The problem approach

Abrao Kulaif | Week 2 Principles of Management | 2025



To recap

The boundaries, or limits, of a firm define the range of activities it devotes itself to.

- 1. Horizontal boundaries
- 2. Vertical boundaries
- 3. Corporate boundaries

To recap

Make it or Buy it?

Key questions are "How to acquire raw materials, machinery, energy, people..."?

Make it!

To incorporate the supply of those inputs under the scope of the firm's activities.

Buy it!

To acquire the inputs by purchasing it from other firms via market transactions.

The problem approach & analysis

N

I

Important

V

Neglected

E

Externalities

I

Important

A problem is important when it affects negatively a great number of people or when it has extremely negative consequences to a small segment of the society. A critical problem affects very negatively a great number of people.

T

The importance of a problem depends on its relevance and severity.

Examples:

- roughly 1/3 of the food produced in the world for human consumption is lost or wasted;
- food waste alone generates about 8% 10% of global greenhouse gas emissions.

N

Neglected

A problem is neglected when it is not being solved by the different social agents (public or private – governments, markets or civil society). This happens or because the problem is ignored by the society, or because of its solution is not effective or very expensive.

V

A problem is neglected if it is not being solved by society (state, corporates, social institutions, families). The level of negligence may depend on the existence of dominant solutions that may not be solving the problem.

Examples:

- There are companies like winnow and TGTG and some others trying to address this problem. However, impact seems yet to be low.

Externalities

Problems whose solutions have positive externalities or spillovers are the ones whose resolution creates more value to society, when compared to the one considered by the usual market mechanisms. These are the most common areas where the social entrepreneurs work because they are frequently neglected and important!

The existence of negative externalities occur when the value for society of a problem goes beyond market transactions – its resolution may create a virtuous process of impact.

Examples:

- The solution of food waste/loss may help addressing other problems, such as carbon footprint and global hunger

✓ Tool to identify problems and their casual relationship

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✓ Realistic overview + awareness; to avoid [un]expected effects

CORE PROBLEM

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Let's do it together?

Impact Gap Canvas*

* most suitable for Social Ventures



IMPACT GAPS CANVAS



What's happening, what's the impact of the challenge, and what's holding the challenge in place?

IMPACT GAPS

What is missing that could close the gap between the challenge and solutions, where are opportunities for collective impact, and what are the lessons learned? What models are already being tried, what's working, what's not, and what resources are available?



What's happening, what's the impact of the challenge, and what's holding the challenge in place?

A tool to

IGC

CHALLENGE LANDSCAPE

How would you describe the challenge? Who or what is effected? How is it related to other issues?

OBSTACLES TO CHANGE

What are the causes of this challenge and what is keeping it from changing? Who or what benefits from the current status quo?

HISTORY & FUTURE OF THE CHALLENGE

How has this problem or opportunity changed over time? What is the projected scope of the challenge in the future?

CHALLENGE LEARNING LOG & OPPORTUNITIES

What resources have you used to understand the challenge? Who have you spoken with to verify your understanding of the challenge? Who else do you need to speak with to learn more?

Challenge landscape

Obstacles to change

History & future of the challenge

Challenge learning log & opportunities



What's happening, what's the impact of the challenge, and what's holding the challenge in place?

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A good problem tree might help addressing most of it!

What models are already being tried, what's working, what's not, and what resources are available?



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IGC

Solution landscape

Models for change

Future impact, scope & scenarios

Solutions learning log & opportunities



SOLUTION LANDSCAPE

What solutions are already being tried Create a map of the current "solution efforts by businesses, governments, finance providers, aid organizations, academia media, local community groups, etc.

MODELS FOR CHANGE

What different impact models are being tried? How are each of these models different and what parts of the problem do each of these models address?

FUTURE IMPACT SCOPE & SCENARIOS

What new resources, opportunities, legislation, or changing demands are on the horizon which might impact the collective and individual solutions? What are possible future scenarios and how might these impact future efforts?

SOLUTIONS LEARNING LOG & OPPORTUNITIES

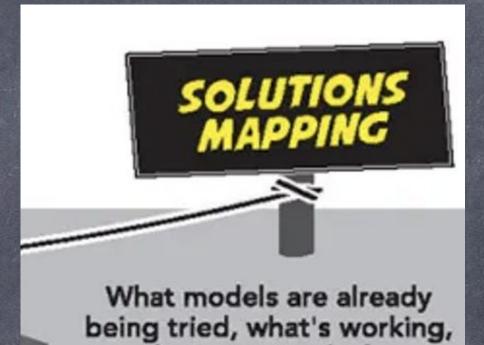
What resources have you used to understand current solutions which have been or are being tried? Who have you spoken with to verify and add to your understanding of the solutions landscape? Who do you need to speak with to learn more?

Daniela Papa Phormon - www.apparettionguethsproblem.com

What models are already being tried, what's working, what's not, and what resources are available?



Think wisely and broad! Benchmark from other industries, geographies...



what's not, and what

resources are available?



What is missing that could close the gap between the challenge and solutions, where are opportunities for collective impact, and what are the lessons learned?

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- Landscape gaps
 - Unaddressedobstacles
 - Impact
 opportunities
 - Key insights

IMPACT GAPS CANVAS

lerstand a social or environmental challenge, the current solution

enge title 6 aphic focus:

LANDSCAPE GAPS

Who or what is not being served in the gap between the problem and the current solutions? What is missing that would further the collective impact of these efforts?

UNADDRESSED OBSTACLES

What is missing or not working in each of these models for change? What are the unintended negative consequences of these efforts? What obstacles to change are still being overlooked?

IMPACT OPPORTUNITIES

What are the specific key opportunities (market-based, regulation, research, education, partnership, etc) which can unlock future impact?

KEY INSIGHTS

What are the key lessons you learned about that are important to for those who want to improve the landscape and impact of the solutions to your chosen challenge?





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Your secret spot!
Try being as more specific as possible.
Partners? Collaborators?

To come:

→ An analysis of revenues

See you on next session:)