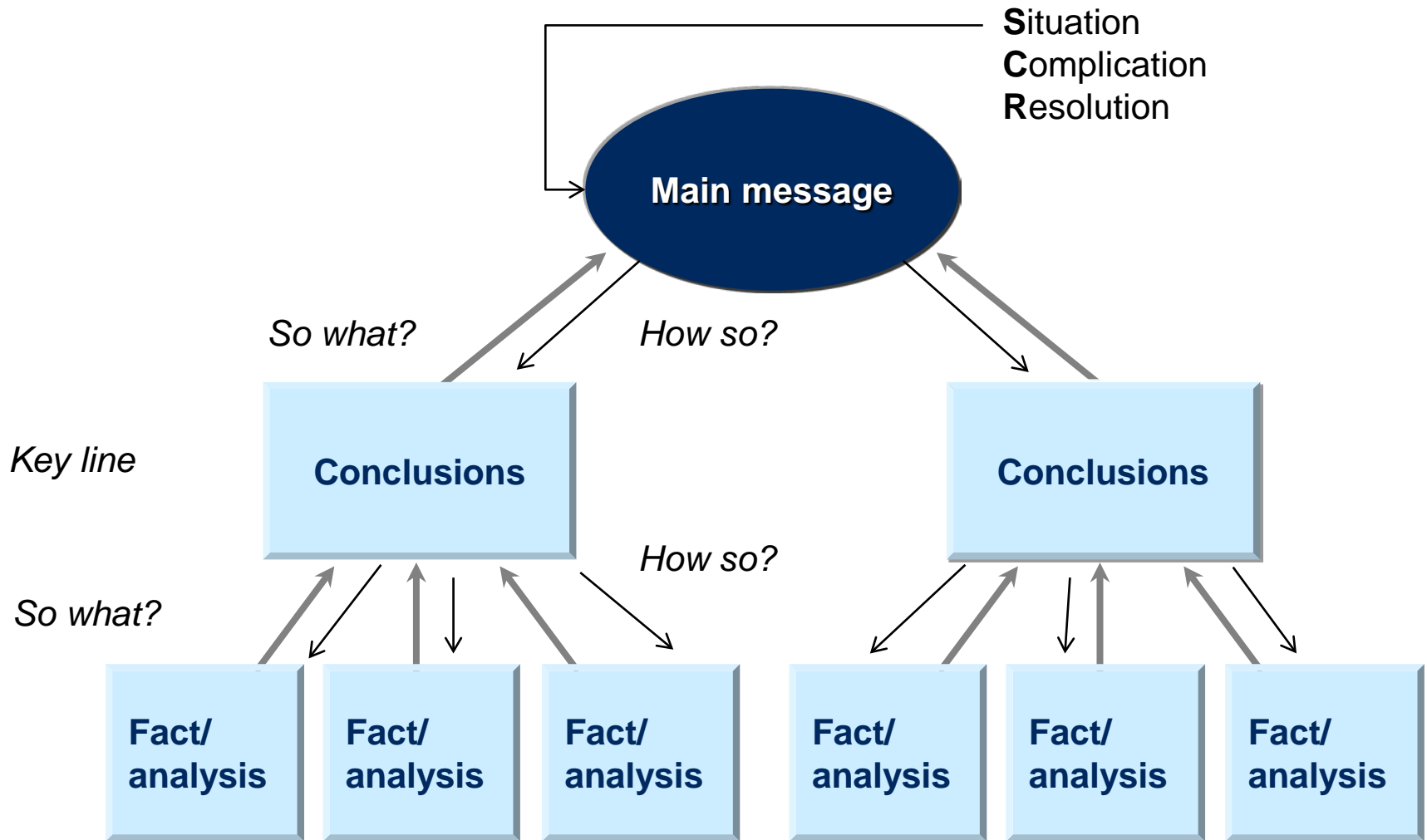
ATTRIBUTES OF THE PYRAMID

"So what?"

Synthesis

Communication

"What?"
"Why?"
"How?"

Coherence
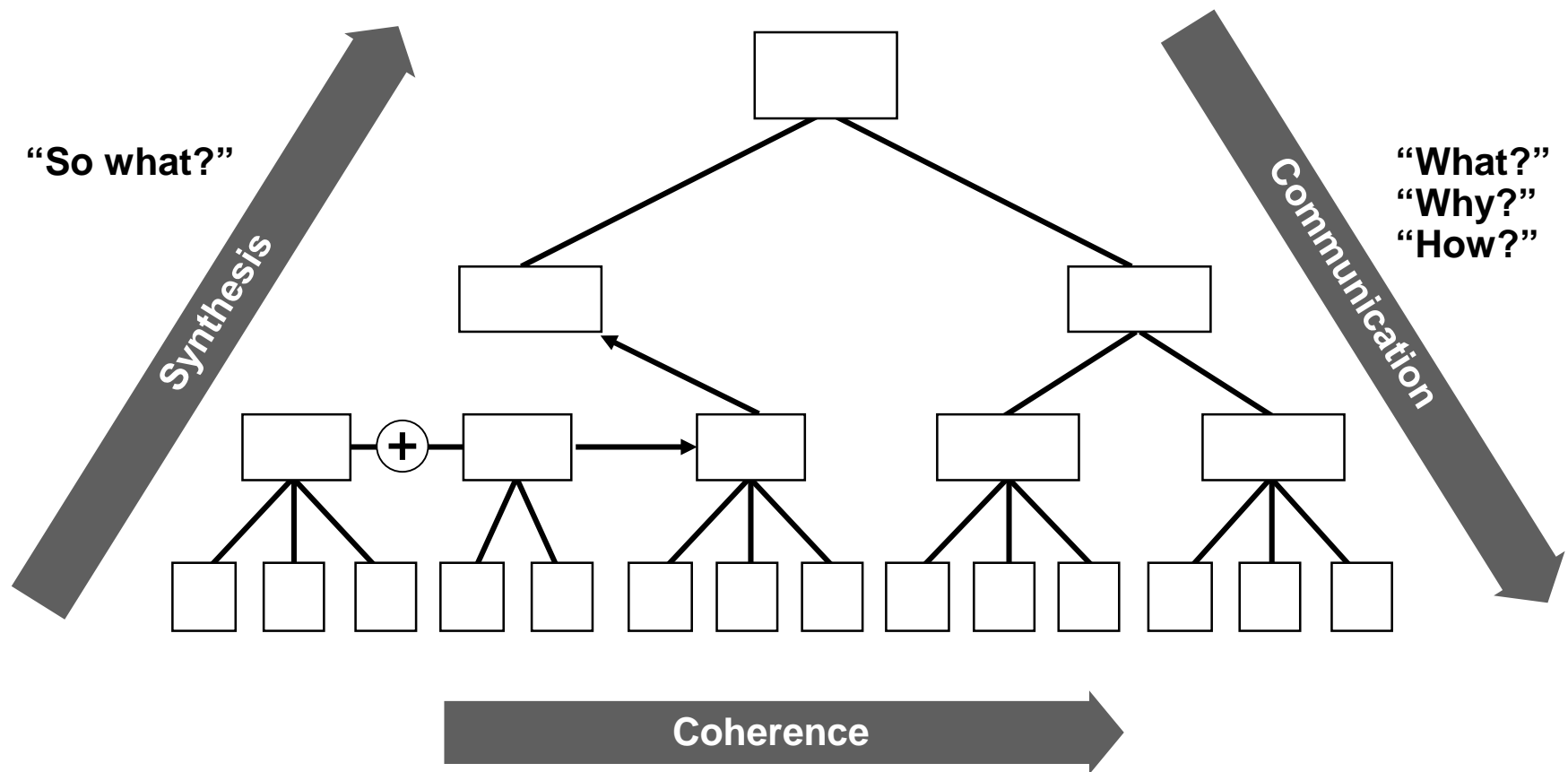
FROM PYRAMID TO DOCUMENT STRUCTURE
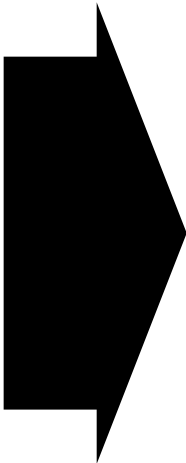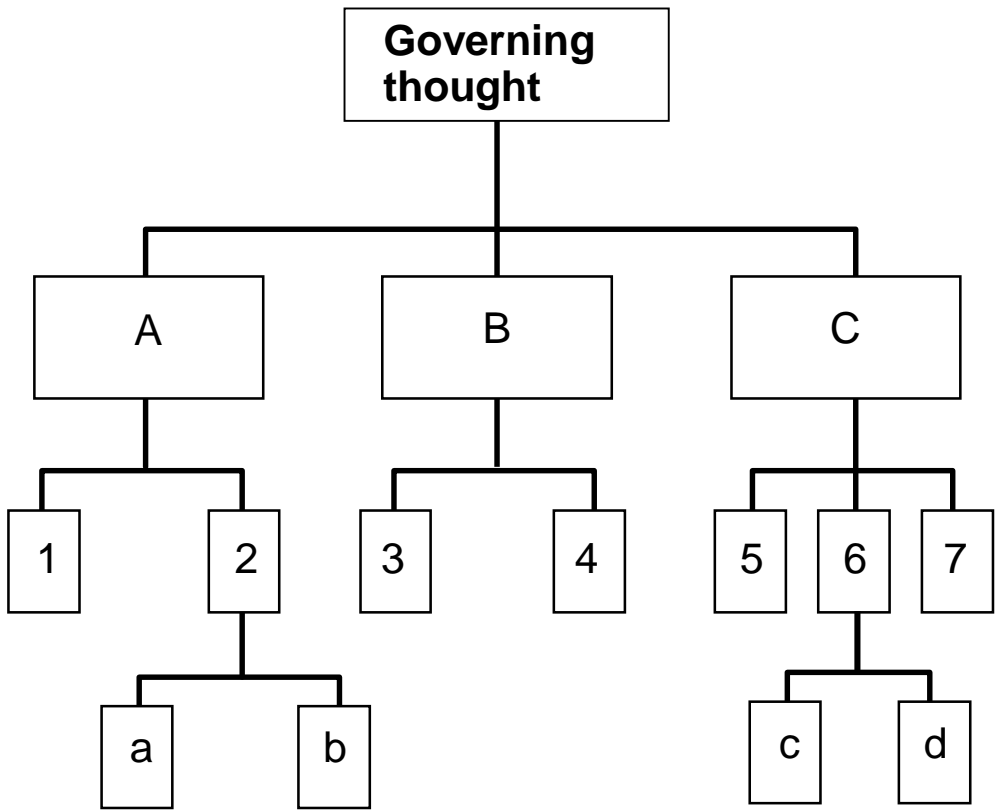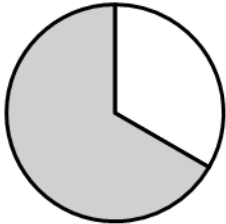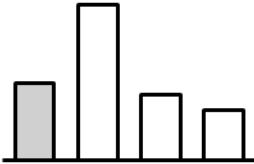
FROM PYRAMID TO STORYBOARD

Document title **Client name** **Document type** **Place, Date**	**Introduction/context**	**Governing thought** • "Major" • "Major" • "Major"
		1

MAJOR
  ¶ "Minor"
  ¶ "Minor"
	"Minor"
	So what/message
		"Minor"
		So what/message

3	**4**	**5**

STORYBOARD TO THE REAL WORK!

Title page
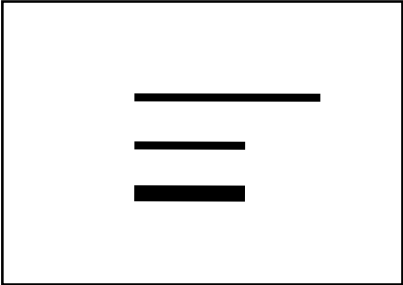
Executive summary
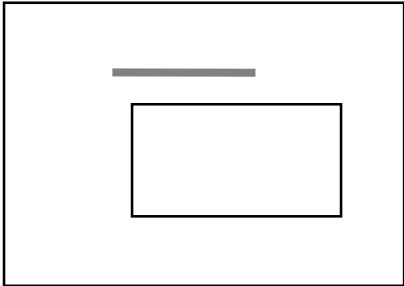
Contents/tracker page
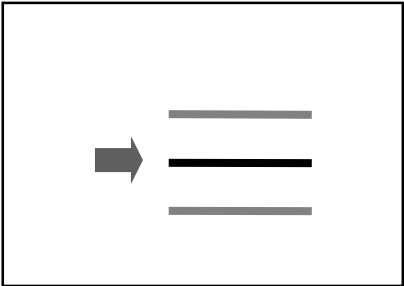
Next steps
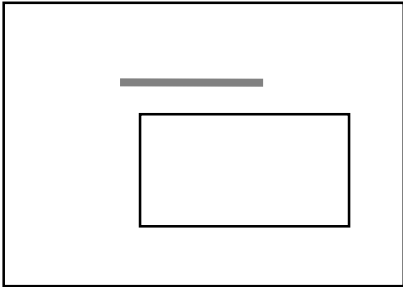
THINK THE MESSAGE THROUGH
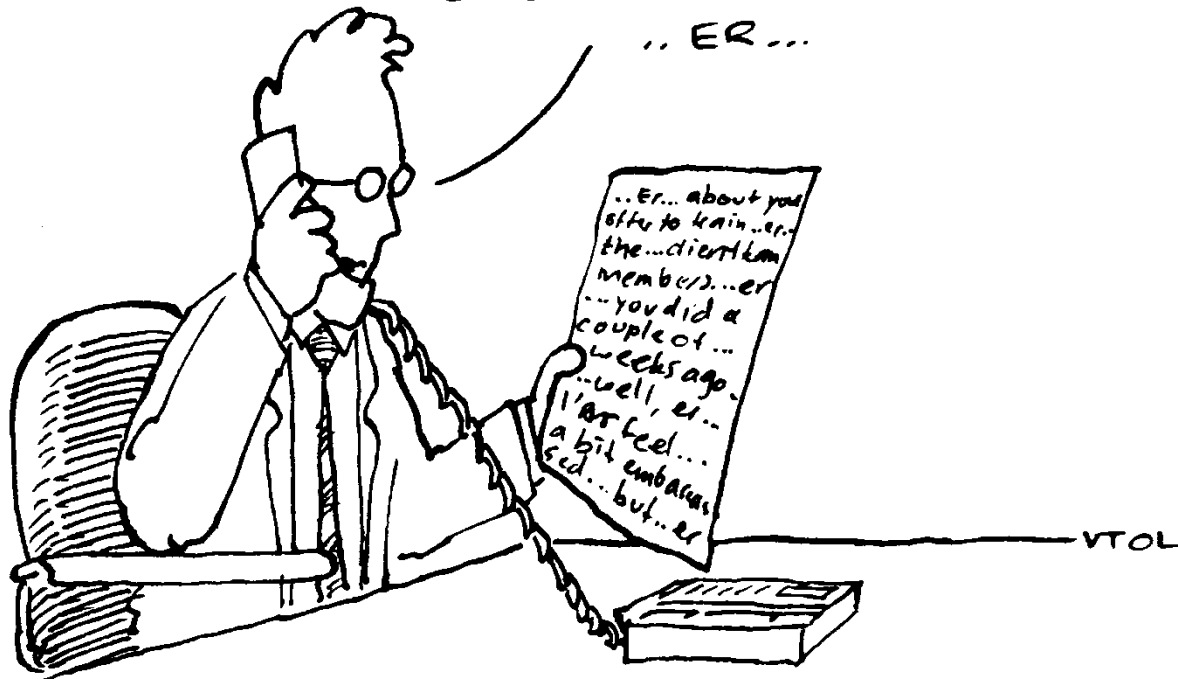
EXERCISE: STORYLINE

- Create an executive summary for your presentation using the S-C-R framework

- Determine if you would use an inductive or deductive pyramid, and create second the level of the pyramid accordingly

- Team breakout discussion for 20 minutes

7-STEP PROBLEM SOLVING LOOP

Step 1

Problem definition

Step 2

Problem structuring

Step 3

Prioritization

Step 4

Issue analysis

Step 5

Synthesis

Step 6

Storylining

Step 7

Presentation

An iterative loop
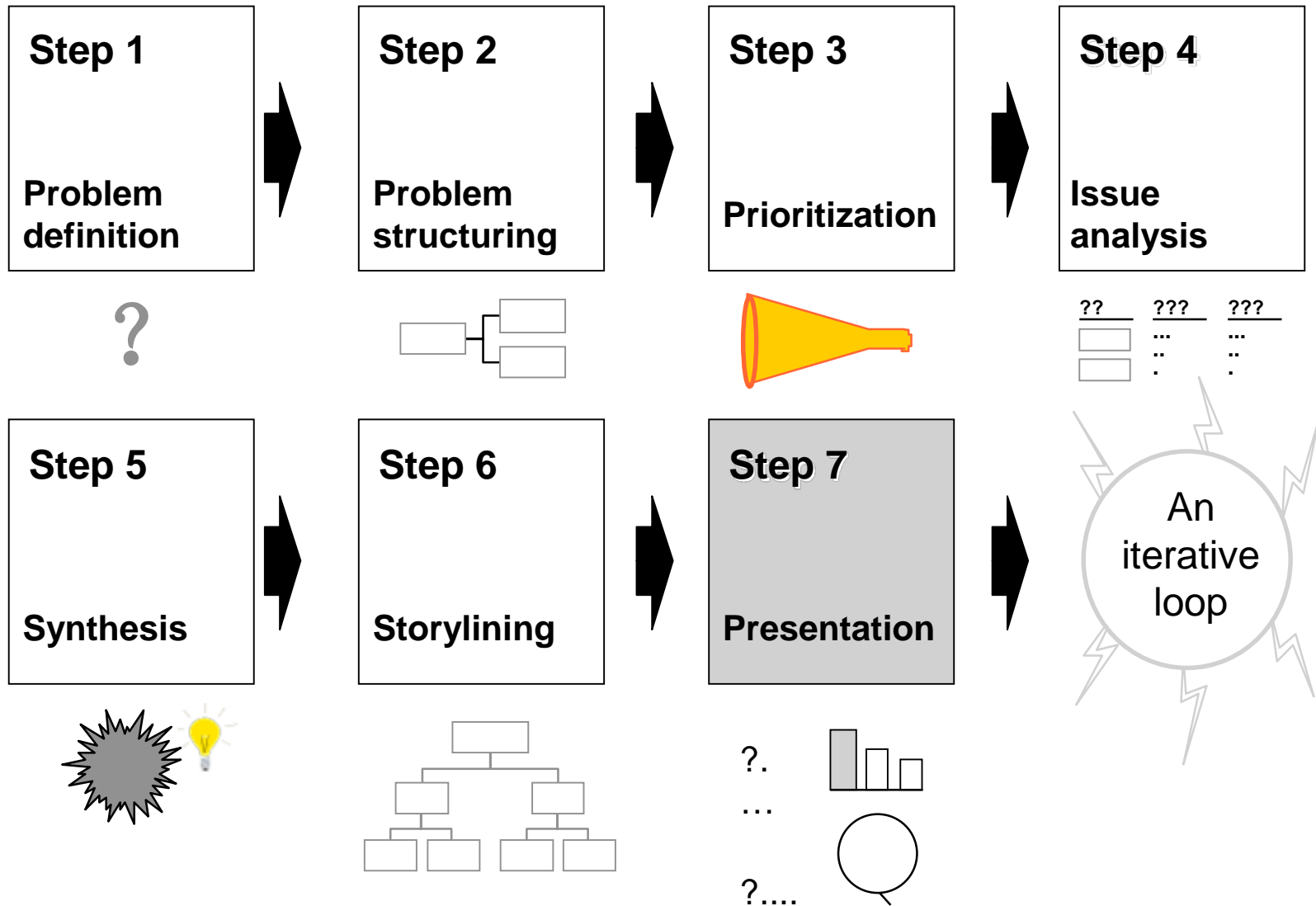
EXHIBITS PLAY A MAJOR ROLE IN ALL COMMUNICATIONS
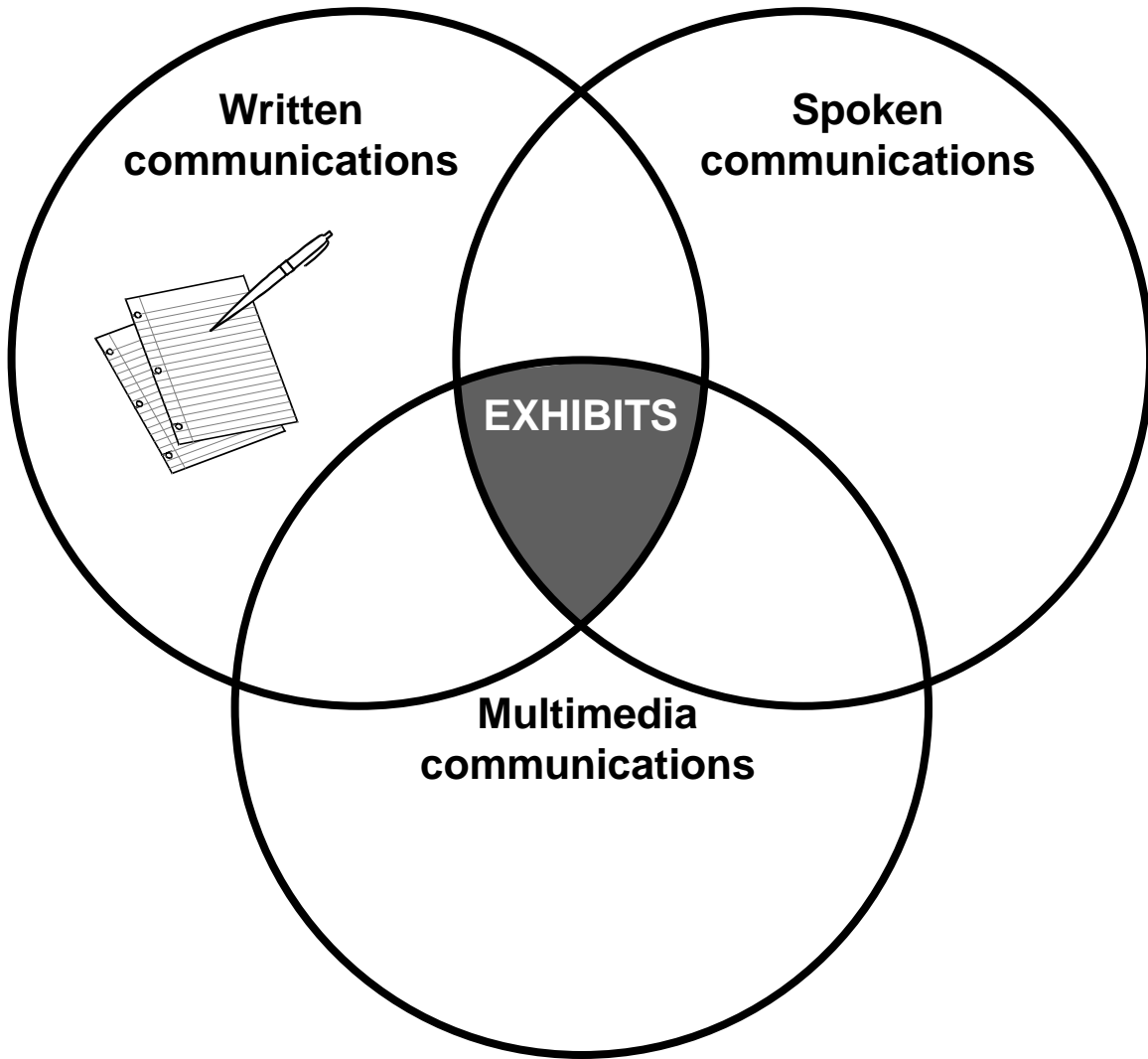
SUCCESSFUL CHARTS CONTAIN SEVERAL ESSENTIAL CHARACTERISTICS…

One clear message per chart

Sales are steadily increasing

Content and title work together

LEGIBLE!

Sales 1998
USD millions

"Less is better"

Single font size for chart
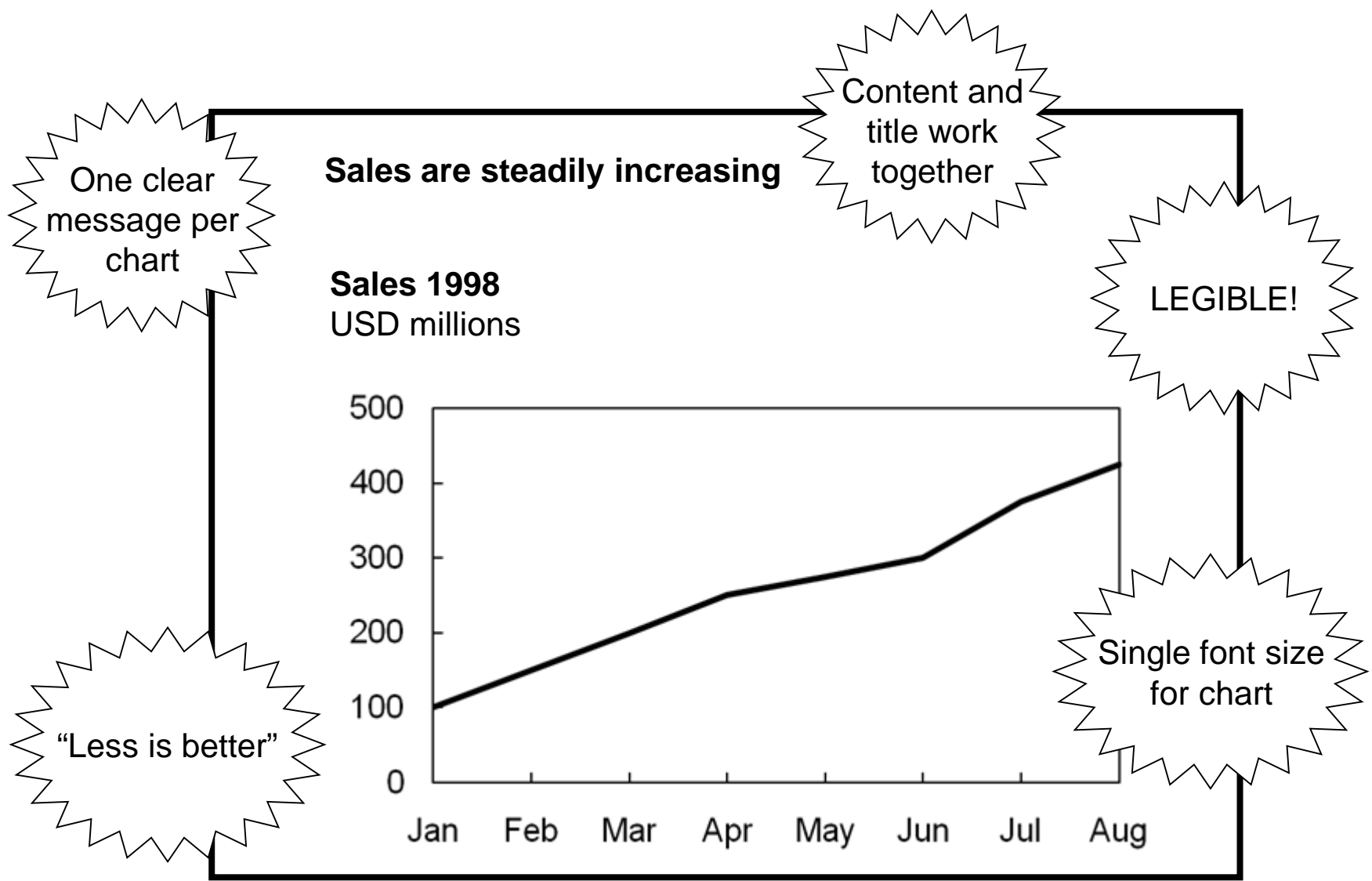
… AND SHOULD FOLLOW A FEW GUIDELINES

Message title
States your
interpretation
of the
presented data

Exhibit title
Describes
subject of
chart

Footnote
Comments on
single chart
element

Demand for Groglets has more than doubled over the past 5 years

Market demand for Groglets
USD millions

PRELIMINARY

Retailer
Wholesaler
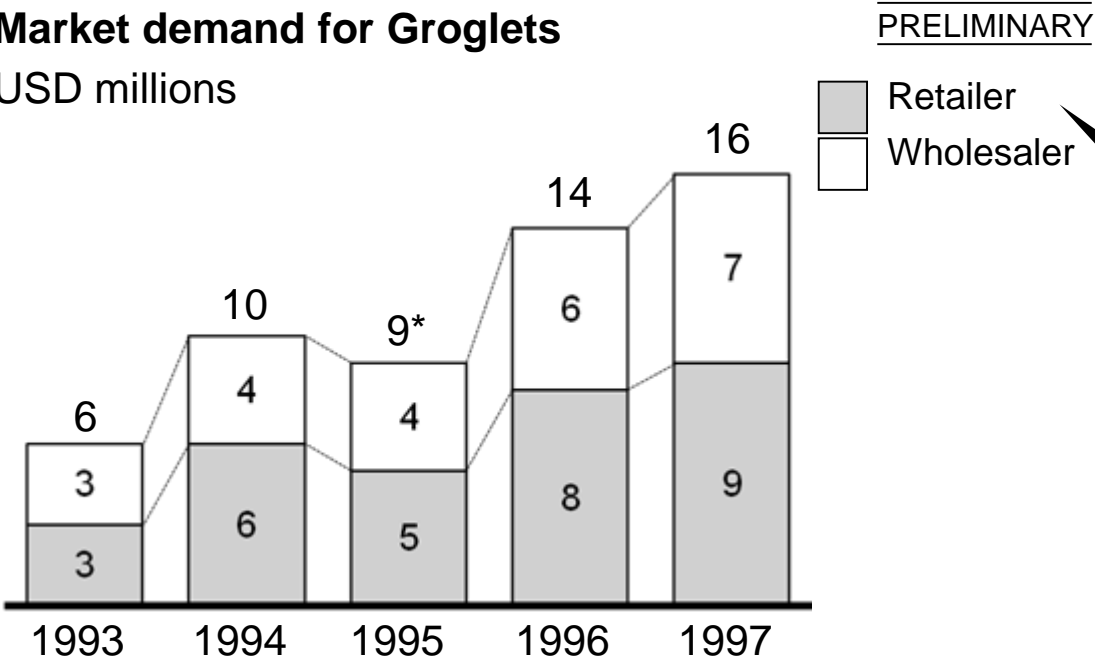
Sticker
Comments
on content
of chart
(optional)

Legend
Describes
meaning of
shading
(optional)

Year	1993	1994	1995	1996	1997
Total	6	10	9*	14	16
Wholesaler	3	4	4	6	7
Retailer	3	6	5	8	9

* Poison found in can of Groglets, February 1995
Source: Groglets, Inc.; Trendsearch, Inc.

Source
Gives credibility to
data, allows us to
use reference

HOW TO DESIGN SUCCESSFUL EXHIBITS

- **Quantitative**

- Non-quantitative
  - Concept visuals
  - Text visuals

EXERCISE

Sketch as many charts as you can using this data:

Percentage of January sales by region

	Company A	Company B
North	13	39
South	35	6
East	27	27
West	25	28

ANSWERS

Could have been pie chart, column chart, bar chart, or grouped pars of bars, descending order or bar.

But which one to use all depends on the message you want to bring forward

STEP 1: ANALYZE YOUR DATA AND DETERMINE YOUR MESSAGE

Data and metric does not determine the chart, but it's your message and point that you want to make

Data → **Determine your message** → **Select the chart form** → **Add graphic treatment**

Sales 2003-08

2003	4,244
2004	4,368
2005	6,291
2006	6,989
2007	8,412
2008	9,213

MESSAGE
Sales have increased dramatically between 2003 and 2008
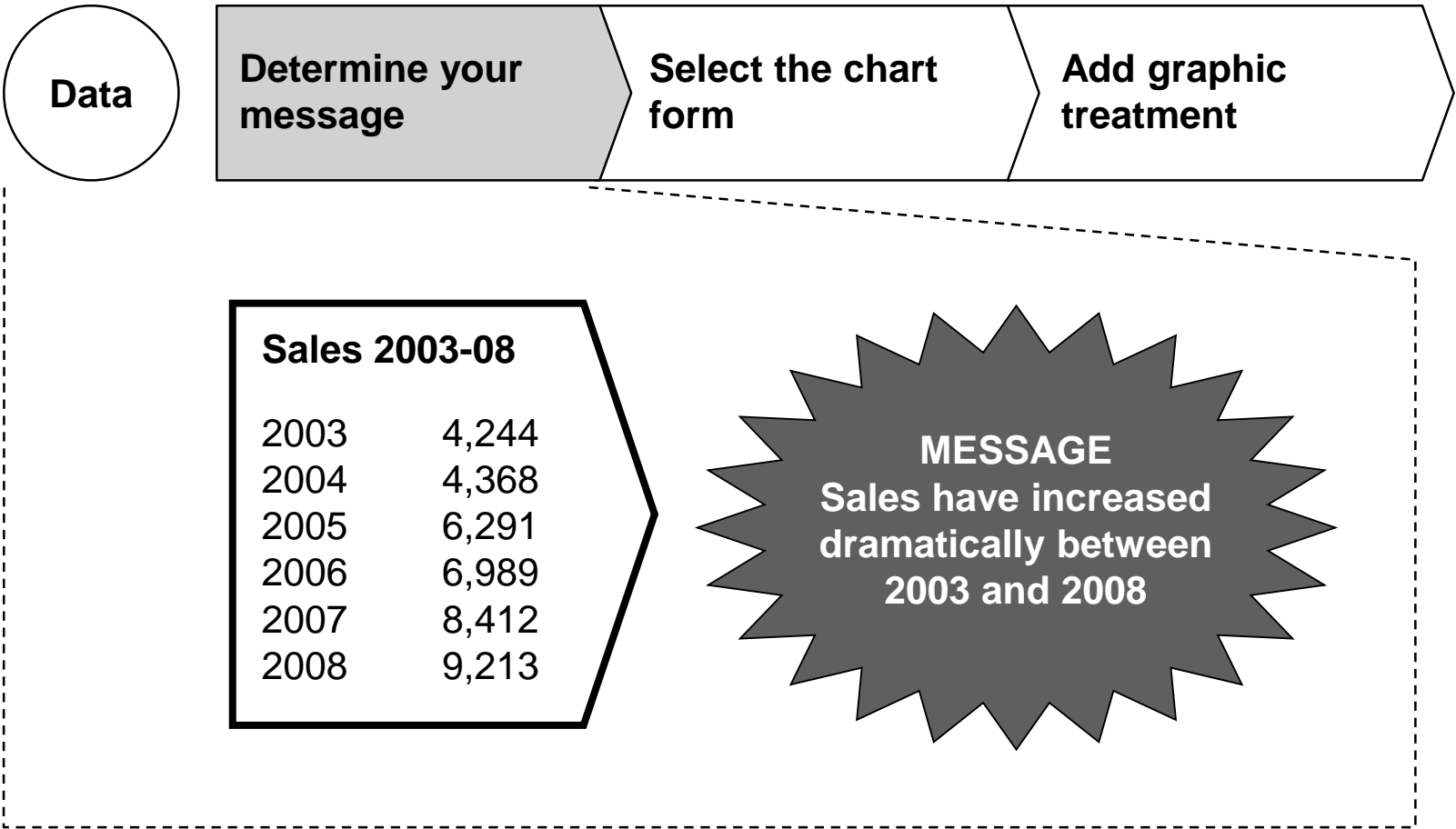
EXERCISE: WHAT COULD BE THE MAIN MESSAGES FROM THIS CHART?

Write down the answers on your own (5 min)

Sales by product
$ Thousands

| | Product | | | |
	A	B	C	Total
Jan.	$88	$26	$7	$121
Feb.	94	30	8	132
Mar.	103	36	8	147
Apr.	113	40	7	160
May	122	40	13	175

ANSWERS

1. Trend between Jan and May: Sales increase Jan to May continuously
2. Single point in time: In May, product A is much larger than B and C by a large margin

No one can help you with this step. It all depends on what your message is

EXERCISE: WRITE DOWN THE MESSAGE YOU THINK THE CHART IS CONVEYING

Write down the answers on your own (5 min)

NUMBER OF CONTRACTS ISSUED
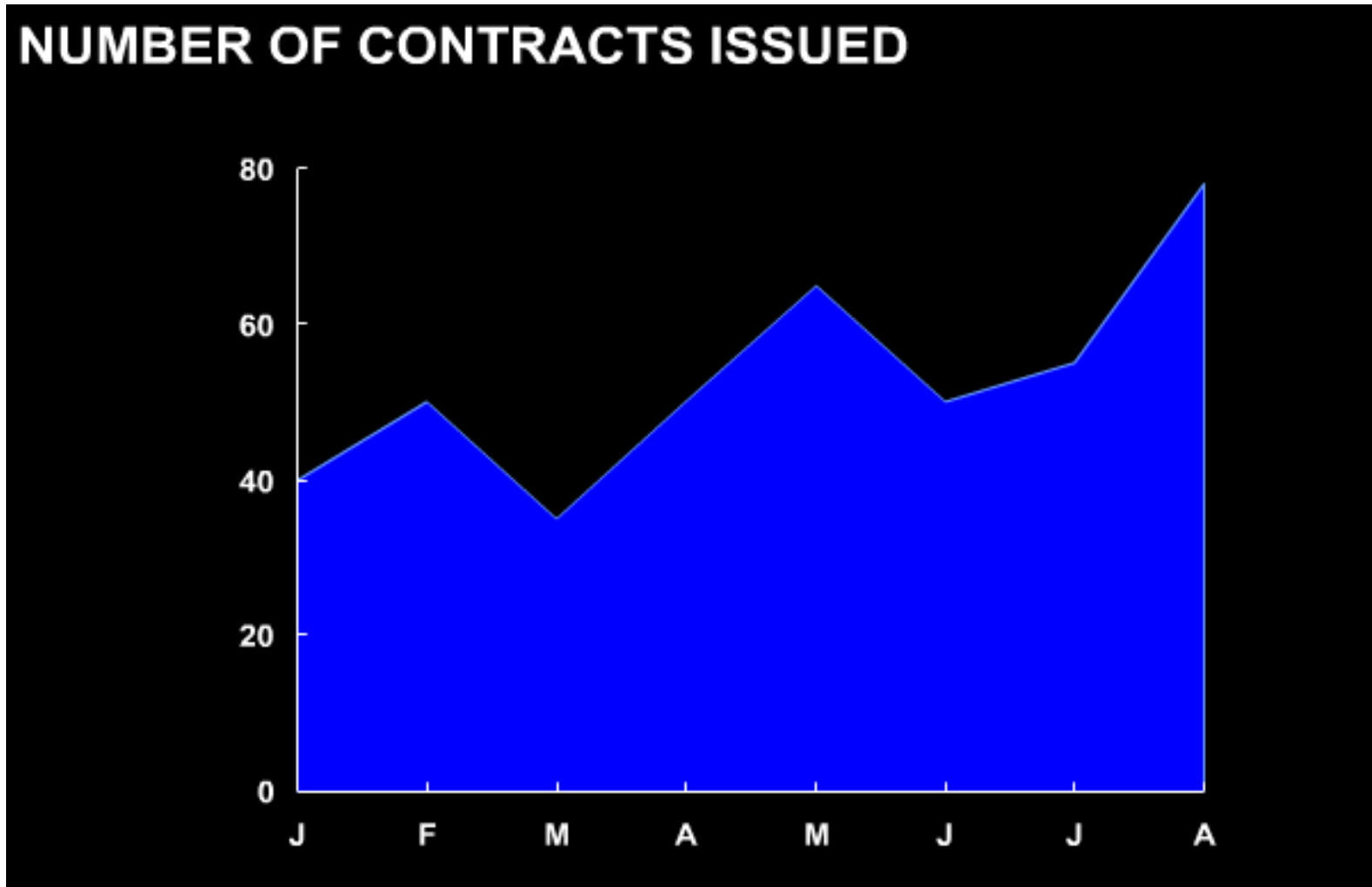
ANSWER

Topical title runs the risk of miscommunicating the point we are trying to make. Take responsibility of the message you want to make and let that be the title of the chart
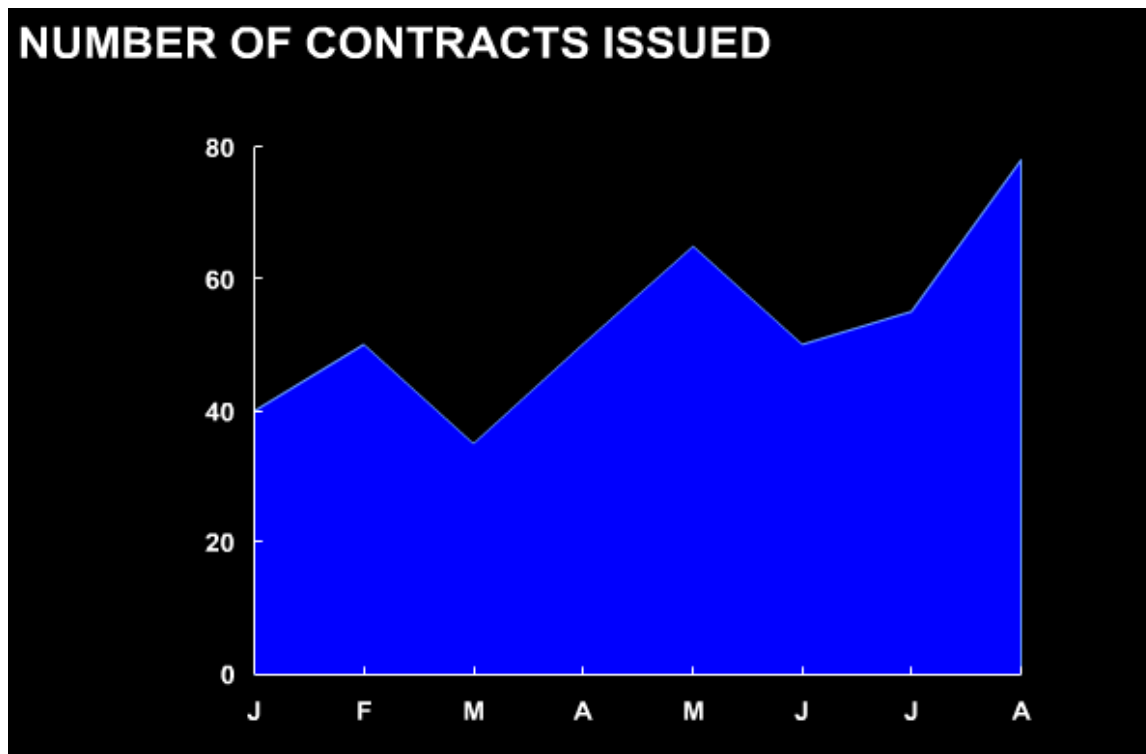
1. Increased
2. Fluctuated
3. Others?

STEP 2: SELECT THE CHART FORM
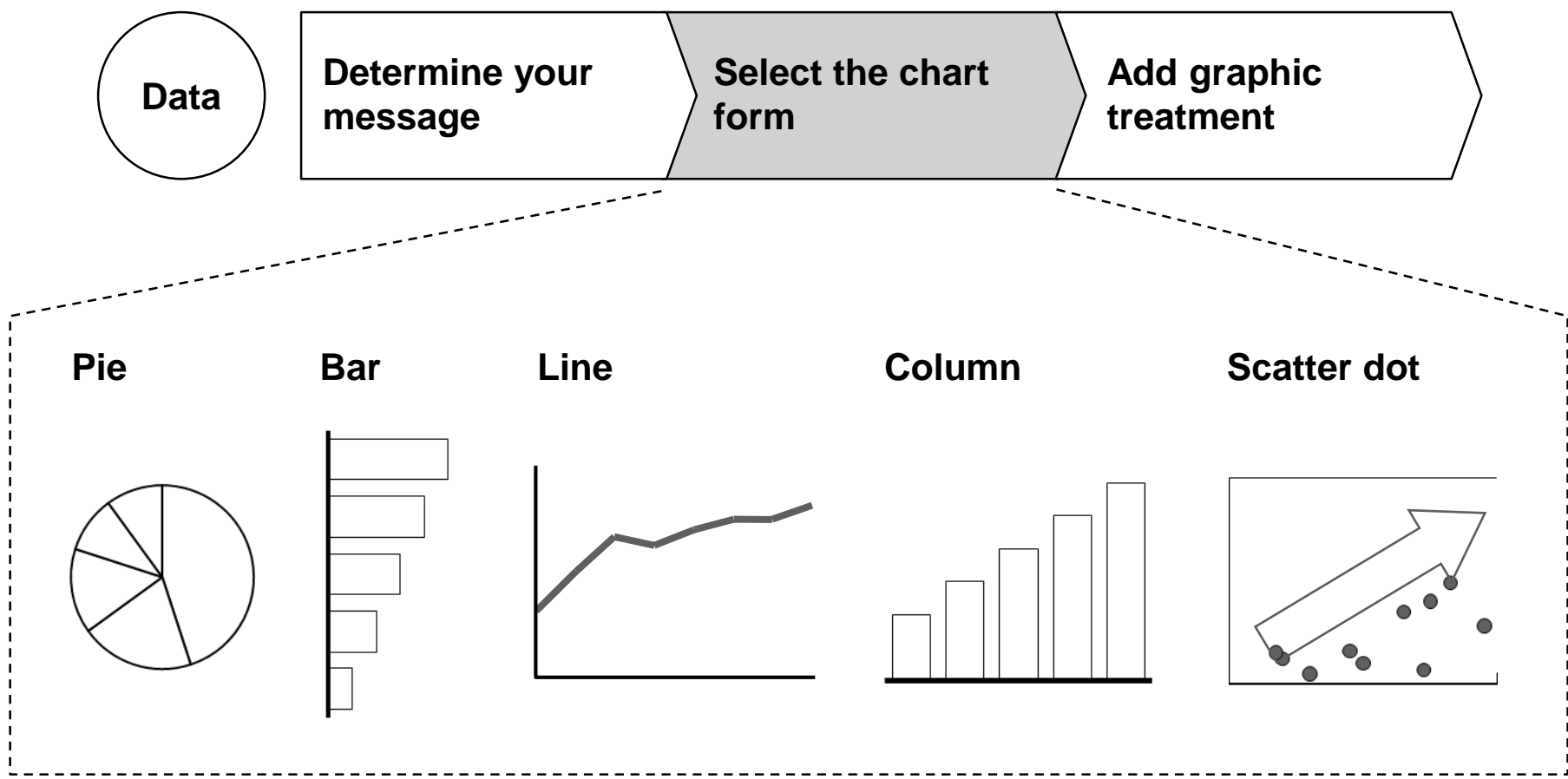
MESSAGES LEAD TO ONE OF FIVE BASIC KINDS OF COMPARISON

	Comparison	Example
Component	Size of each part as percentage of total	In May, product A accounted for the largest share of the total
Item	Ranking of items (equal, more/less than other)	In May, sales for product A exceeded those of products B and C
Time series	Changes over time (trends in weeks, months, years; increase, decrease, constant)	Sales have risen steadily since January
Frequency distribution	Number of items within a progressive numerical range	In May, most sales were in the USD1,000 to USD2,000 range
Correlation	Relationship between two variables	Sales performance in May shows no relationship between sales and salesperson's experience

IDENTIFY THE COMPARISON IMPLIED FROM THESE MESSAGES
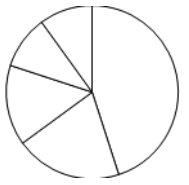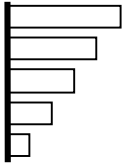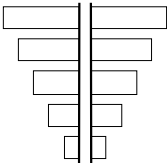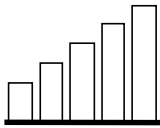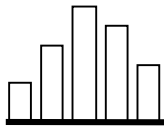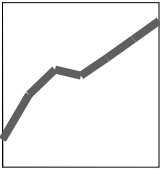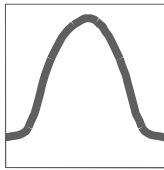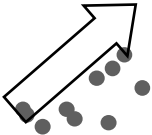
Message	Comparison
Sales are forecast to increase between now and 2012	Time series
Higher price of gasoline brands does not indicate better performance	Correlation
In March, the turnover rates for the five divisions were about the same	Item
The sales manager spends only 15% of his time in the field	Component
The largest number of employees earns between $35,000 and $40,000	Frequency distribution

IDENTIFY THE COMPARISON IMPLIED FROM THESE MESSAGES

Message	Comparison
The majority of shipments are delivered in 5 to 6 days	Frequency distribution
In May, product A accounted for the largest share of total company sales	Component
Sales has risen steadily since January	Time series
In May, product A exceeded those of products B and C	Item
Discount per ton has no relationship to number of tons bought	Correlation

EACH CHART IS BEST EQUIPPED TO SHOW A PARTICULAR COMPARISON

Kind of comparison

	Component	Item	Time series	Frequency distribution	Correlation
Pie					
Bar					
Column					
Line					
Dot					

Type of chart

PIE CHART CAN MOST EASILY SHOW WHICH IS THE MOST IMPORTANT COMPONENT
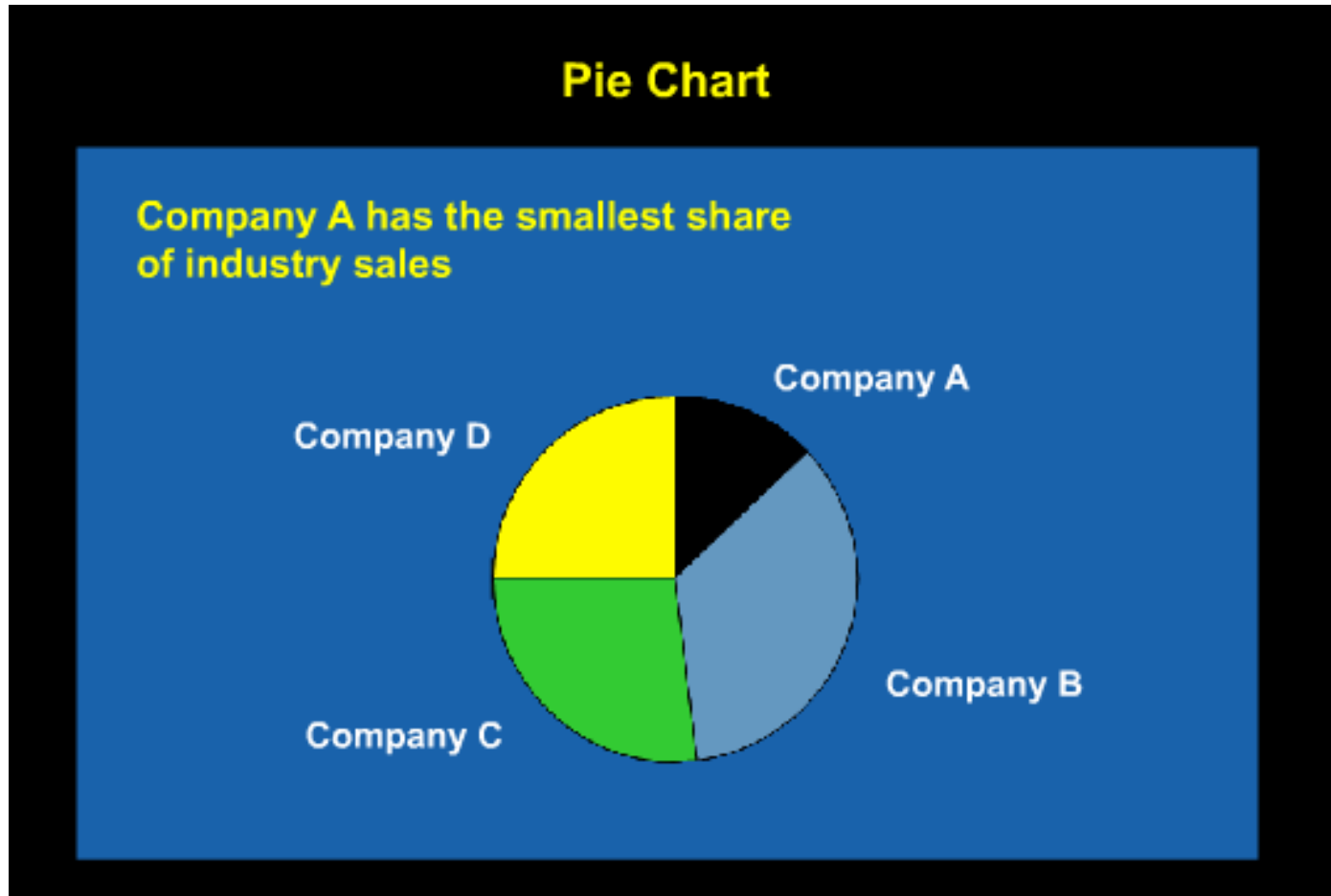
EXAMPLE: INTERNET PROJECTED TO ACCOUNT FOR LARGEST SHARE OF INTERACTIONS

Millions of interactions, percent

Now

22 million

Internet 25%
In person 11
Call center 21
Automated phone interface 43

2007

27 million

Internet 52%
In person 7
Call center 7
Automated phone interface 34
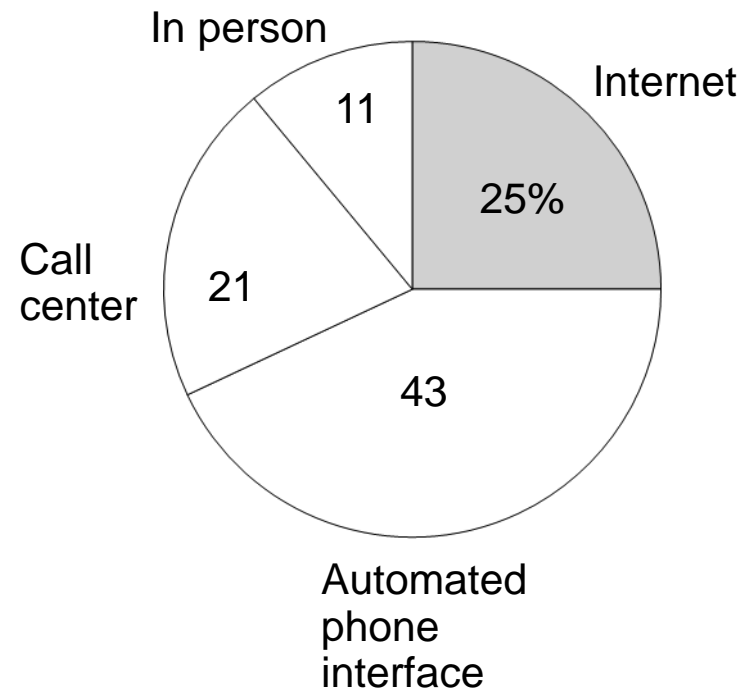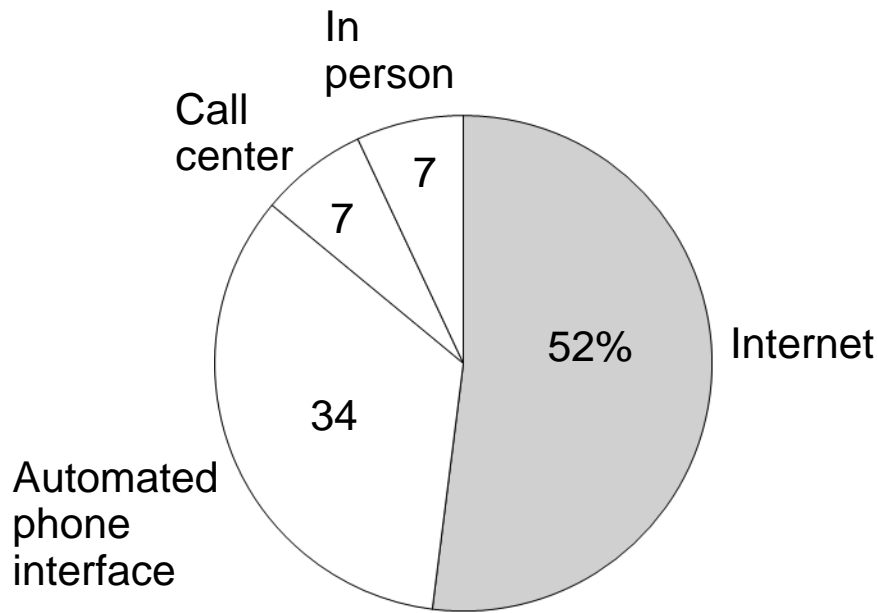
BY 2007, INTERNET'S SHARE OF INTERACTIONS WILL DOUBLE WHILE SHARES OF OTHER CHANNELS DECLINE

Percent of interactions

Internet

52%

25%

Now   2007

Automated phone interface

43%

34%

Now   2007

Call center

21%

7%

Now   2007

In person

11%

7%

Now   2007
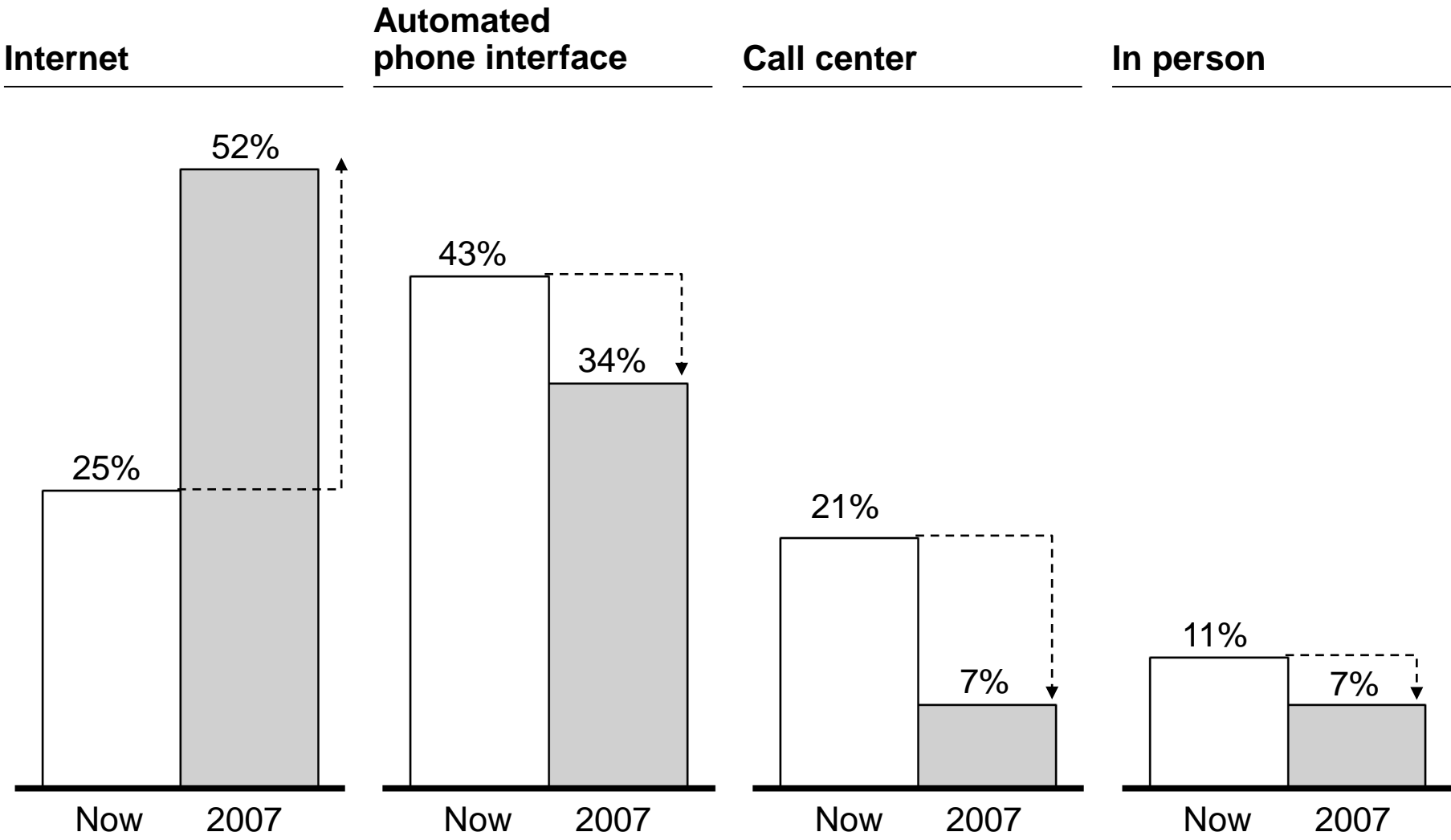
BAR CHARTS ARE BEST USED TO RANK OR COMPARE

FREQUENCY DISTRIBUTION

DOT CHART EXAMPLE - NO CORRELATION BETWEEN UNITS SOLD VS DISCOUNT
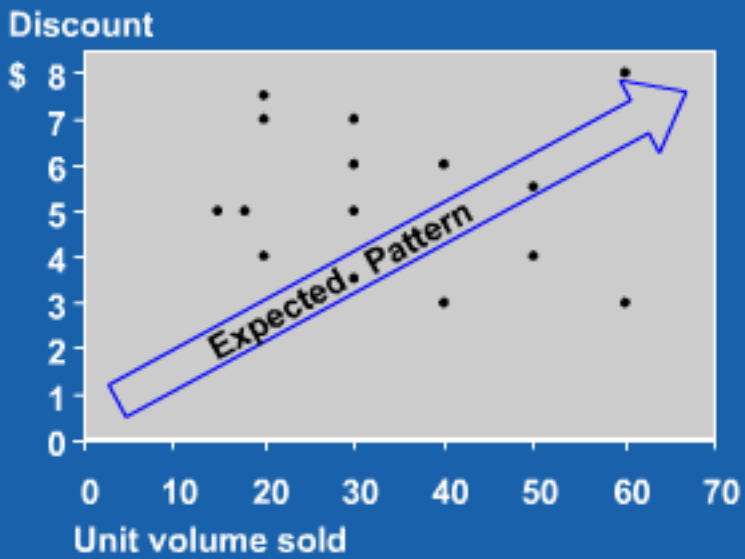
EXAMPLE: SHORTER TALK TIME MAY PRODUCE MORE SALES

Average sales per hour (y-axis, scale 0 to 10)

- Canusa ● (~40, 9)
- ● **Pioneer** (~47, 9)
- Coastal ● (~48, 8)
- ● Appalachian (~61, 8)
- ● Sycamore (~66, 6)

Talk time
Percent of total call time (x-axis, scale 0 to 100)

Source: Interviews; Team analysis
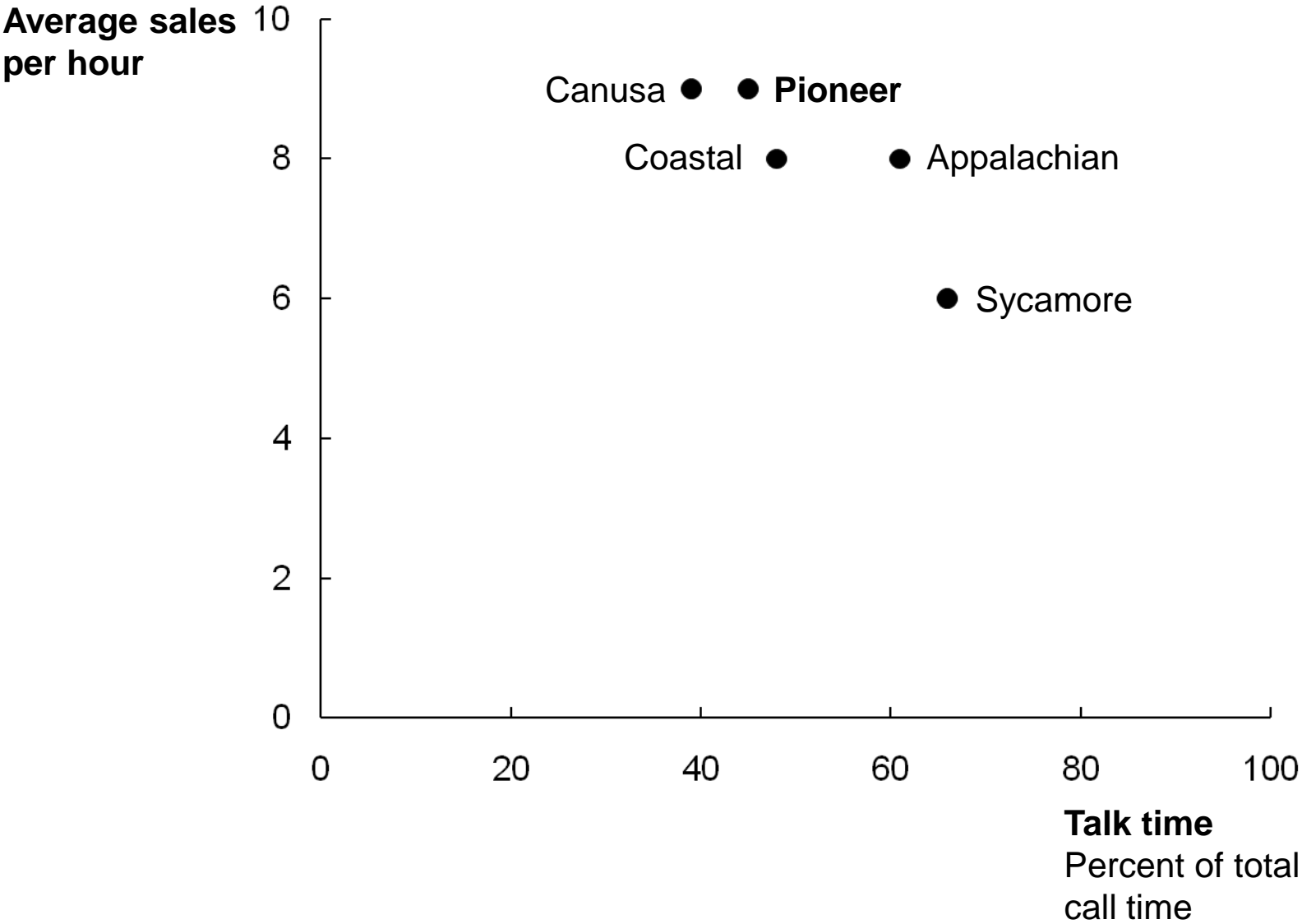
EXAMPLE: SHORTER TALK TIME LINKS TO HIGHER SALES

Should see a mirror image if there is correlation. Use bar chart if less data points, and use dot chart if many data points

Talk time

Percent of total call time   Average sales per hour

Talk time (%)	Region	Average sales per hour
66	Sycamore	6
61	Appalachian	8
48	Coastal	8
45	Pioneer	9
39	Canusa	9
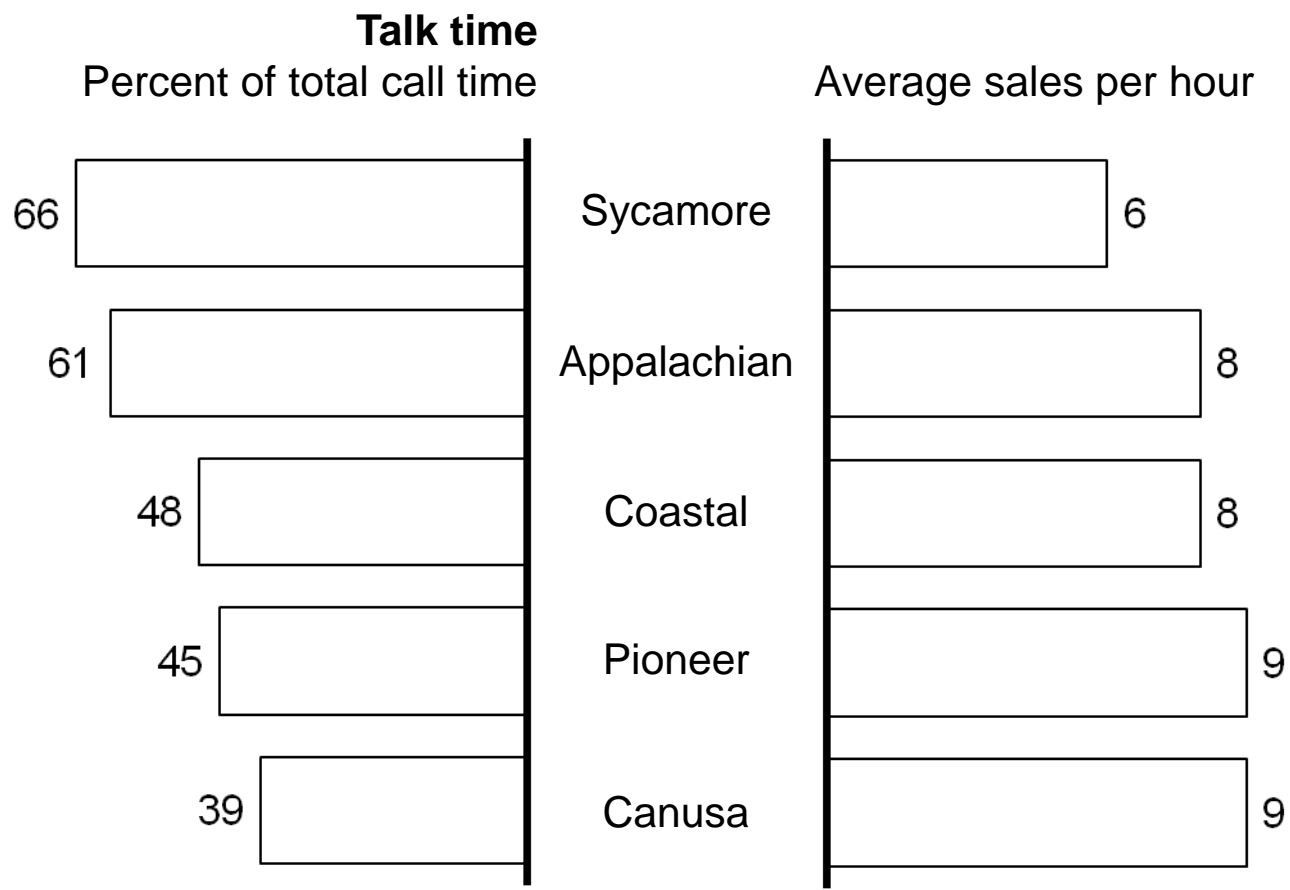
IDENTIFY THE COMPARISON AND CHART FORM BEST SUITED

Message	Comparison	Chart form
Sales are forecast to increase over the next ten years	Time series	Line chart due to over 7 data points
Higher price of 9 gasoline brands does not indicate better vehicle performance	Correlation	Scatter dot chart better due to large number of data points
Last year, most turnover was in 30 to 35 age group	Frequency distribution	Column chart due to less data points
Region C ranks last in productivity	Item	Bar chart
The largest share of funds is allocated to manufacturing	Component	Pie chart
There is a relationship between profitability and compensation for companies A, B, C, D, E	Correlation	Mirror bars

STEP 3: ADD GRAPHIC TREATMENT

Data

Determine your message
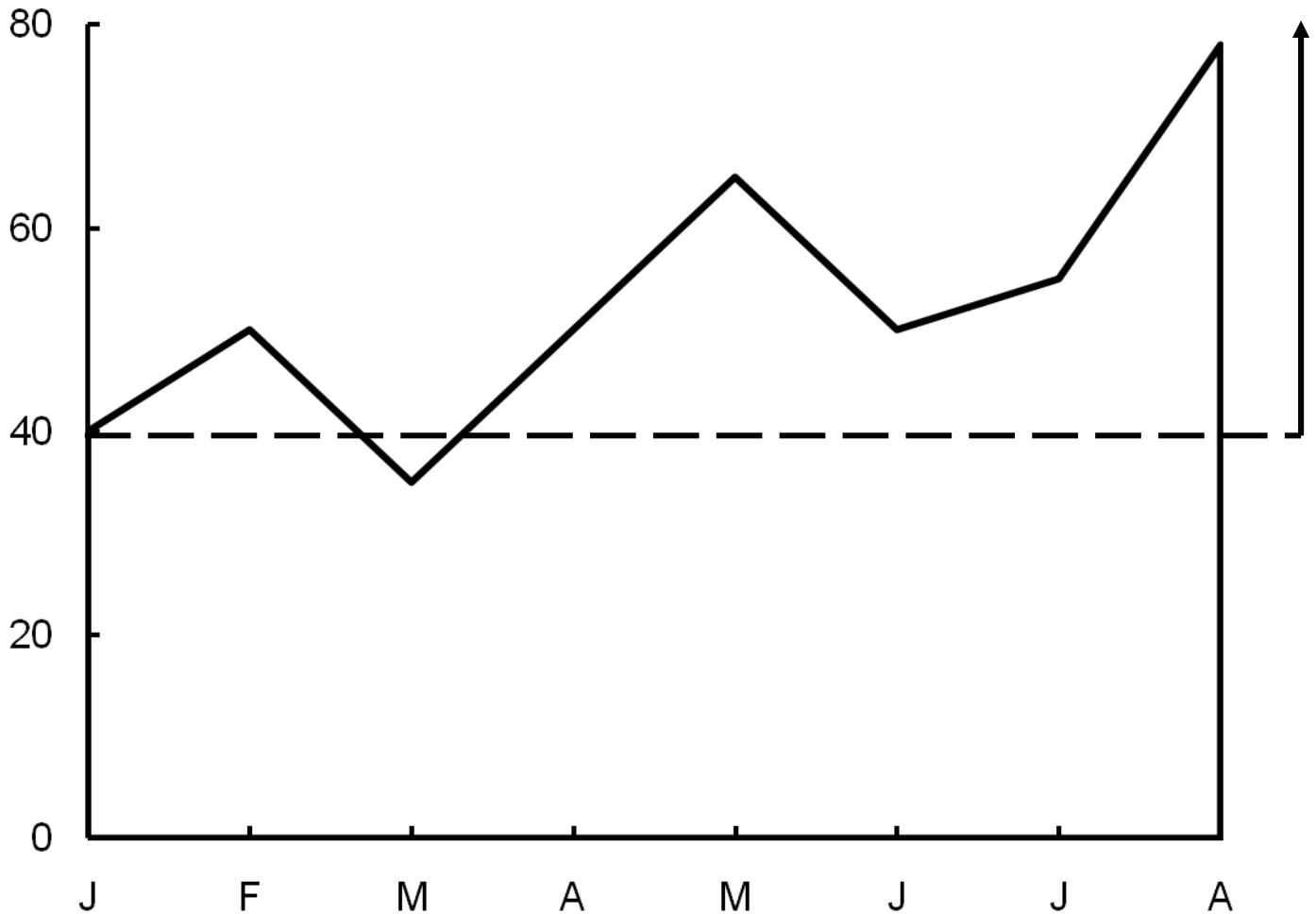
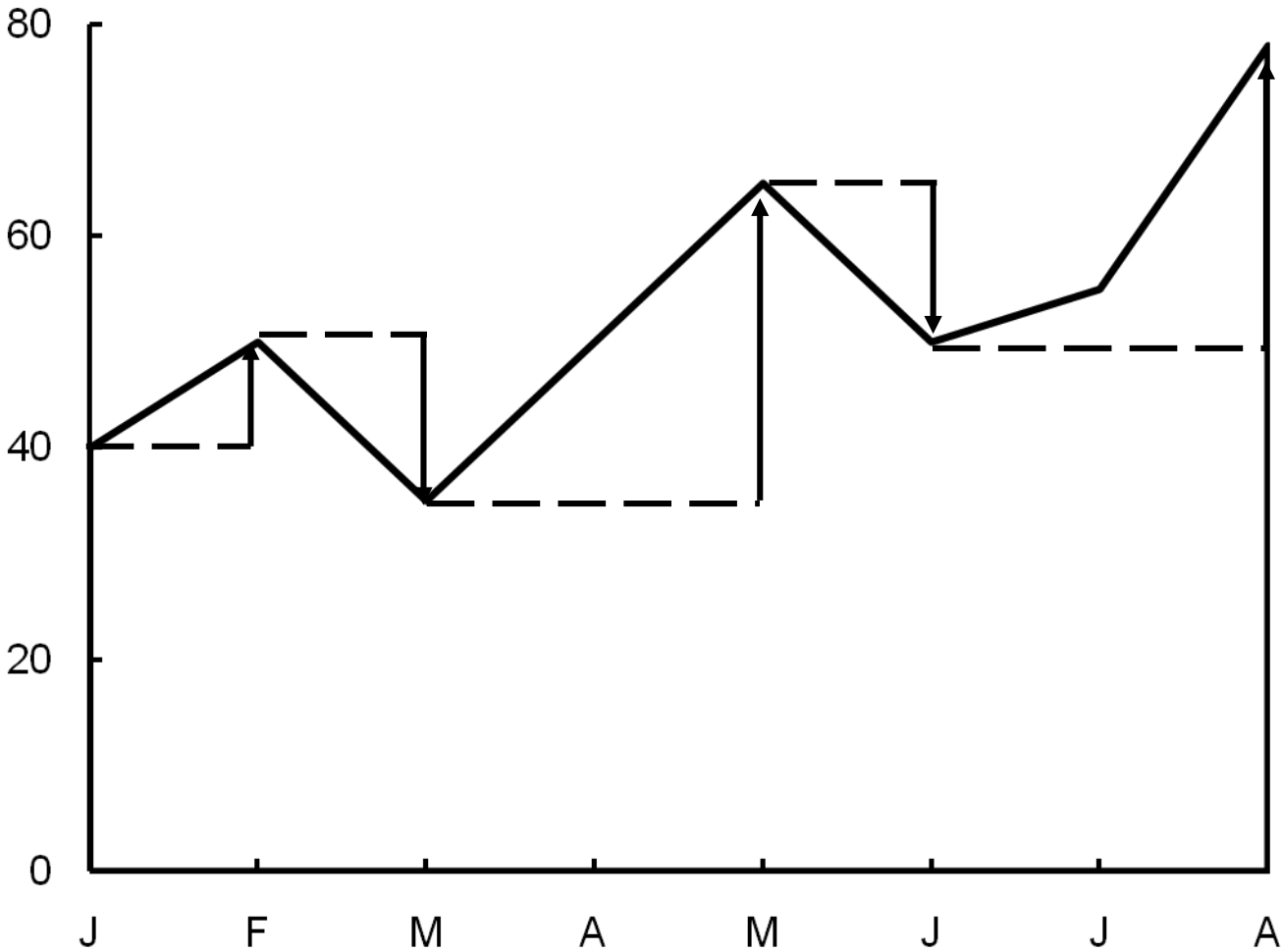**Identify the comparison**

Add graphic treatment

+60%
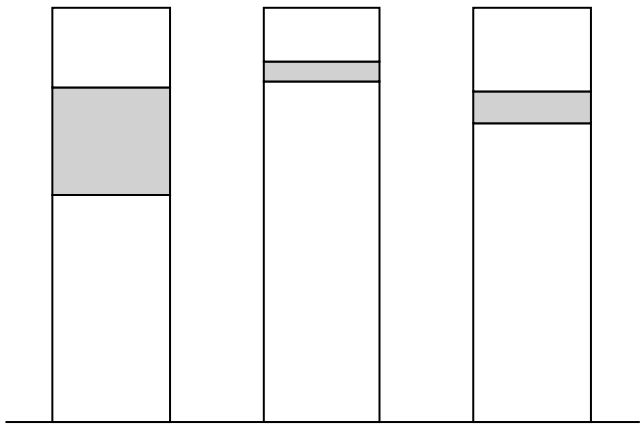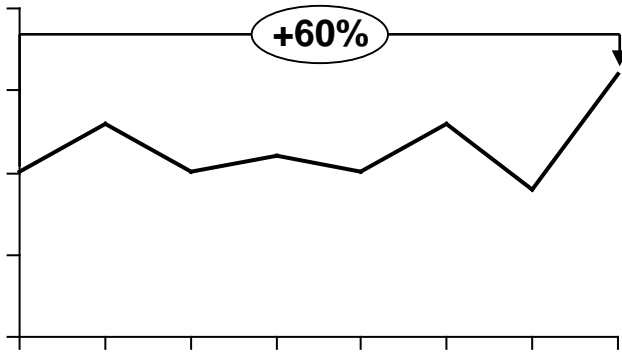
ONE SET OF DATA CAN HAVE MULTIPLE MESSAGES - NUMBER OF CONTRACTS ISSUED
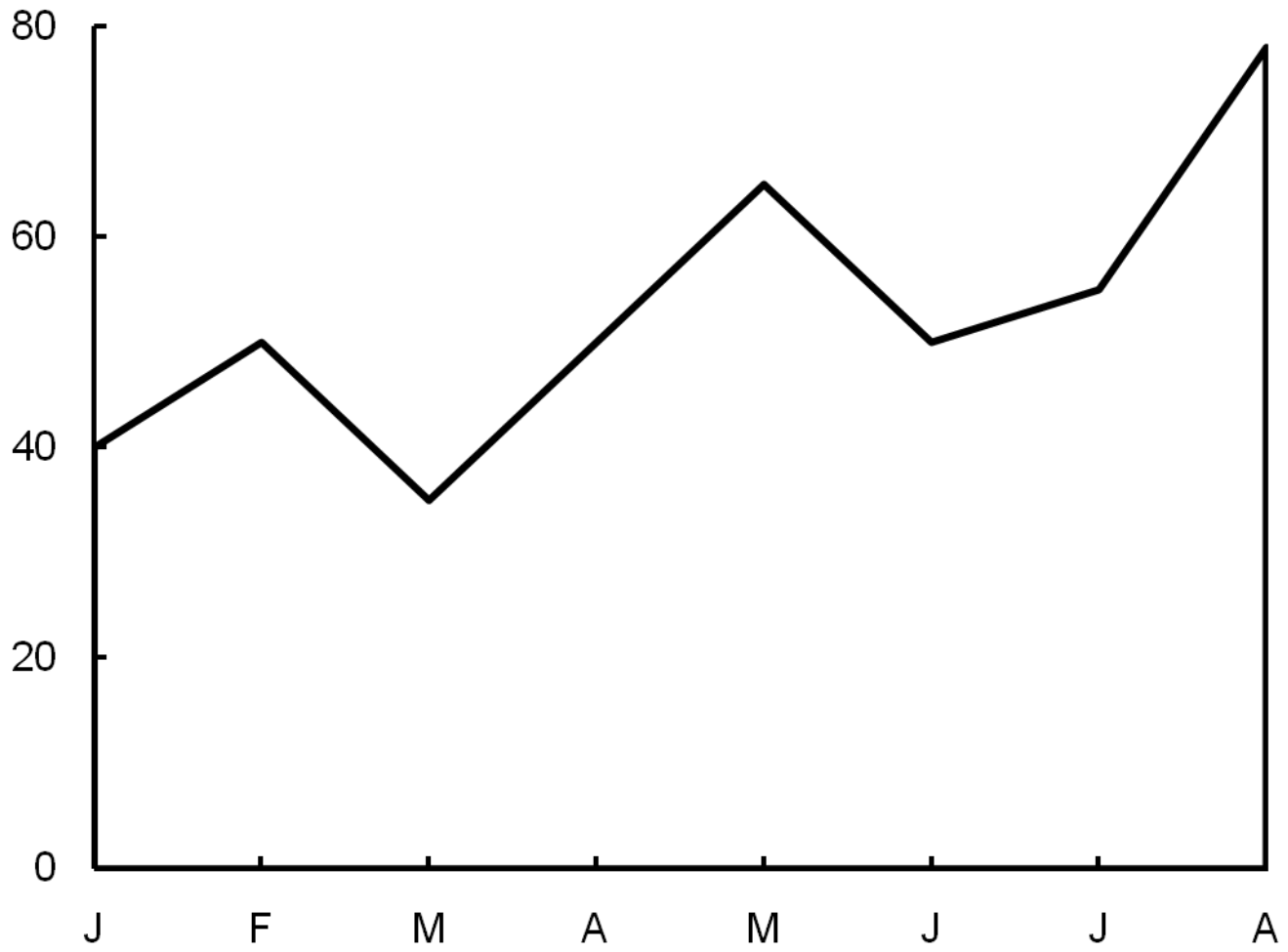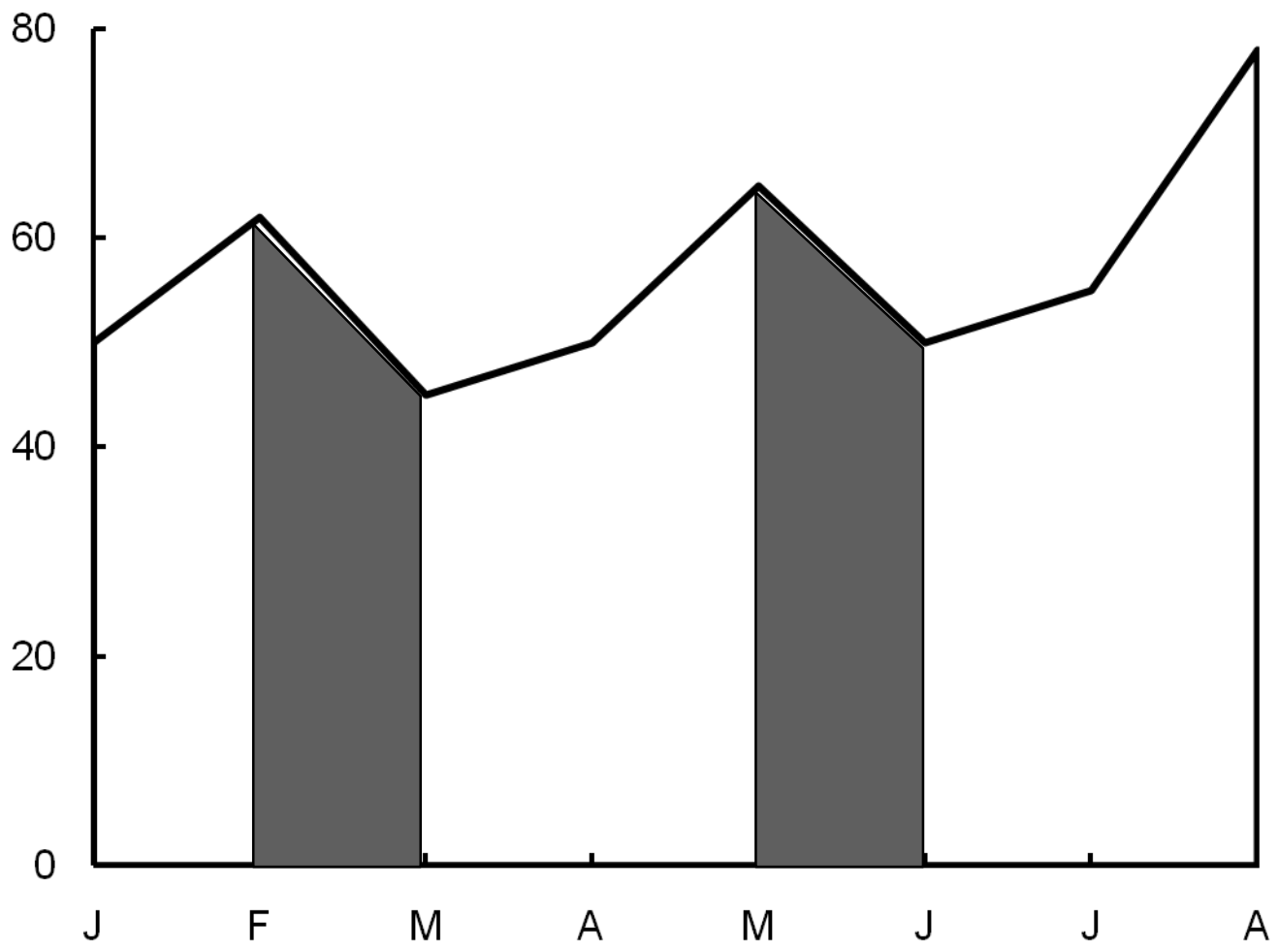
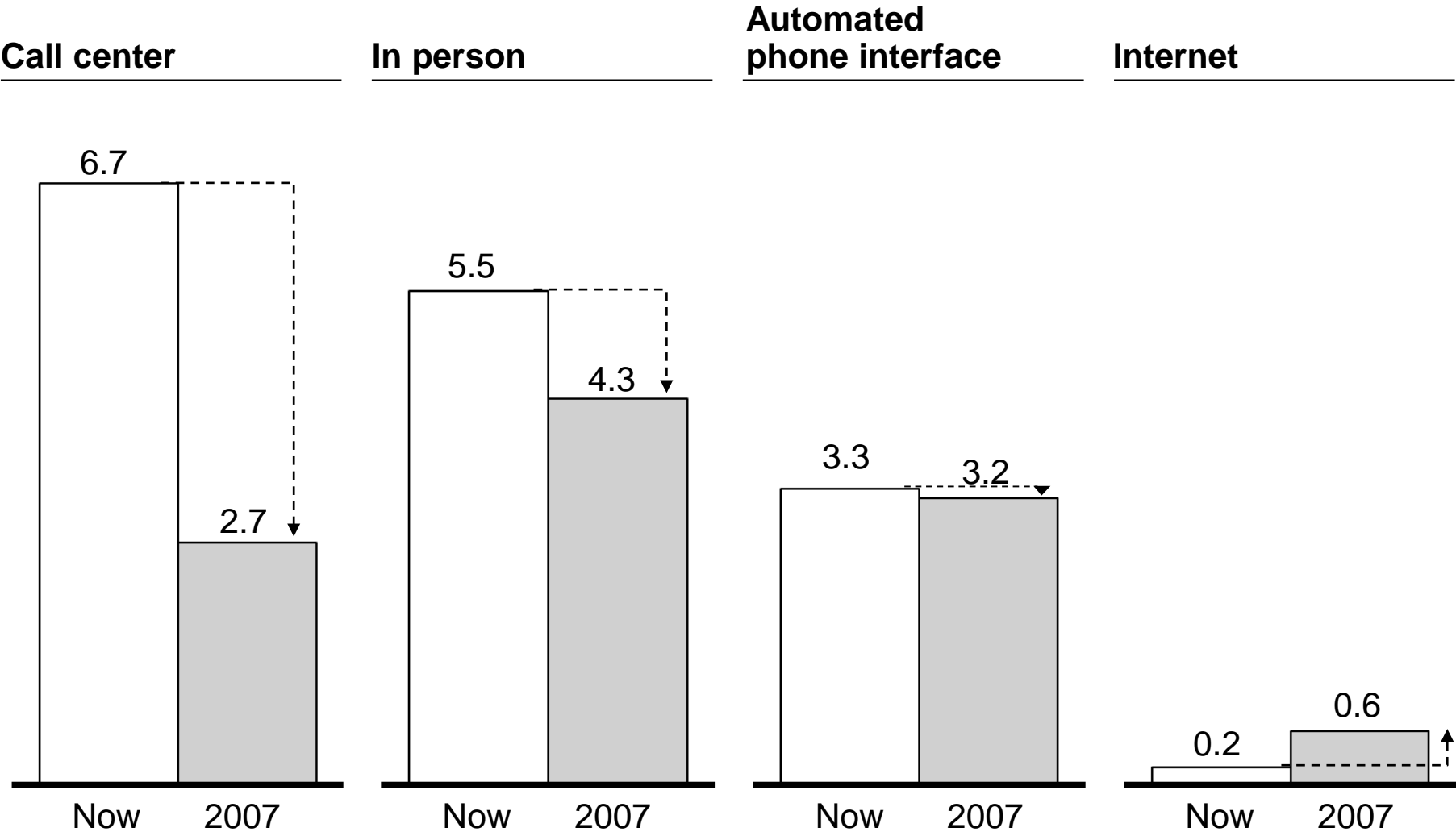# POSSIBLE ANSWER 1: NUMBER OF CONTRACTS ISSUED HAS INCREASED SINCE JANUARY

POSSIBLE ANSWER 2: NUMBER OF CONTRACTS ISSUED HAS FLUCTUATED

POSSIBLE ANSWER 3: NUMBER OF CONTRACTS ISSUED DECLINED IN 2 OF THE 8 MONTHS
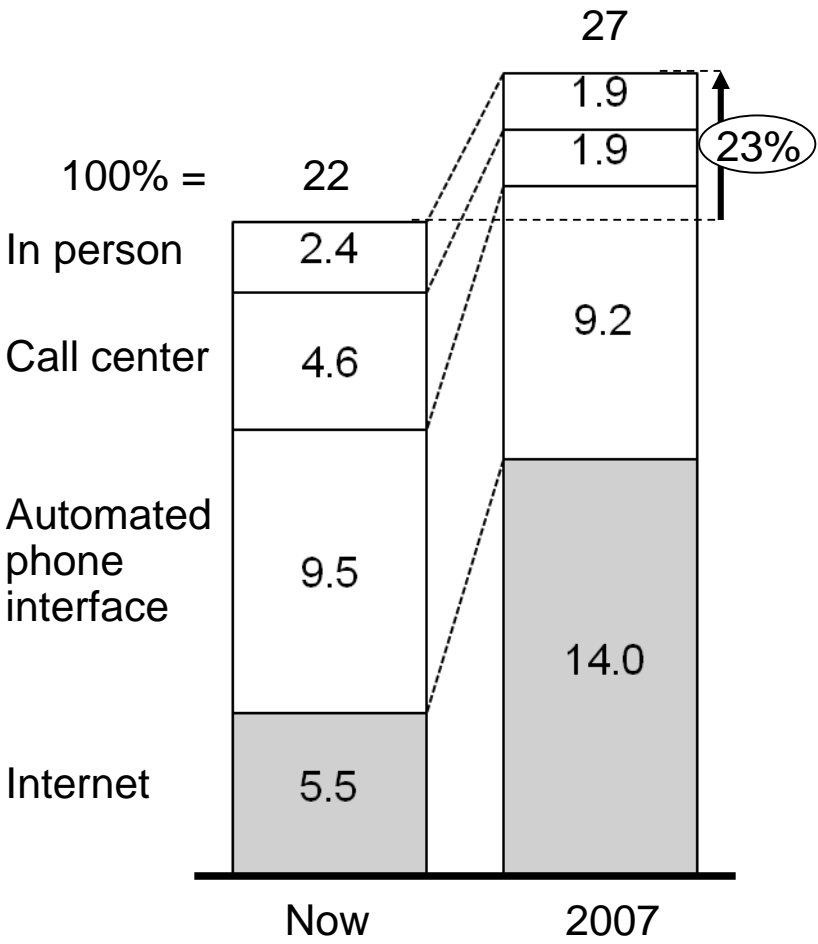
EXAMPLE: COST SAVINGS WILL BE ACHIEVED IN 3 OF THE 4 CHANNELS

USD Millions

Call center	In person	Automated phone interface	Internet

Call center

6.7 (Now)

2.7 (2007)

In person

5.5 (Now)

4.3 (2007)

Automated phone interface

3.3 (Now)

3.2 (2007)

Internet

0.2 (Now)

0.6 (2007)

	Now	2007
Call center	6.7	2.7
In person	5.5	4.3
Automated phone interface	3.3	3.2
Internet	0.2	0.6

EXAMPLE: IN SPITE OF INCREASED INTERACTIONS, SALES COSTS WILL DECREASE BY 31%

Number of interactions
Millions

27
1.9
1.9
23%

100% = 22
In person 2.4

9.2

Call center 4.6

Automated phone interface 9.5

14.0

Internet 5.5

Now | 2007

Sales costs
USD Millions
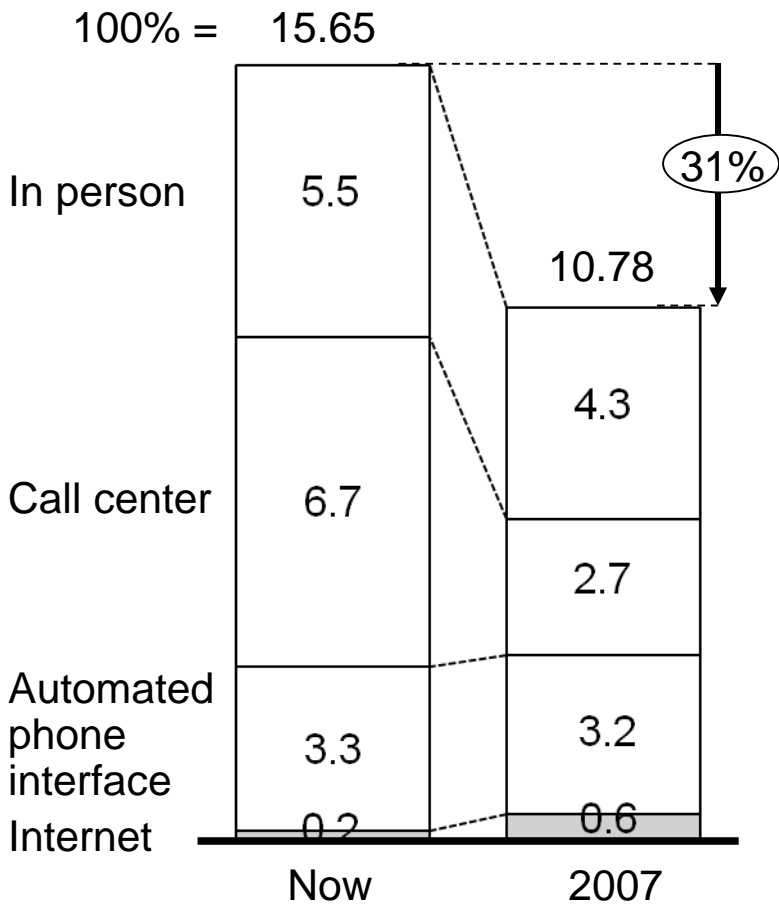
100% = 15.65

In person 5.5

10.78

31%

4.3

Call center 6.7

2.7

Automated phone interface 3.3 | 3.2

Internet 0.2 | 0.6

Now | 2007

Source: Pioneer marketing dept.; Team analysis

HOW TO DESIGN SUCCESSFUL EXHIBITS

- Quantitative

- **Non-quantitative**
  - **Concept visuals**
  - Text visuals

EXAMPLE CONCEPT VISUALS
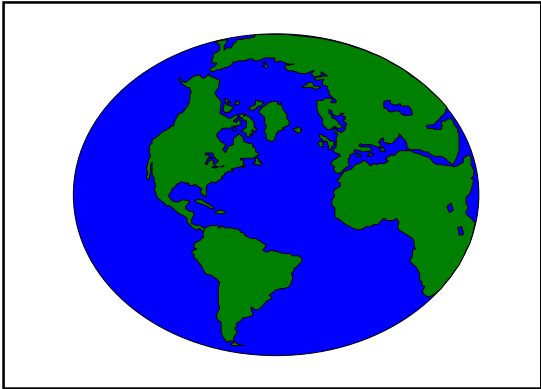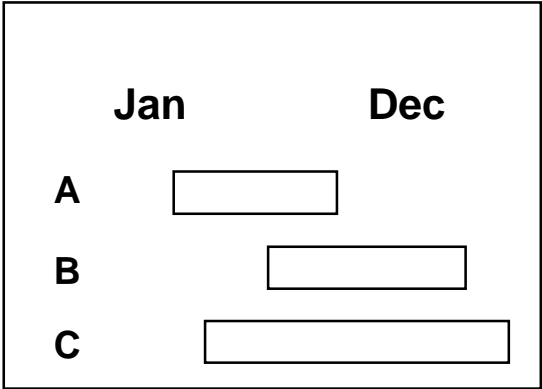
Who?
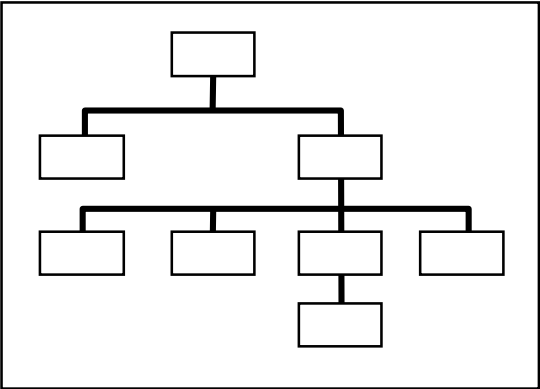
Organization

Where?

Map

When?

Jan   Dec

A

B

C

Gantt

How?
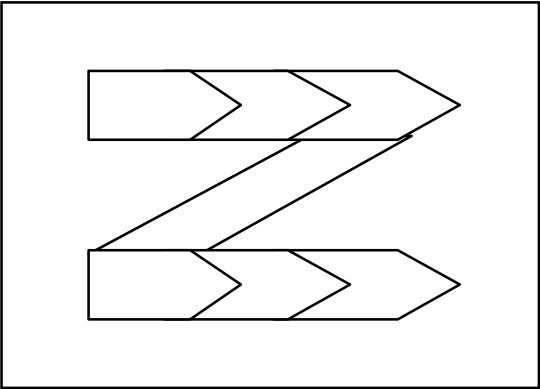
Flow/process
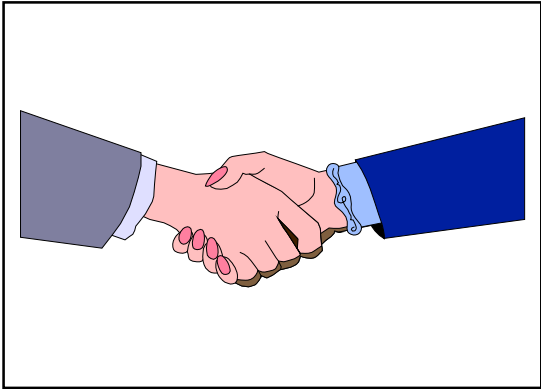
Concept

Matrix

A. FORCES AT WORK

GROWING TECH. OPPS.

AGING SYSTEMS PORTFOLIOS

ACCELERATING BUSINESS CHANGE

Aging Systems portfolio

Accelerating business Change

COMPANY

Vision-driven mgmt.

Growing tech opportunities

Growing technology opportunities

B. HPO

purpose

PURPOSE
PEOPLE
TEAMS
CORE PROCESS
STRUCTURE
COMMUNICATION

Open Communication
Clear purpose
Real Teams
HPO
energized employees
performance driven processes
customer-focus structure

Communication

People

Structure

Process

Teams

C. TRAINING PROGRAM

TRAINING PROGRAM

TRAINING PROGRAM

LEVELS OF EXPERIENCE

LEVELS OF EXPERIENCE

	FUNCTIONAL EXPERIENCE	
INDUSTRY EXPERIENCE	Introduction to important skills	Brief refresher
	Intensive orientation	Introduction to industry

EXAMPLE

Business

People

Set direction and context

Establish clear metrics, targets, and accountability

Measure stakeholder value

Ensure rewards, consequences and actions

Execute and manage performance and health

Create realistic budgets and plans

- **Business:** Take corrective actions
- **People:** Ensure rewards for good performance and consequences for bad

- **Business:** Choose metrics and set targets
- **People:** Agree to performance contract

Hold robust performance dialogues

Track performance effectively

- **Business:** Review business performance and risk
- **People:** Review talent and individual performance

- **Business:** Create budgets and plans
- **People:** Build capability

- **Business:** Track business performance and health
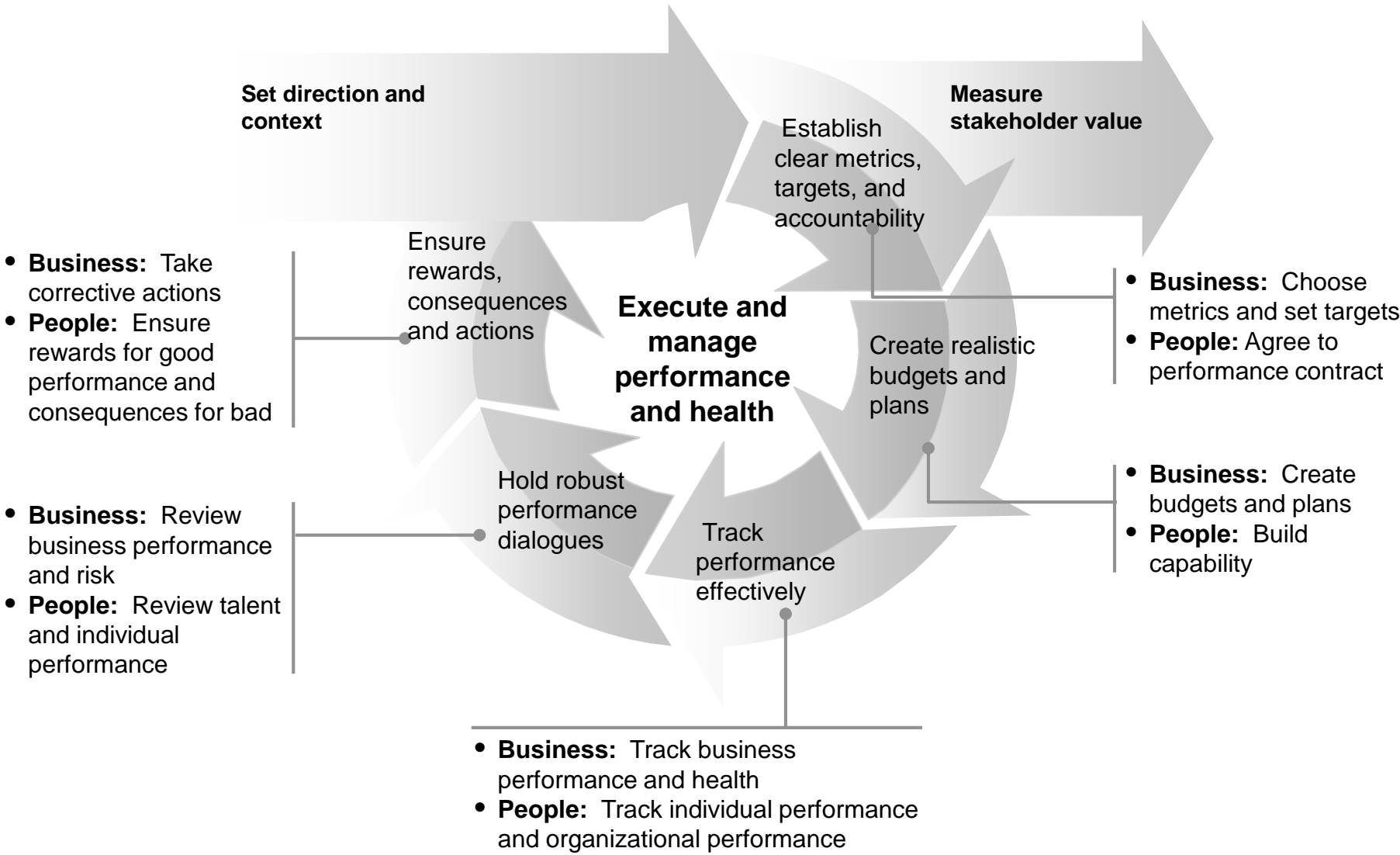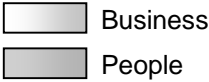- **People:** Track individual performance and organizational performance

EXERCISE

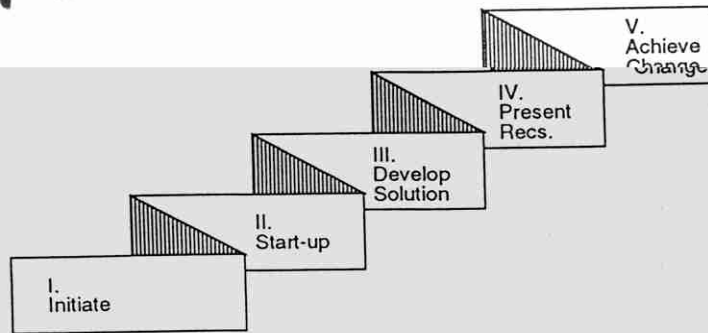Sketch as many charts that convey the following message:

A project goes through five phases
1. Initiate
2. Start up
3. Develop solution
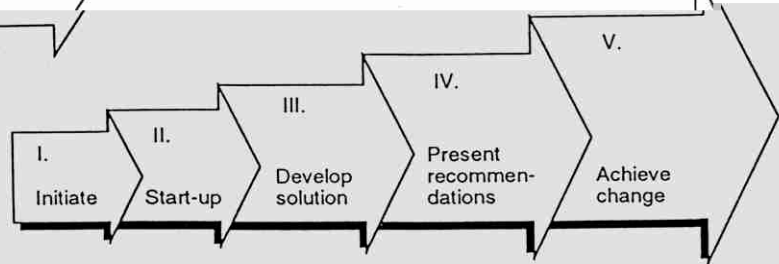4. Present recommendation
5. Achieve change

EXERCISE - ANSWERS
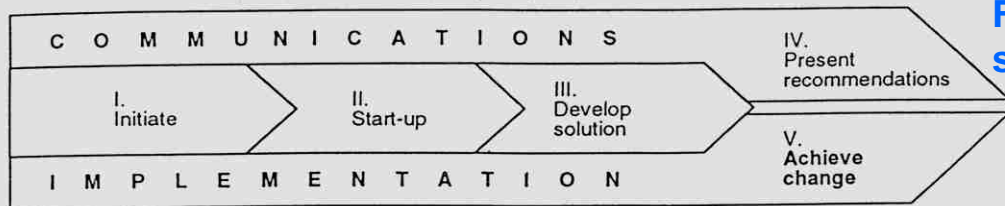

STUDIES GO THROUGH 5 PHASES

Each builds on previous phase

V. Achieve Change

IV. Present Recs.

III. Develop Solution

II. Start-up

I. Initiate

Upward flow

I. Initiate | II. Start-up | III. Develop solution | IV. Present recommendations | V. Achieve change

First 3 steps sequential

COMMUNICATIONS

I. Initiate | II. Start-up | III. Develop solution | IV. Present recommendations | V. Achieve change

IMPLEMENTATION

Every project generate another project

V. Achieve change | I. Initiate | II. Start-up | III. Develop solution | IV. Present recs.

INITIATE | START-UP | ETC.
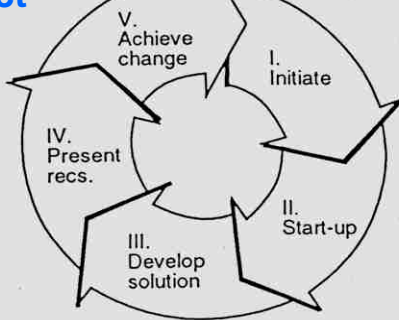
Roadblocks

Initiate Study | Start-up | Develop Solution | Present Recommendations | Achieve Change
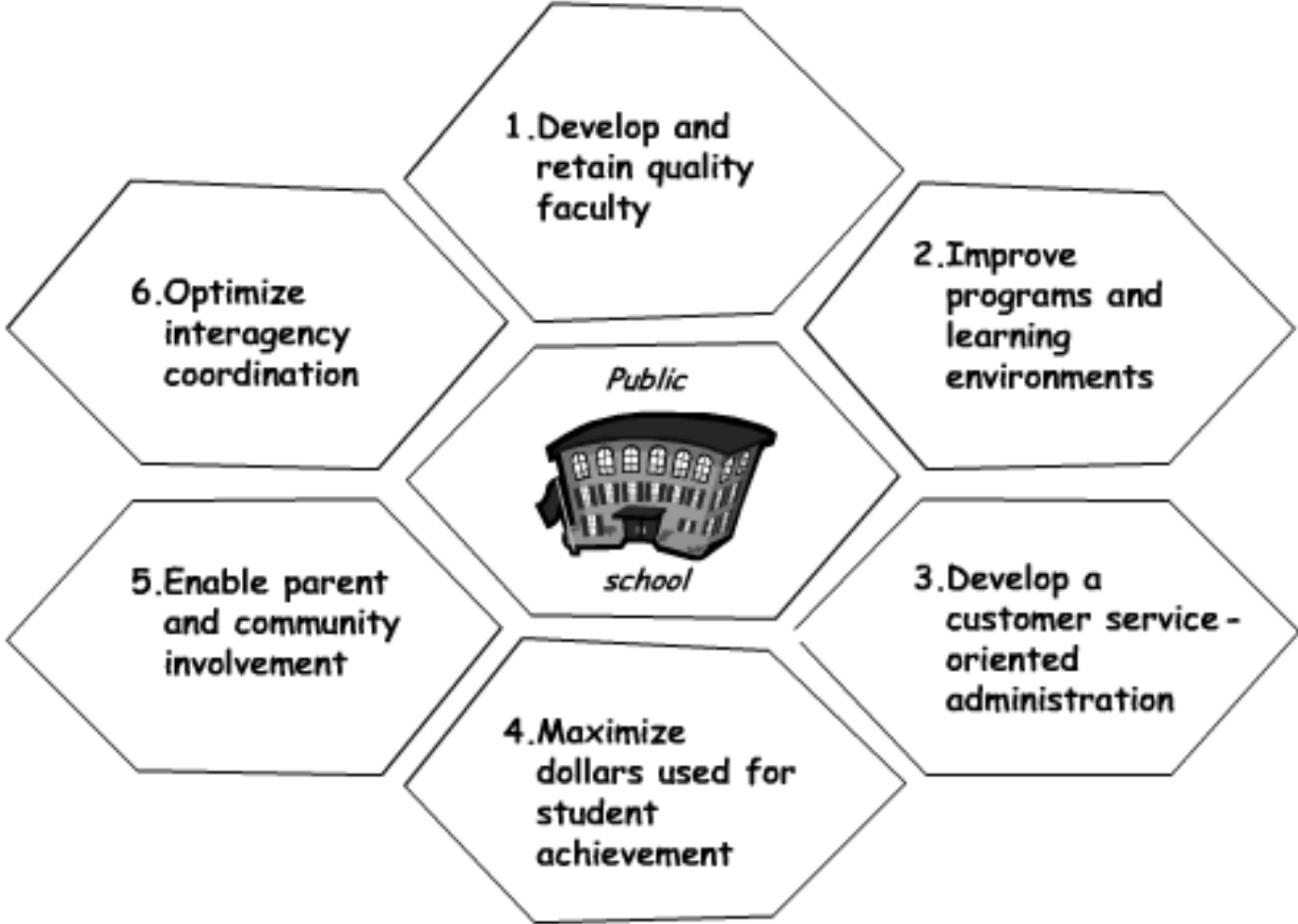
EXERCISE

Sketch as many charts that convey the following messages
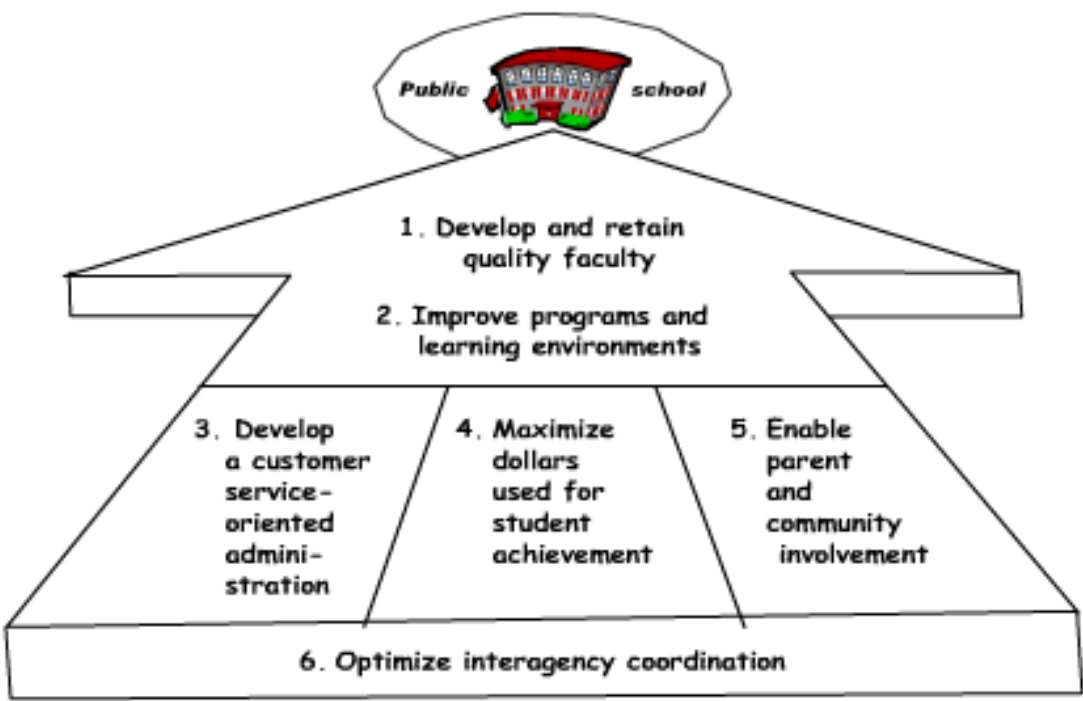
Getting the basics right for public school
- Develop and retain quality faculty
- Improve programs and learning environments
- Develop a customer service oriented administration
- Maximize dollar used for student achievement
- Enable parent and community involvement
- Optimize interagency coordination

ANSWERS

1. Develop and retain quality faculty

2. Improve programs and learning environments

3. Develop a customer service-oriented administration

4. Maximize dollars used for student achievement

5. Enable parent and community involvement

6. Optimize interagency coordination

Public

school

ANSWERS

GETTING THE BASICS RIGHT
FOR PUBLIC SCHOOL

Public *school*

1. Develop and retain
quality faculty

2. Improve programs and
learning environments

3. Develop
a customer
service-
oriented
admini-
stration

4. Maximize
dollars
used for
student
achievement

5. Enable
parent
and
community
involvement

6. Optimize interagency coordination
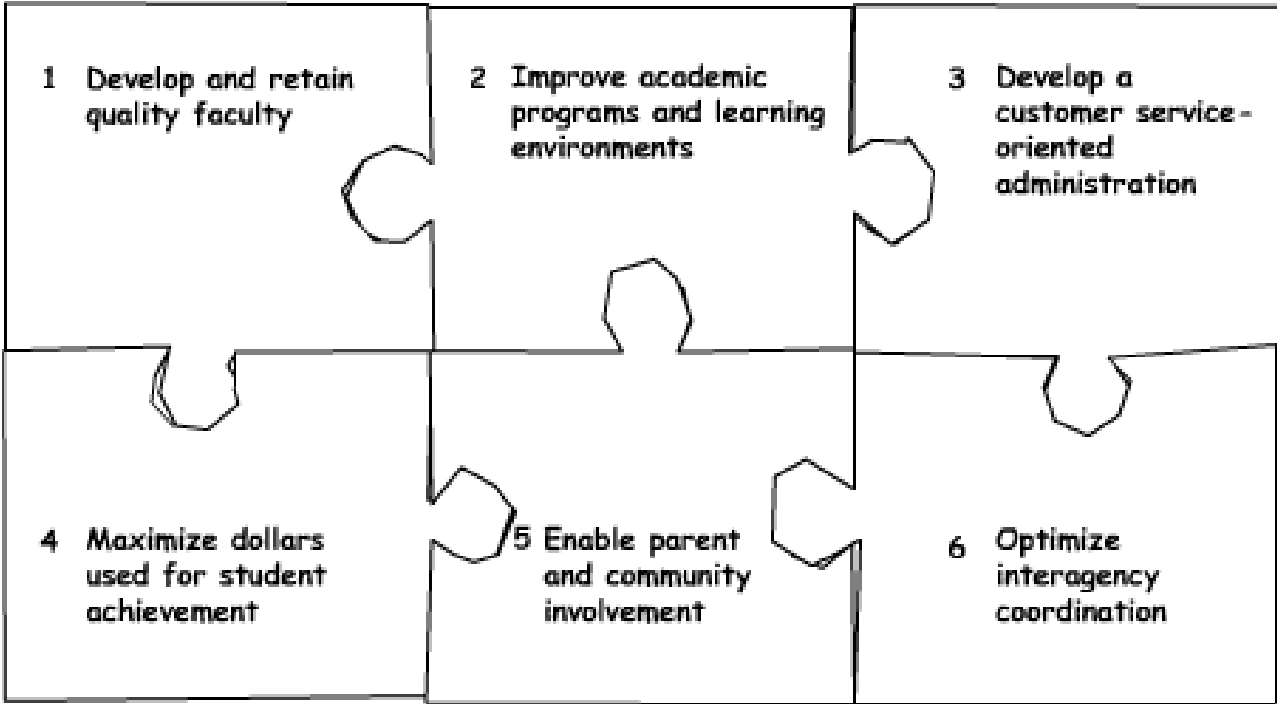
ANSWERS

GETTING THE BASICS RIGHT
FOR PUBLIC SCHOOL

1 Develop and retain
   quality faculty

2 Improve academic
   programs and learning
   environments

3 Develop a
   customer service-
   oriented
   administration

4 Maximize dollars
   used for student
   achievement

5 Enable parent
   and community
   involvement

6 Optimize
   interagency
   coordination

ANSWERS

GETTING THE BASICS RIGHT
FOR PUBLIC SCHOOL

PS REPORT CARD

☑ 1 Develop and retain quality faculty

☑ 2 Improve programs and learning environments

☑ 3 Develop a customer service-oriented administration

☑ 4 Maximize dollars used for student achievement

☑ 5 Enable parent and community involvement

☑ 6 Optimize interagency coordination

HOW TO DESIGN SUCCESSFUL EXHIBITS

- Quantitative

- **Non-quantitative**
  - Concept visuals
  - **Text visuals**

READING WORD FOR WORD FROM PRESENTATION DOESN'T WORK

Don't read to the audience what they can read for themselves. Can be quiet, but hard to know how long to wait.

MAJOR WEAKNESSES IN THE CURRENT ORGANIZATION

Stocks and Bond's present management structure has several important deficiencies that should be corrected in any substantial realignment of responsibilities

- There is no single recognized head of the firm such as a Management Committee, CEO, COO, CFO, etc.

- We have observed that there are no clearly defined lines of authority and responsibility for major activities or geographical locations

- It is possible that a real conflict exists between the production department and the administration (e.g., who determines forecasts?)

- Inadequate "thinking through" of how much autonomy should be granted to regions (or branches) in various phases of the firm's activities – and what authority in each will be exercised by Corporate Headquarters

We will discuss each of these in the following chapters

ORGANIZATION WEAKNESSES

1. No single recognized head of firm

2. No clear authority and responsibility

3. Conflict between production and administration

4. Tension between regional autonomy and corporate authority

EXERCISE: DEVELOP THE SHORT FORM SOLUTION

Exercise: Develop a short form version

THE BANK'S NEW CORPORATE STRATEGY AND ITS IMPACT

The bank's new corporate strategy calls for a substantial shift in business mix and approaches, to deliver superior performance.

¶ The bank will shift resources to its most attractive growth businesses: mortgage origination, home equity lending and small business banking. Mortgage servicing and commercial real estate lending are also strategic priorities.

¶ The bank's integrated corporate strategy is founded on these strategic priorities, and includes not only a shift in business emphasis, but also fundamental changes in approach within individual business units.

¶ By taking these steps, the bank will significantly improve its profitability and growth trajectory (thereby improving market valuation). Executing this strategy will lead to a 15 percent improvement in ROE and a doubling of net income by 2006.

ANSWER

"He still grunts in an annoying monotone, but
excellent use of visual aids."