



Insight: The Best Thinking In Today's Business Press®

The Success Question

Fast Company magazine is invariably a fascinating read and each issue can be counted on to deliver at least a few "That's cool!" outbursts. The most recent pages highlight an innovative new company on the healthcare scene: Walgreens. Hey, wait a second – Walgreens isn't a new company. Weren't their pharmacists serving up elixirs when Methuselah was young? A 108 year-old retailer in a channel many thought would fade into obscurity may not be the first place you would look for business-building ideas; however, Zachary Wilson's article inadvertently affirmed the foundation of successfully growing sales and profit: *[Hal Rosenbluth, president of Walgreens Health and Wellness] started battling around business ideas with his colleague Peter Miller... "What's the biggest problem out there?" Rosenbluth asked. "High-quality, affordable health care."*

Our Take

Okay, I cheated. Rosenbluth is really from a start up called Take Care Health, formed in 2005 and sold to Walgreens in 2007. For a minute there it seemed like anyone could be innovative, didn't it? Not to worry.

The Hadrian's Wall of business, separating the next wave of conquerors from the barbarian masses is a single, extraordinarily slippery question: "What problem do we solve?" Most companies, most marketers and most salespeople have left that question far behind in their quest to communicate the finer aspects of their offerings. In contrast, the classic, successful advertising formula sets up a conflict then delivers the solution. *Oh, those nasty rings! Tide gets the ring out.*

If we look deeper into the issue of *Fast Company*, we find other examples of problem solving leading to big business: ultrasonic testing of rail wheels to reduce derailments; electronic books (Kindle, Sony Reader) to allow us to carry books when we're not carrying books.

Yet, tightly defining the problem you solve, then aligning all your strategies,

resources and communication to solving that problem is deceptively difficult. In a heartbeat we will let the customer's problem melt into the background while our solutions take center stage.

Equally tempting and common is to work from your offering backwards: "Here's what we do, what problem does that solve?" This approach rarely works because the bias is toward justifying existing business; evidence suggesting few customers have the problem is maneuvered out of sight. The backwards approach also relies on sufficiency logic (our offering is *sufficient* to solve the customer's problem) as opposed to necessity logic (in order to solve their problem, customers *must* use our offering). Sufficient solutions are weak and easily displaced by competitors.

Well, if a century-old retailer can find a cure for slumping sales, can you? Yes:

First, understand the cascade of customer problems. Which have been solved? Which have not? I can't get my family from A to B (Solution = Yugo). This car isn't reliable (Solution = Camry). This car doesn't make me feel sporty (Solution = BMW). Failing to honor the cascade leaves you at risk of extinction: This car makes me feel sporty but it isn't reliable (Any car made in Britain).

Second, are you clearly focused against a problem which is solved better by you or which competitors do not solve at all? Remember that better requires a meaningful reduction in the problem. This week when a client asked how they should differentiate their business, I pointed out that the primary customer problem – reliability – had not been 100% satisfied by anyone in the market. Efforts to communicate turnaround time or ease of use would be wasted if a competitor could demonstrate better reliability.

Third, are you mistakenly offering a "better" solution to a problem which is already solved or a problem few care about? I refer to this as the toothpaste tube error. Pumps, squeeze bottles and tablets may be "better" dispensers for toothpaste, but you have a tube of toothpaste in your bathroom because it solves the problem and better isn't necessary.

Fourth, when you consider your customers, where does a seemingly irresolvable conflict between needs create an intractable problem? For instance, "I need to see a healthcare professional, I need to be at work during the day, and I can't afford to pay a premium for an on-call doctor." In that conundrum is an opportunity for breakthrough, share-stealing innovation (corporate health clinic).

Walgreens isn't the only one dispensing success these days. To better understand the customer problems which could build your business, contact me:

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