SOLVING BUSINESS PROBLEMS

11 APRIL 2013

Lesson Description

In this lesson, we:

- Apply creative thinking to respond to challenges in dynamic and complex business contexts.
- Acquire advanced problem solving skills
- Apply creative thinking techniques to solve complex business problems in case studies and given scenarios.
- Examine exam and general questions.

Key Concepts

Creative thinking: Using brain power to solve problems.
Vague: Not properly defined.
Unconventional: When something is unconventional it means it is not done in the normal way, and a new, different or innovative method is used.

Creative Thinking

- A person is creative if they can perceive things differently.
- Creativity involves being innovative. (Introducing new ideas).
- Creative thinking would be thinking out of the box.
- To look at challenges in a different way.
- A creative thinker thinks in original and open ended ways.
- He/She creates new circumstance through new ways of thinking.
- To think creatively to assist you in making a success of the business in a competitive business world.
- Creativity is to use new ideas on existing challenges.
- Creative thinking leads to new ideas.
- It is also to be able to accept the unusual without judgment.
- The different challenges which arise in the three business environments must be handled by being innovative and creative.
- Businesses are facing challenges like never before because of globalisation, increased competition, diversity among consumers and the availability of new forms of technology.
- Creativity and innovation play an important role in the success of the enterprise especially when strategising, designing new goods and services and boosting employee morale.

Why is creative thinking so important to business?

- Do you remember our definition of an entrepreneur? We said that an entrepreneur is someone who sees an opportunity, takes risks, thinks creatively and innovates. (Remember that innovation means to bring a completely new product to the market.)
- In order to be innovative, we must be able to think creatively.
- The business world is dynamic and challenging. With challenges come problems.
We cannot allow problems to get in the way and hold us up, and therefore we need to be able to think creatively to find solutions, implement them, and move on.

It’s not only managers and entrepreneurs who need to be able to think creatively; everybody today needs to confront problems and deal with them swiftly, or they will get the better of us.

A company that lacks creativity is a weak company, and will not survive.

A creative company has a competitive edge in the market place.

What do we need to be creative?

Creativity is something that can be developed in everyone.

That means it can be learnt. In order to find creative solutions to a problem we need to possess three characteristics:

1. Personal know-how
   - It is a combination of skills, expertise and aptitude. The more knowledge we have, and the more expertise we have, the better equipped we will be to find creative solutions to problems.

2. Involvement
   - If we are involved with the problem (such as being directly affected by it), the more motivated we will be to come up with a solution.
   - The more motivated we are, the better our levels of performance and the more successful we will be.
   - We generally work much harder (put in more effort) at solving problems that directly affect us than we would at solving someone else’s problem.
   - Being involved with the problem also means that you bring your own unique thoughts and ideas to the problem-solving table.

3. Creative thinking skills
   - We need to know how to tackle a problem, and this includes knowing the various options we have to find a solution.
   - The ability to critically examine a problem from all angles, and analyse and evaluate solutions, is a skill that can be taught. We always need to have our thinking caps on!

Problem Solving

Creative thinking is more important than ever in the business world, because the business’s success is often determined by employees’ ability to come up with new ideas, create innovative solutions and to convert problems into opportunities.

Problem solving refers to a person’s ability to find solutions for difficult situation.

Problem solving is a skill that can be acquired.

Barriers to Creativity

There are many things that can prevent us from thinking and acting creatively. Here are some of the more common barriers to creativity:
1. Social Barriers

- Many people fear rejection or making a fool of themselves, and may be reluctant to offer their ideas and suggestions.
- Most people do not like taking risks or change, and so they keep on doing the same things and avoid risk and change completely.
- Some companies are very autocratic and tell everybody what to do, rather than asking them for their opinions like a democratic organisation.
- In a democratic organisation, although orders have to be followed, there are opportunities to question the way things are done, and new ideas are welcomed.
- Some forward-thinking companies offer prizes and incentives to get people to come up with innovative ideas that can be put into practice.

2. Physical Barriers

- Distractions like noise inhibit our ability to focus and think creatively. It is also very difficult to be creative if we are not comfortable, for example too hot, too cold, hungry, tired, cross, upset, or have to work in dull, boring surroundings.
- We get inspiration from our surroundings and thus we need to be as relaxed and as comfortable as possible to make our creative ‘juices’ flow.
- People who have set routines such as always having their lunch at a set time, and always going to bed at the same time, are also not very creative as they do not like any variation in their lives and fear the unknown.
- At work, if we have to perform the same tasks in the same manner all day, every day, it is hard to be creative. Everybody needs to be challenged and have some variety in their lives.
- Although time is not really a physical barrier, it can be a huge barrier to creativity.
- Some people thrive on short deadlines, but most people need enough time to exercise all their creative abilities.

3. A Narrow Mindset

- The way we view life can be a huge barrier to our creativity.
- If we only focus on a small section of the problem, we will not be able to be creative – that is why we always need to try and see the ‘big picture’.
- We also cannot just assume things are true or correct; we must investigate them thoroughly and determine for ourselves what this ‘big picture’ really looks like.
- We should always ‘test’ our ideas on others, and this is why problem solving is a collaborative activity. We might think we have the best solution, only to find that no one else agrees.
- For example, we might have invented a new product which we think is wonderful, but the customers don’t like it. Many new products fail for this reason.

Remember Gr. 11 Problem Solving Techniques

- The Delphi technique
- The force field analysis
- SCAMPER
- Empty chair technique
- Simplex
Questions

Question 1

(Adapted from Business Studies for All, Macmillan, Grade 12, Activity 7, Pg. 127)

Sue Mahlangu, a B Com graduate from Unisa, had been working as a clerk in a large company for the last six years. When her Aunt Maggie asked her to join her successful knitting factory which she has started three years ago, Sue was very interested. The company was receiving orders for jerseys, but despite the high demand for their quality products due to reasonable prices, Maggie has been unable to keep things at the company running smoothly. Sue found the factory in disarray. No one knew who to turn to for advice, what quantities to produce, and what quality standards to adhere to. Sue knew she needed to find solutions to the problems.

a.) Identify the various problems in the factory by looking at the artwork and reading the case study.
b.) Use the steps discussed to solve these problems, up to finding workable, logical and reasonable solutions.

Question 2

(Adapted from Nov 2009, DoE, Question 4.5)

Read the following case study and answer the questions that follow:

**EXACTRA MINING COMPANY**

Exactra Mining Company, in Ermelo, is mining asbestos, which is a highly toxic substance. They want to open a second mine in Badplaas.

The area is next to a breeding ground for different types of birds and fresh-water fish. It is also a popular tourist attraction which is frequently visited by environmentalists and international tourists.

Most residents are unskilled and unemployed. There are very few shops and no recreation facilities for the community.

The mine will create employment for the local people by building a school and a clinic. The environmental groups are opposed to the mining operation at Badplaas. They believe that the waste products from the mine will pollute the wetlands and members of the local community may suffer from asbestosis, a disease contracted from asbestos mining.
a.) Apply the force-field problem-solving technique to address the above problem. (10)
b.) Recommend whether the mining operation should commence or not. (4)

Question 3

a.) Discuss the steps which should be followed in problem solving. (10)
b.) Discuss any THREE characteristics of creative thinkers. (4)

Links