Cracked it!

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Cracked it!

How to solve big problems and sell solutions like top strategy consultants

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Business leaders praise Cracked It!

"When dealing with a major business issue, every decision maker is facing his own cognitive biases, rooted in experience and personality. In *Cracked It!*, the authors not only remind us of the importance of challenging even obvious solutions or ideas, by taking a step back, thinking differently, and walking in the other's shoes – be it a customer or an audience – but they also provide practical, value-creating and proven insight."

—Stéphane Richard, *Chairman and Chief Executive Officer, Orange*

"The future is no longer what it used to be. The business world is undergoing unprecedented disruption. Every problem is more complex. *Cracked It!* will be the bible of the true problem solvers."

—Daniel Bernard, *Former Chairman and Chief Executive Officer, Carrefour*

"If you want to master problem solving, buy this book. It will save you from coming to sloppy conclusions and guide you through every aspect of the process of solving a problem. I used it the day after I started reading it."

—Neil Janin, *Chairman, Bank of Georgia, and Senior Partner Emeritus, McKinsey*

"Too often at the Board or executive level, time is wasted looking for solutions to a problem which has not been clearly defined. Garrette, Phelps and Sibony provide a structured approach to defining problems which should prove useful to practitioners."

—Paul M Tellier, *Former Chief Executive Officer, Bombardier and Canada National Railways*

Thought leaders praise Cracked It!

"Too many companies fail because of bad strategy. This book is full of frameworks and tips to help you avoid that fate."

—Adam Grant, New York Times *bestselling author of* Give and Take, Originals, *and* Option B *with Sheryl Sandberg*

"Written by a trio of leading experts on strategy who draw both on decades of rigorous academic research and consulting experience, *Cracked It!* offers a crystal clear approach to frame and solve challenging strategic issues. A must-read for executives, consultants, business school students and leaders in charge of transforming their organizations."

—Laurence Capron, *Professor of Strategy and Dean of Faculty, INSEAD*

"CEOs regularly pay a king's ransom to the top management consulting firms for help in solving their most complex problems. You may not have the consultant's connections or their knowledge of the industry, but this book will help you learn the secrets of their problem-solving process so you can tackle your own problems more effectively."

—Chip Heath, *Coauthor of* Switch *and* The Power of Moments

"Why do smart and experienced executives sometimes make spectacularly bad decisions? This book exposes the flaws in analysis that lie at the root of the problem. Building on deep academic insights and lots of real-world experience, Garrette, Phelps and Sibony lay out a structured problem-solving approach to overcome the many pitfalls that executives fall into. They don't just tell you how to get the analysis right, they also explain how to sell your advice to others. An invaluable guide to anyone who is involved in decision-making in the business world today."

—Julian Birkinshaw, *Author of* Fast/Forward, *Professor and Deputy Dean, London Business School*

"This is a GREAT 'how to' book for tackling strategic problems and becoming a better strategic thinker. It not only describes all the major frameworks used by strategy analysts, but also shows their pitfalls and how to decide when a particular framework will be useful. All of the concepts in the book are also demonstrated with real case studies that bring the process of strategic analysis to life."

—Melissa Schilling, *Author of* Quirky *and Herzog Family Professor of Management, Stern School of Business, New York University*

"Problem solving is a critical skill for managers and entrepreneurs and often underserved in business education. *Cracked It!* does a phenomenal job in presenting a full problem solving framework grounded in sound theory, tested in years of practice and fun to read."

—Franz Heukamp, *Dean, IESE Business School*

Strategists praise Cracked It!

"A fully comprehensive and practical introduction to problem-solving tools and techniques."

—Georges Desvaux, *Senior Partner and Managing Partner, Africa, McKinsey & Company*

"Strategy is problem solving – an important, subtle and pervasive skill for which business practitioners receive little formal training. Garrette, Phelps and Sibony provide a valuable and practical guide to the art, from framing the problem through to communicating and selling the solution, which should be invaluable to practitioners and consultants."

—Martin Reeves, *Director, BCG Henderson Institute*

"A great read for all current and future business leaders! The secret sauce of solving hard problems and selling solutions to drive change is at your doorstep. Just go get it!"

—Eric Gervet, *Lead Partner, AT Kearney, San Francisco office*

"The companies that win will be those that use superior problem solving tools. *Cracked It!* teaches you how. It captures the real world experience of successful problem solving and presents the learnings in an engaging style."

—Rima Qureshi, *Executive Vice President and Chief Strategy Officer, Verizon*

"The ABSOLUTE reference handbook on problem solving! It is clearly unique and it smartly introduces an amazing richness of methods, through cases and easy to understand frameworks. I have to say… I love it!"

—Jean-Baptiste Voisin, *Chief Strategy Officer, LVMH*

"In an uncertain world that defies comprehension, we are forced to make intuitive decisions… but our problem-solving process must be rational. Therein lies *Cracked It!*'s greatest value. Readers will learn how to shape an effective problem-solving process to channel intuition into rationality and avoid the mistakes that ensnare the amateur strategist."

—General Vincent Desportes, *French Army*

Acknowledgments

As strategy professors, we interact with a broad range of audiences, from undergraduate students to MBA participants to senior executives. Despite very different backgrounds and expectations, all of them consistently tell us that they struggle with a common challenge: how to *apply* what they learn.

Our students tell us that the tools and concepts of business management are relatively easy to understand. Analyzing the structure of an industry or assessing whether a company has a cost advantage is not, after all, an extraordinary intellectual challenge for people who often have advanced degrees in non-business fields, not to mention many years of successful experience. When the time comes to apply the same tools to real business situations, reality does not conform to the stereotype presented in the textbooks—or even to the stylized examples presented in case studies. The problems business people face are complex. Situations are ambiguous. Facts are unclear. Expectations change quickly. Whether it is learned in school or on the job, business knowledge provides executives with a treasure trove of frameworks. But it does not help them to recognize and make sense of the problems.

In 2014, we set out to fill this gap by developing a course on problem solving for the core curriculum of the HEC Paris MBA. We soon realized we needed to address aspects of business communication as an integral part of the course, for reasons that will become clear as you read this book. After many iterations and refinements, the course morphed into the method described in this book.

A significant inspiration for this book is the problem-solving method developed and refined over many years by McKinsey consultants. Because the very nature of top management consulting is to help senior executives make sense of the toughest problems they deal with, problem-solving proficiency is at the

heart of what McKinsey consultants do. Like almost everything in this extraordinary firm, it is passed on from generation to generation, in the spirit of apprenticeship. Olivier is immensely grateful to the masters who taught him the ropes as a young consultant, but also to all the colleagues, from the partners to the summer associates, who challenged him in countless team meetings over a quarter century.

We are indebted to the hundreds of students and executives who participated in our problem solving and communication seminars over the past few years. Not only did they force us to clarify and refine our thinking continuously, but they also kept telling us that something was missing: the course was long enough to make them aware of the need to hone their problem-solving skills, but too short for them to become familiar with all the tools and techniques required. Where, they asked us, is the book they can read to become better problem solvers? We hope the answer is now in your hands.

Many parts of this book benefited from the input and wisdom of colleagues. To name only a few, we would like to thank Blaise Allaz, Pierre Dussauge, Thierry Foucault, Andrea Masini, Anne-Laure Sellier, and Mathis Schulte, who have been instrumental in extending the scope of our problem-solving views toward their respective areas of expertise. More generally, we are indebted to all our colleagues at our home schools—HEC Paris and McGill—as well as to friends and colleagues from other institutions we collaborate with, such as IESE and Saïd Business School, who engaged in stimulating conversations with us at various stages of the project. We insist that all remaining errors are ours.

We also benefited from research support from HEC Paris, the HEC Foundation, and the Desautels Faculty of Management at McGill University, which we gratefully acknowledge.

Turning a classroom experience into a book is an interesting challenge. We hope this book has retained some of the "hands-on" feel that we strive for in our teaching, while following the conventions that make it possible for a reader to navigate it easily. If we've had any success in this endeavor, our editor Jennifer Worick deserves much of the credit. Isabelle Huynh, our visual editor, helped us convert our cluttered slides into the elegant visuals you will discover. We are also grateful to Stephen Partridge and Gabriel Everington of Palgrave Macmillan for their patient and supportive work.

Working on a book is like any relationship—it requires care and attention, and sometimes, it can become all-consuming. It can provide joy one day, and frustration the next. It can also impact other relationships and benefit from them. Bernard wants to thank Béatrice for her loving care and

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