NICK FLEMING

SMASHING
THE STATE OF
DUMB·STUCK

How to achieve impact and influence
in the future world of work by
mastering real-world problem-solving

Praise for

Smashing the State of Dumb·stuck

"Nick Fleming has asked, and answered, the obvious question, 'Are we really solving the right problem?' While that may be the obvious question, it is surprising how infrequently this is asked in organisations. Like Nick's earlier book, *Insight Trading*, this new work will challenge you to ensure that your thinking, creativity and energy is effectively focused on the issues you're called to address, to make real, practical changes. This is a must read for people who are serious about the work of contributing to making our organisations and society better through analysis and problem-solving."

Elizabeth Proust AO, Advisory Board Chair at the Bank of Melbourne,
Chair of Nestlé Australia, non-executive director at Lendlease,
past chair of the Australian Institute of Company Directors

"Nick Fleming has produced that rarest of things—a management book combining decades of research and real-world experiences that provides a remarkably practical set of problem-solving and solution implementation tools. Even if a busy executive, manager, or entrepreneur could somehow identify all the readings and resources Nick draws upon from years of effort and experience, they could never find the time to read those materials, let alone combine them into a useful and practical set of tools. *Smashing the State of Dumb·stuck* goes far beyond the typical best practices approach — this is best practical approaches. The framework and tools represent a systemic yet flexible and adaptable methodology that recognizes the need for a structured approach while also recognizing that the world and the problems generated therein exist in a state of constant change and ambiguity. This book should be mandatory reading for innovators in government, academia, business, NGOs and the military. I cannot imagine any facet of society that would not benefit from this book. Better decision making, better mentoring, and better outcomes can't help but follow. Bottom line: read this book, read it again, and then start using the insights to solve problems—and never stop asking impactful questions!"

Clare John Fairfield, Chairman, Venture Capital Institute (USA)
and Venture Capital Institute of Australasia

"Problems are an ever-present feature of life at a global, organisational and personal level and much has been written on problem-solving to help us address them. *Smashing the State of Dumb·stuck* however represents a real step-change in the evolution of problem solving in that it offers unique insights into problem identification as part of this process, providing the reader with rigorous methodologies and tools to both problem-solve, but critically, to define what the problems really are, in all their complexity, before solutions are sought. Well communicated and with a rich array of real-world examples, this is a book for our times – clearly written and concise and addressing a fundamental need."

Tim Jarvis AM, Environmental scientist, explorer and film-maker

"Without doubt the leading book on problem-solving and essential reading for leaders from the C-suite to strategy to project management (and for those few brave politicians)."

Tony Frencham, Group Senior Vice President, Worley

"*Smashing the State of Dumb·stuck* is packed with tools, tricks and tips to upend tired solutions that leave so many of business and society's problems running sores. With the urgency of the crises in climate, nature and post-pandemic debt the timing of this book could not be better. The apt examples, drawing on the author's real-life application of the methods, will accelerate uptake and benefits for the reader. This book is a globally significant contribution to human endeavour and I commend it to any professional wanting to increase their vocational contribution to making the world a better place."

Peter Young, Independent Environmentalist, Trustee at Green Purposes Company (UK),
Chair of ISO Sustainable Finance International Standards Committee (ISO TC/322)

"ANZSOG has worked with Nick Fleming on complex problem-solving in the workplace for many years. His focus on practical problem-solving, systems thinking and effective policy implementation is highly valued by senior government officials across Australia and New Zealand. This book will be useful primer to a much broader audience committed to proper problem definition, solving and effective policy and program implementation. It provides a solid rationale for a change to our often 'quick fix' approaches to dealing with a range of problems from simple to complex, as well as the chaotic or wicked ones we face increasingly. The book title suggests it will help individuals and organisations achieve greater impact in the future world of work. But it is not just in the future, but right now, that Nick's contribution will be influential in giving people a range of practical evidence-based tools they need to analyse problems, engage properly with others and develop more successful and productive solutions to the myriad of complex issues we all face in our day-to-day work."

Professor Ken Smith, Dean and CEO,
The Australia and New Zealand School of Government

"This book is jam-packed with tools and tactics for anyone wanting to solve real-world problems. Perfect for those starting their career, looking to troubleshoot their brain when stuck, or wanting to be inspired when solving something tricky. Rather than your typical 'cover to cover and leave on the shelf' read, keep this book handy on your desk as your secret toolkit. I wish I had access to this when I was starting my career, it would have been my go-to guide. Nick has been generous in sharing all of this brilliance in one place."

Felicity Furey, award-winning business leader and
Founder, Professional Leaders Institute

Smashing the State of Dumb·stuck

How to achieve impact and influence
in the future world of work
by mastering real-world problem-solving

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In a nutshell

You are contributing to a failing system … and you are about to be exposed.

The red flags are everywhere: stagnant economies, low productivity, persistent social problems, low trust in government, increasingly fractured politics and social turmoil. These vulnerabilities are highlighted by crises like the global financial crisis and the coronavirus pandemic. Increasing automation, the use of artificial intelligence and climate change are doing the same.

And what is the cause? I propose it is our collective inability to solve the right problems. Every day most people are solving the wrong problems. Consequently, the challenge is not to make progress technically possible, but to make it humanly possible.

The cost is huge. Wasted time, effort, investment and reputations. At a national level this inability incurs a cost of billions of dollars each year. It contributes to lost opportunities, lost lives and loss of hope.

Organisations are failing to recognise and tap into their enormous latent potential. And *you* are not realising your potential. Indeed, you are at real risk of becoming **'dumb·stuck' – unable to elevate your career and contribution because your know-how and judgement are no longer suited to your situation.**

But you can smash this state of dumb·stuck and thrive. This book demonstrates why and how, providing the practical, evidence- and experience-based know-how to solve problems well and prosper in the process.

Effective problem-solving goes way beyond just having ideas. It is about taking the actions that deliver enduring benefits to the people that need them. That is the proof that problems have been solved.

Real progress and results can be achieved quickly. You can avoid 'paralysis by analysis'. And it does not require more effort – it just requires critical thinking enabling better placed effort.

This is a book for every leader, manager and professional in public and private enterprise and not-for-profit business. It sets out a path to grow into a compassionate, effective problem-solver in a hyper-connected, digital world. It sets you up to take on higher levels of work that bring greater job satisfaction and financial rewards. In short, it is your key to ongoing relevance, impact and success.

Contents

3

Smart people doing dumb things

CEOs are leaving their organisations in droves. In 2018, and then again in 2019, record numbers of CEOs were departing the world's largest organisations.[23] While most were planned retirements, roughly 20 per cent were the consequence of poor performance.[24] It is part of a sustained upward trend that has affected organisations like Volkswagen, Boeing, Gap, Boral and most recently Rio Tinto. Either directly, or indirectly, an inability to solve business problems was a contributing factor.

While CEOs assume accountability for the daily management and performance of an organisation, they are surrounded by experienced executives and professionals that contribute to the collective problem-solving capability. They have enormous financial and technical resources at their disposal. Yet mistakes and failures still routinely occur.

Saying 'most of the time people are solving the wrong problems' is a confronting statement. Every day, each one of us solves a myriad of problems, ranging from the mundane challenges of daily family life through to complications that impede our work. Managers, tradespeople and professionals apply their skills and experience to get jobs done. So, how can a credible argument be mounted that we (individually and collectively) lack adequate problem-solving skills? What is it that experienced leaders, managers and professionals – indeed, teams of such people – are missing?

There seem to be four factors that undermine our problem-solving capability:

- **Narrow problem-solving skills**: most of us have been taught how to solve specific classes of problems. Solving mathematical equations, balancing budgets, formulating effective prose or tuning an engine are examples. These 'reductionist' skills often help us to secure our first job but soon we encounter challenges outside our core skill set for which we are ill-equipped. If we are lucky, with time, application, wise counsel and formal training, we might learn the 'integrative' skills to effectively address the messy problems that involve people, technology, laws and money.

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[23] Maggie Fitzgerald (2020) 2019 had the most CEO departures on record with more than 1,600, *CNBC online*, 8 January.

[24] Per-Ola Karlsson, Martha Turner and Peter Gassmann (2019) Succeeding the long-serving legend in the corner office, *strategy+business*, Summer 2019, Issue 95.

- **Poor problem definition**: much of the time we are clumsy and imprecise in the way we talk about and address problems. We do not distinguish between causes and symptoms, perceptions and facts, issues that are trivial and those with profound consequence. Furthermore, elimination of 'the problem' – that is, making it go away – seems to be the default aspiration rather than creating a new and better situation entirely. As a result, we talk about and tackle problems in a confused and ineffective way, often without realising it.
- **Over-confidence and denial of skill gaps**: There are many ways in which we deny our role in poor problem-solving. Professionals assume that their expertise in solving narrow problems translates to broader problems. Senior managers assume their years of experience give them superior problem-solving powers. People also hold hope in computing, artificial intelligence, automation, outsourcing or 'the markets' to solve their problems for them, diminishing their need or responsibility for better problem-solving skills. Sometimes we comfort ourselves by blaming others for problems we cannot resolve. These mindsets may provide comfort and temporarily sustain the success of individuals, but they erode our organisations and communities.
- **Our world is becoming more complex**: People have always lived through periods of change. The world today is vastly different from that into which our parents and grandparents were born. While change is a constant, digital technologies are now fuelling an accelerating pace of change that is unpredictable, exciting and unsettling. The world is now highly interconnected by trade, data flows, communications and movement of people, matching the scale and intricacy of environmental connectedness that has always existed. Local actions can truly have global ramifications. This situation can be overwhelming, exceeding our traditional capacity to respond. Consequently, people avoid the situation by adopting simpler (but less realistic and useful) explanations of the problem at hand.

The fact of the matter is that we are often wasting our time, effort and money solving the wrong problems in the wrong way. We are captured in the state of dumb·stuck.

The anatomy of opportunity

The anatomy of opportunity (Figure 3.1) illustrates the types of mistakes commonly made by people solving real-world problems.[25] This comes from my experience, working with people across different industry sectors and regions of the world to solve all manner of problems.

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[25] Nicholas Fleming (2015) *The anatomy of opportunity – three key practices to unleash progress*, Innergise Pty Ltd, Melbourne.

I have consistently observed that the early signs of a problem can be ignored, but when it becomes obvious the problem is often misdiagnosed. People jump to conclusions about the nature of the problem and apply business-as-usual solutions. Then, with action preferred over thoughtful analysis, attention turns to implementing the business-as-usual solution in the most efficient manner possible, guided by good project-management processes and controls. Too often, the problem persists, value is eroded and risks to the people involved, the organisation and its customers increase.

The more fruitful path to tackle real-world problems involves paying attention to emerging issues, drawing on diverse perspectives to carefully diagnose them. Solutions are then crafted to achieve success by design, including consideration of how those solutions will be implemented. Good solutions are made to be implementable or 'humanly achievable'. The difference in the value created between these two pathways is often substantial. And therein lies the opportunity.
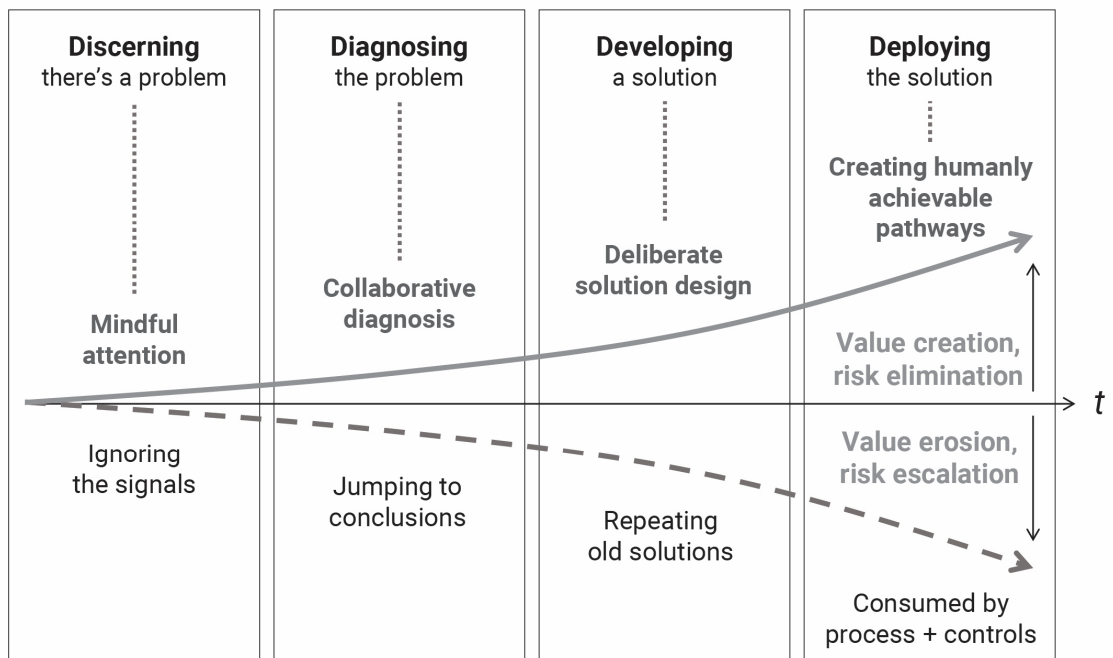

Figure 3.1 – The anatomy of opportunity

These observations have been validated by independent studies. For example, a review of government policies in Australia found that only 30 per cent had been developed using a sound

problem-solving process.[26] These findings were based on independent research undertaken by two philosophically opposed right and left think tanks.[27,28] Clearly, both sides of politics recognise the opportunity for better public problem-solving.

Let's get real about innovation

As organisations and communities attend to their most troublesome and persistent problems, some are turning to past practices and ideologies in search of solutions. Others are turning to practices like innovation, design thinking and entrepreneurship.

While history reveals important lessons, and innovation and design-thinking practices are useful, some fundamental impediments to realising their value are often overlooked. Indeed, for every article that explains how to foster innovation there seems to be one about the impediments and difficulties in making innovation work. You might ask, 'If innovation is the solution, what is the problem?'

In many cases, organisations embrace and promote innovation in the hope or belief that it will overcome a deficiency in their operations, services or products. That is, *it will solve a problem*.

Surely then, the real unmet need is to be able to solve problems.

What I am suggesting is that we need to see through the innovation hype.[29] What we need is to solve problems. This is something that is grounded, real and relevant to everyone. Innovation, on the other hand, can feel irrelevant ('It's for the people in product development'), a luxury ('We have more fundamental issues to solve than coming up with some fancy ideas!') or alienating ('I'm not a creative person'). It is not that innovation is not useful, it is just not the main game.

This is demonstrated by the character of innovation tools, illustrated in Figure 3.2. If you run a critical eye over the tools that are used and promoted by innovation practitioners, what do you find? They seem to be more useful in providing information than inspiration or the ideas commonly associated with innovation. Furthermore, the tools tend to support a reductionist or analytical view of the situation for innovation, rather than the synthesis or integration often required in tackling messy, real-world challenges.[30] Yet, people often find these tools helpful. Why? Because the more rigorous approach to situation analysis and problem-solving generates fresh and useful insights. Indeed, solving a problem effectively can seem remarkably novel!

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[26] Percy Allan (2019) Latest research shows slow progress in governments using evidence based policy principles, *NewDemocracy Foundation*, 15 November, Sydney.

[27] Emma Dawson, Abigail Lewis (2019) *Evidence based policy research project: 20 case studies*, PerCapita Australia, Melbourne.

[28] Mathew Lesh (2019) *Evidence based policy research project: 20 case studies*, Institute of Public Affairs, Melbourne.

[29] Nicholas Fleming (2018) *Moving beyond innovation hype and hyperbole*, 11 June, Innergise Pty Ltd, Melbourne.

[30] Nicholas Fleming (2017) *Is the innovation hype masking a deeper problem?* Innergise Pty Ltd, Melbourne.
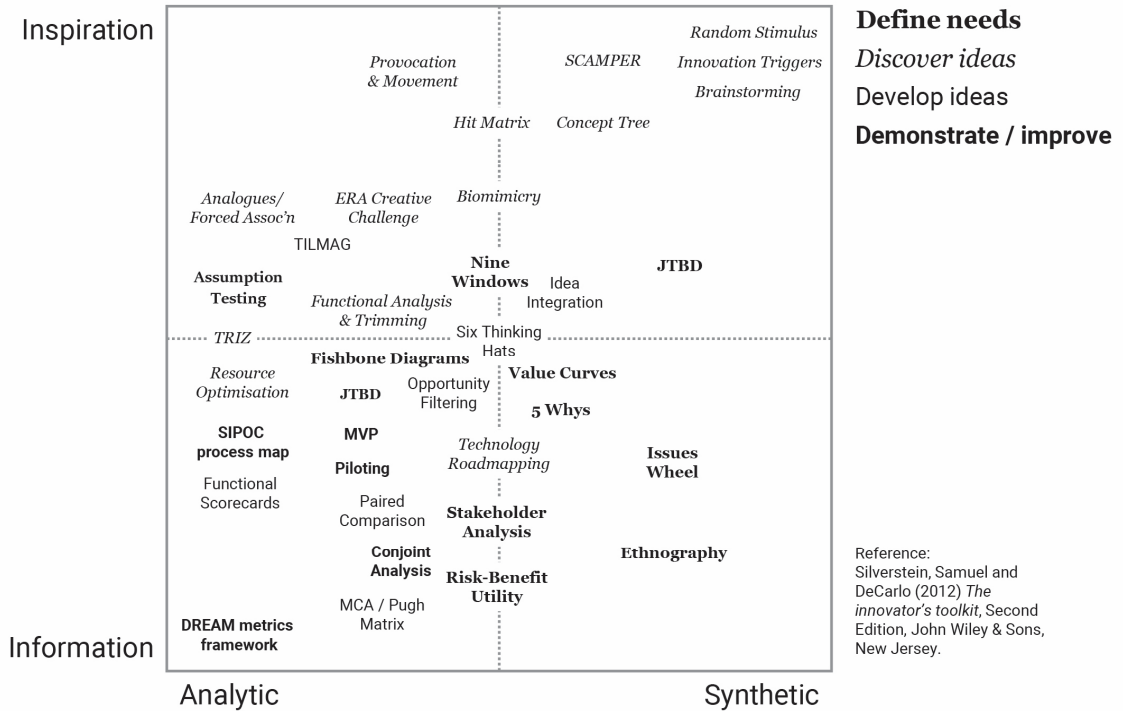
Figure 3.2 – The character of innovation tools

Vastly better outcomes are possible

If you accept these deficiencies in our prevailing problem-solving practices – that we operate in the state of dumb·stuck – then you can move on to improving your problem-solving skills. Fortunately, experience has shown that it is possible to become a much better problem-solver in a short space of time ... and this brings real benefits.

People that become better problem-solvers are more effective in their work.[31] They enjoy greater job satisfaction, a better reputation, enhanced career prospects and greater income potential. They gain through personal growth, professional impact and prosperity.

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[31] David Robson, author of *The intelligence trap* (Hodder & Stoughton, 2019) reports that skills in critical thinking are not strongly correlated with general intelligence, but they are a better predictor of the real-life outcomes that people enjoy than standard intelligence.

At the organisational and community level the benefits can be extraordinary. Imagine the cumulative financial and social benefits of many people solving problems more effectively.

Consider for a moment the challenges in your work environment and community that seem difficult to resolve. Pick just one of them. How much time, money and effort is this problem consuming? What are the flow-on consequences of the problem not being resolved? What is the cost of reputational damage and missed opportunities? If these costs could be avoided and people's time, skill and effort better spent, what could be achieved?

It is easy to see how the financial dividend at the scale of a national economy could be billions of dollars each year, even before we consider the potential benefits to social wellbeing.

To be crystal clear, smashing the state of dumb·stuck can be phenomenally beneficial for individuals, organisations and communities.

Millions of dollars saved in a few days

A global mining company wanted to increase its capacity to export iron ore from 80 to 320 million tonnes per annum. Ships waiting to be loaded were costing the company millions of dollars every week. Expanding the existing port facilities seemed the obvious action to take. Yet the company was constrained in what it could do. The land available for a new port and temporary stockpiling of iron ore was limited, and the expansion would exacerbate already problematic noise levels, water and energy consumption, and dust impacts on local communities. How were these issues resolved?

Over the course of three days, a workshop was conducted, involving 25 people from port operations, materials handling, marketing, environmental science and community engagement. Using systems thinking, the workshop revealed important but previously overlooked project objectives, providing the stimulus for new and better solutions.

A promising solution involved the use of 'excess water' from the mine site to pre-condition the ore, thus reducing water needs at the port site. Running ore delivery to the port 'just in time' avoided a massive stockpile and energy-intensive double handling. The big reduction in site footprint and resource consumption became massive cost savings, allowing reinvestment in low-noise conveyor belts to reduce overall site noise levels. Critically, the collaborative problem-solving approach looked outside the port site for both context *and* solutions.

Conservatively, cost savings of 10 per cent could be achieved on this $1.4 billion project, while other significant risks were reduced or eliminated. It was a massive return on effort. No new technology was required, just better placed effort.

Increasing your value and impact

This book contains many important ideas, practices and tools. Individually, each insight and tool will be useful. Collectively, however, they can be immensely powerful.

Fully appreciating and adopting the insights in this book will take time. It is no different to learning to cook, play soccer or lead teams of people; it takes time and practice to cultivate the skill and succeed. I suggest you accept and embrace this growth process. Only when you are challenged, make some mistakes, and reflect on what you have learnt will you truly grow and cultivate the potential and licence to take on greater responsibilities.

Having said this, progress can be made quickly and with surprising results. Simply asking the question 'Are we solving the right problem?' will start to yield benefits.

Nonetheless, the question remains, 'Are you ready and wanting to take the journey from knowing to understanding to having impact?' Because this is a book for smart people that want to stop doing dumb things. It is a book for people that want the many hours they spend working to count for something. And it's for leaders and professionals that want to secure their relevance and grow their role in the emerging world of work. If that is you, then let's go.

Becoming a better problem-solver

So, let's start your journey to a more effective and rewarding future. What you will find in the following chapters are:

- insights about the essence of real-world problem-solving
- differences in problems and why they matter
- what you need to do to solve problems well
- valuable methods and tools to help solve problems
- how to effectively engage others in problem-solving.

The book concludes with some practical advice on how to construct your own achievable pathway to success, taking some easy first steps to put these proven tools into practice.

As leaders, we face endless problems. Solving them well is pivotal to our impact and influence.

But the truth is, most of us solve the wrong problems. It is not that we're bad leaders. It is because we're not *trained* how to solve problems, particularly the complex ones we face today.

When we can't solve problems, we diminish our prospects and weaken our organisations and communities. No wonder complex problem-solving is the #1 skill needed for the future of work.

Fortunately, you can learn better problem-solving and deliver results fast. By doing so, you will avoid becoming 'dumb·stuck': unable to deliver results and stuck in your career.

This book conveys crucial insights and actionable strategies for better problem-solving, illustrated by real-world scenarios. It is the must-have, practical guide for anyone who wants to be successful, impactful and sought after in a fast-changing world.

"This is a **globally significant contribution** to human endeavour …"

Peter Young, Chair of ISO Sustainable Finance International Standards Committee

"*Smashing the State of Dumb·stuck* is a '**must read**' for people who are serious about making our organisations and society better …"

Elizabeth Proust AO, Advisory Board Chair at the Bank of Melbourne, Chair of Nestlé Australia, non-executive director at Lendlease

"Without doubt **the leading book** on problem-solving. Essential reading."

Tony Frencham, Group Senior Vice President, Worley