## Context to the conversation

Bill Burnett speaks about the criticality of "problem finding" in contrast to problem solving that we all are taught formally. He speaks about how Starbucks redefined the problem and built a successful business based on it.

## Transcription

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**Bill Burnett (BB):** But I learned how to think, I learned how to find the right problem. So many people. So many people are good at problem solving, but they're not looking at the right problem, right?

**Deepak Jayaraman (DJ):** Can you talk about that? I think just maybe if you want to sort of shine the light on that piece, which is defining the problem.

**BB:** Well, my favourite Peter Drucker quote, right? The famous business professor said, "There's nothing quite so foolish as doing something very, very well that never needed to be done in the first place." And if you look at lots of businesses, lots of business strategies and stuff, people just go right after a solution without stepping back and going, well, what's the root? What's really going on here? What's the problem? And design is like this, technology and the value is like this all the time. Sometimes I do tours of the D school, people, know, start-ups come and they have a cool thing and they want to learn about innovation. So I do a tour and I ask them, what are you building? And they go, we got this really cool technology. And it'll be really something very complicated, something very tricky. And I'll go, that's really cool. Who is it for? And they go, we don't know, but we'll just pivot till we find a market fit, because somebody told them some lean startup gobbledygook. We're to pivot to a market fit. And I follow one of the firms here, one of the analyst firms who tracks the VCs. they do a survey every year of entrepreneurs, why did your company fail? Because that's the more interesting question, not why did you succeed, but why did you fail? And if you look at the Pareto chart of failures, about 80 % of it is basically boils down to, we built something nobody wanted or we built something and it had no economic value, at least it cost too much to make or nobody wanted to pay for it. So, I mean, it's just baffling to me that we're still creating companies and billions of dollars of venture money is going into these companies. And they've never stopped and said, well, what is the problem we're trying to solve? Who's it for? And why would they pay us? Very simple questions, right? Very, very simple questions. And yet we still keep spinning up startups that make no sense. And we're the middle of this bubble now. We're coming to this. mean, of millions of billions of dollars are going into startups that have some little tiny spin on what they're going to do with AI. AI for recruiting, AI for law, AI for this. How many of these companies do we really need?

But people who are good at problem finding will be valuable regardless of the skill set they had or have to learn. Because if you come up with a better problem, you're going to come up with better solutions,

**DJ:** And what does it take to become good at problem finding, Bill? What do think?

**BB:** It's a, if you look at what we call the mindsets of a designer, and then you look at the 21st century skill list from the World Economic Forum, they're almost matched. Curiosity. Before you jump into problem solving, get curious about what are you working on? Why are you doing this? Who's it for? What would they pay for it? What are their real needs? And just talking to them isn't enough, because you've to go deeper. People don't really know what they need. They'll just tell you simple things that aren't important. Being willing to work on teams that are really different than you, what we call radical collaboration. I have a bias, no matter how creative I am, I still have a bias. I'm going to see a problem a certain way. Maybe I'm flexible and I can see it a bunch of different ways, but I'm still in my box. But if I'm working with an anthropologist and I'm working with a psychologist and I'm working with maybe a performance artist or an improve person, and they're all on my team and we're all looking at the problems from really different angles. We're gonna shake out something that's a really interesting problem. I use this example sometimes, and it's not the Starbucks of today, but the original Starbucks when it was invented by Howard Schultz. In whatever it was in, say, 88, whatever it was, mid-80s when he invented Starbucks, the average cup of coffee in America cost 75 cents. And a cup of coffee was the thing you got on the side of getting your, muffin or something for breakfast or whatever it was. 75 cents. This guy comes along and says, I want to charge you $3 for this thing called a latte. And everybody goes, what's a latte? Right? Somehow, he went from 75 cents to $3. But if you read his origin story, he was in Italy. He was at a cafe. And cafes in Italy have the espresso machines and there's a steam going, and they have a little counter. Everybody has their little espresso and they stand on the counter and they talk about their day. It's a social experience. He realized that the way you sell a $3 cup of coffee is you create a completely, it's not about the coffee, it's about the experience. He found a better problem. And in the original, when you first walked into a Starbucks, you'd never been to one before, you'd never been to Italy before, all of a sudden the experience was nothing like picking up that cup of coffee alongside the donuts, right? It was a completely different experience and it was all about the sound, smell, the story, single origin, blah, blah. None of this existed before that. He found a better way to sell coffee by selling the experience that he'd found in Italy and turning it into something he could build and scale. By the way, Starbucks is not very successful in Italy, because it's not unique. And now I go to China and Luckin is the new giant for that is outperforming Starbucks because they have a better handle on the experience that the average Chinese consumer wants to have. So it's finding a better problem. It's always about stepping back, looking at the problem a different way. Curiosity, radical collaboration, having people on the team with different ideas. A biased action, try stuff. Our whole thing is prototype. You can't know what the future's like. When the team was, I was at Apple when we did the first laptops and we built hundreds of prototypes before we figured out a configuration where the track ball was in the front, the keyboard was in the back, there was a hand rest automatically where we could put the batteries. All that took prototype after prototype. I wasn't there when they were doing iPhones, but from the biography that Isaacson wrote of Jobs, they showed the prototypes of the iPhone to Steve at least three times, probably more than that, but at least three times. Three times he said, nope, not good enough, do it again, do it again. You haven't unlocked the magic yet. So build things, be curious, ask good questions, and don't jump to solutions so fast because every designer knows your first couple of ideas are going to be stale, they're going to be boring. You've got to have lots of ideas to get to the good ideas. And the same thing with your life.

It's very obvious to me that your life is just like an iPhone. There's no specification, so you're just going to have to invent it. And you'll invent it by prototyping and talking to people and radical collaboration with the world and empathy for yourself and empathy for the world. What is the world? Just because you want to do something doesn't mean the world cares. You have to match your desire to the world's need. So it was all pretty obvious to me that you could take the same thing in the same way and innovate and invent your life.

## Reflections from Deepak Jayaraman

**DJ:** This reminds me of something that came up in my conversation with Thomas Wedell Wedellsborg (TW) who has written a wonderful book titled - What is your problem, the. Book is all about the art of framing the right problem to solve. Just like how Bill speaks about how Howard Schultz looked differently at the coffee drinking experience, Thomas speaks about an interesting perspective to the elevator problem, something that we all encounter every day in our lives.

*TW: "Well, you imagine that you are the owner of an office building and that the tenants in the building, they are complaining about the speed of the elevator, it is too slow. What many people do there is to take the problem for granted, okay, the elevator is slow and then they swing into solution mode and say, how do we make it faster, do we put in a better motor or do we have to go out and buy a new elevator for that matter. What a clever landlord might suggest is instead that you put up a mirror next to the elevator because of course what happens is when people see a mirror, they look at themselves and they fall in love, they forget time and the underlying idea there is, what problem are you solving, that a mirror is not necessary a solution to a slow elevator and mirror is a solution to the problem that people think it is annoying to wait. So it is a simple example and it really encapsulates that difference between jumping into solution mode, going into and trying to analyze the problem which is asking, why is the elevator slow, and then the crucial difference between analyzing it and framing it right which is a question, wait, is this really about the speed of the elevator or is there something else going on, is there perhaps a better problem to solve."*

**DJ:** If I had to relate to my personal journey, when I was a search consultant at EgonZehnder, I felt that many organizations were solving the organizational problem of having to find a new leader but nobody was solving the candidate problem of "how should I navigate my career". Understandably, I the profit pools of corporations are bigger than the paying capacity of individuals but I felt there was room for at least one individual to set up a practice and work with a few leaders who would see value in this and would be in a position to pay for this. That in a way is the genesis of my starting Transition Advisory on 1 Feb 2016, about a decade back. And as I walked the path and the podcast slowly grew, my mission slowly morphed into helping people play to potential whether they are in a role or in transition.

But back to Bill's point, I guess it comes down to having a curiosity and empathy to see how we can marry our skills and our passions to the world's needs! With Gen AI coming into our lives, the premium on problem finding as compared to problem solving becomes that much more critical.

## End of transcription

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Nugget from Thomas Wedell Wedelssborg that is referenced:  [Elevator problem and reframing.](#)

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**About Deepak Jayaraman**

Deepak seeks to unlock the human potential of senior executive's / leadership teams by working with them as an Executive Coach / Sounding Board / Transition Advisor. You can know more about his work [here](#).

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