

_The problem approach

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

Is this problem worth addressing?

A solid green square containing the white capital letter 'I'.A solid green square containing the white capital letter 'N'.A solid green square containing the white capital letter 'E'.

Is this problem worth addressing?

A solid green square containing the white capital letter 'I'.

Important

A solid green square containing the white capital letter 'N'.

Neglected

A solid green square containing the white capital letter 'E'.

Externalities

Is this problem worth addressing?

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.

Is this problem worth addressing?

I

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.

Is this problem worth addressing?

A green square containing the white letter '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.

Is this problem worth addressing?

N

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.

Is this problem worth addressing?

E

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!

Is this problem worth addressing?

E

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

The problem tree

The problem tree

- ✓ Tool to identify problems and their casual relationship

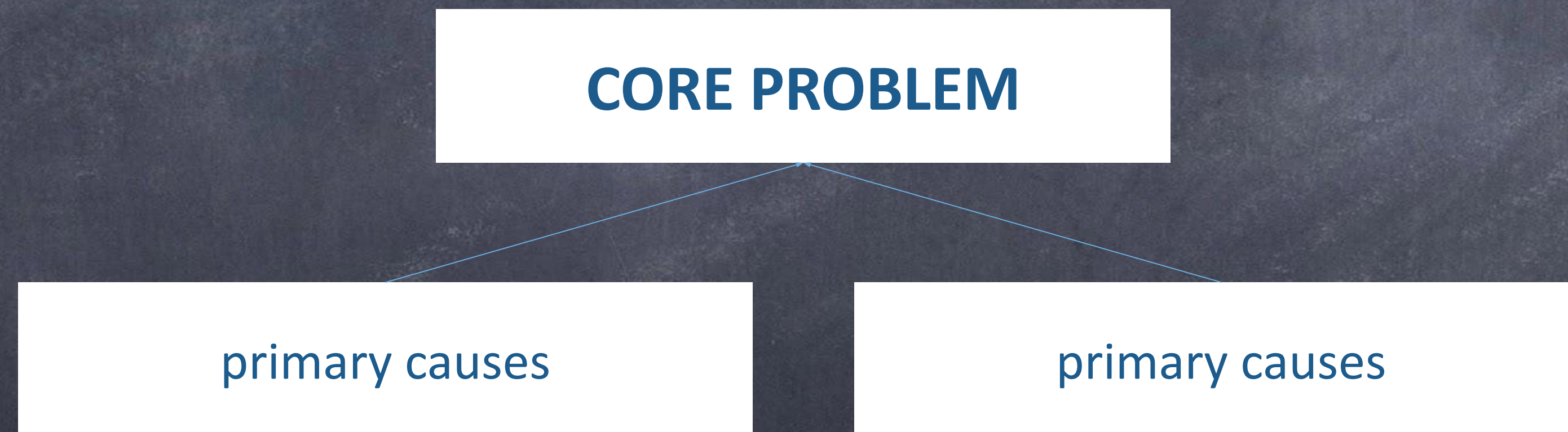
The problem tree

- ✓ Tool to identify problems and their casual relationship
- ✓ Realistic overview + awareness; to avoid [un]expected effects

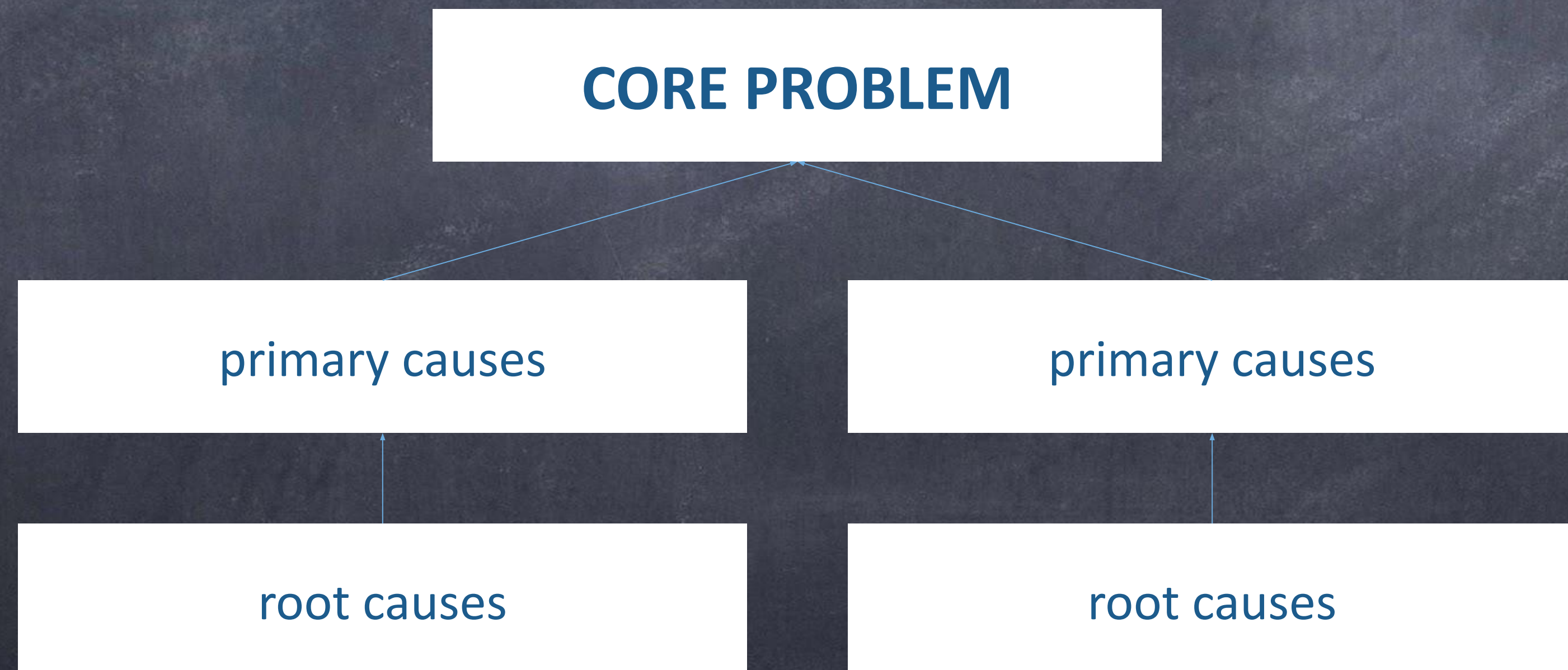
The problem tree

CORE PROBLEM

The problem tree



The problem tree



The problem tree

CORE PROBLEM

primary causes

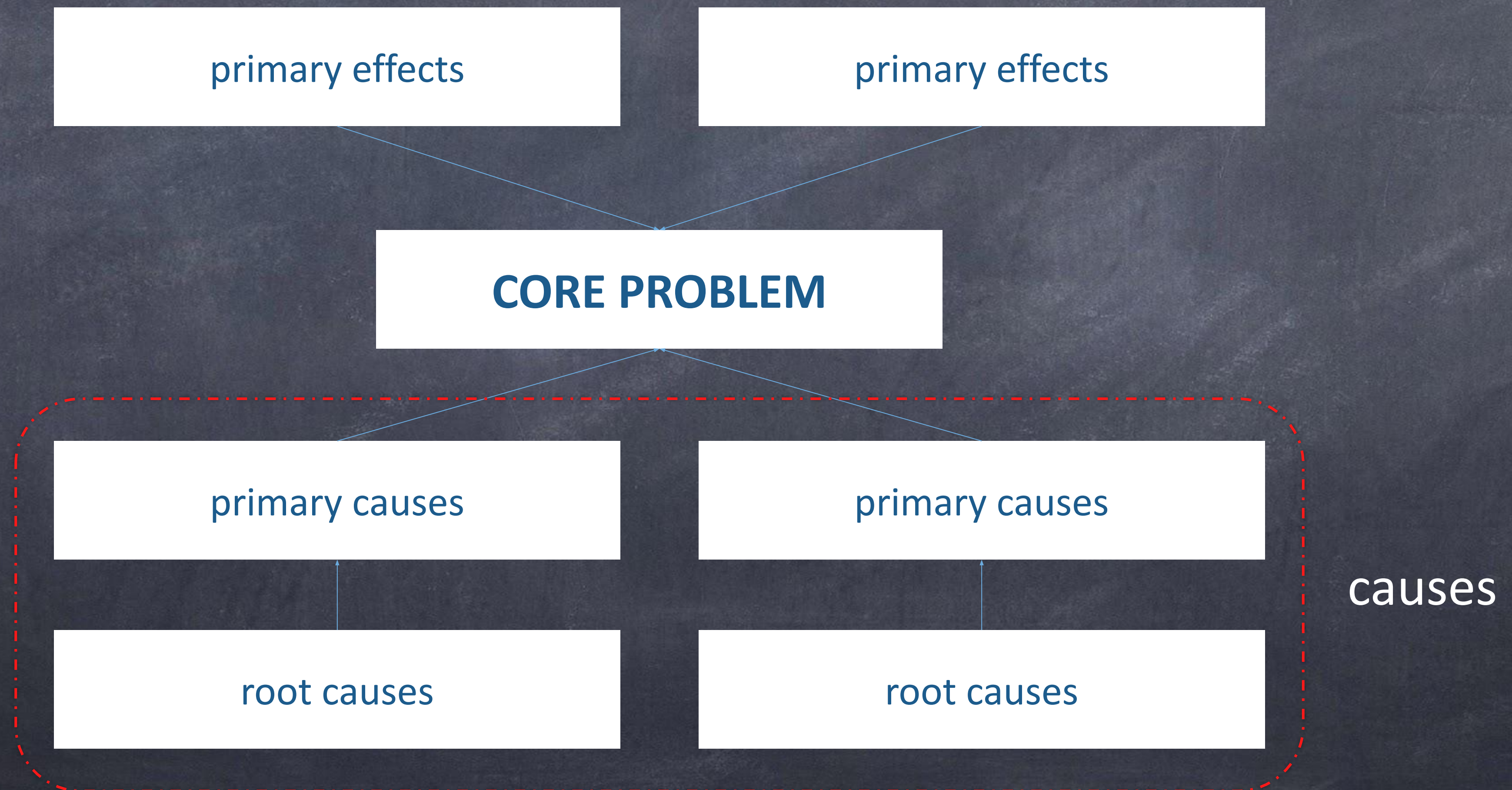
primary causes

root causes

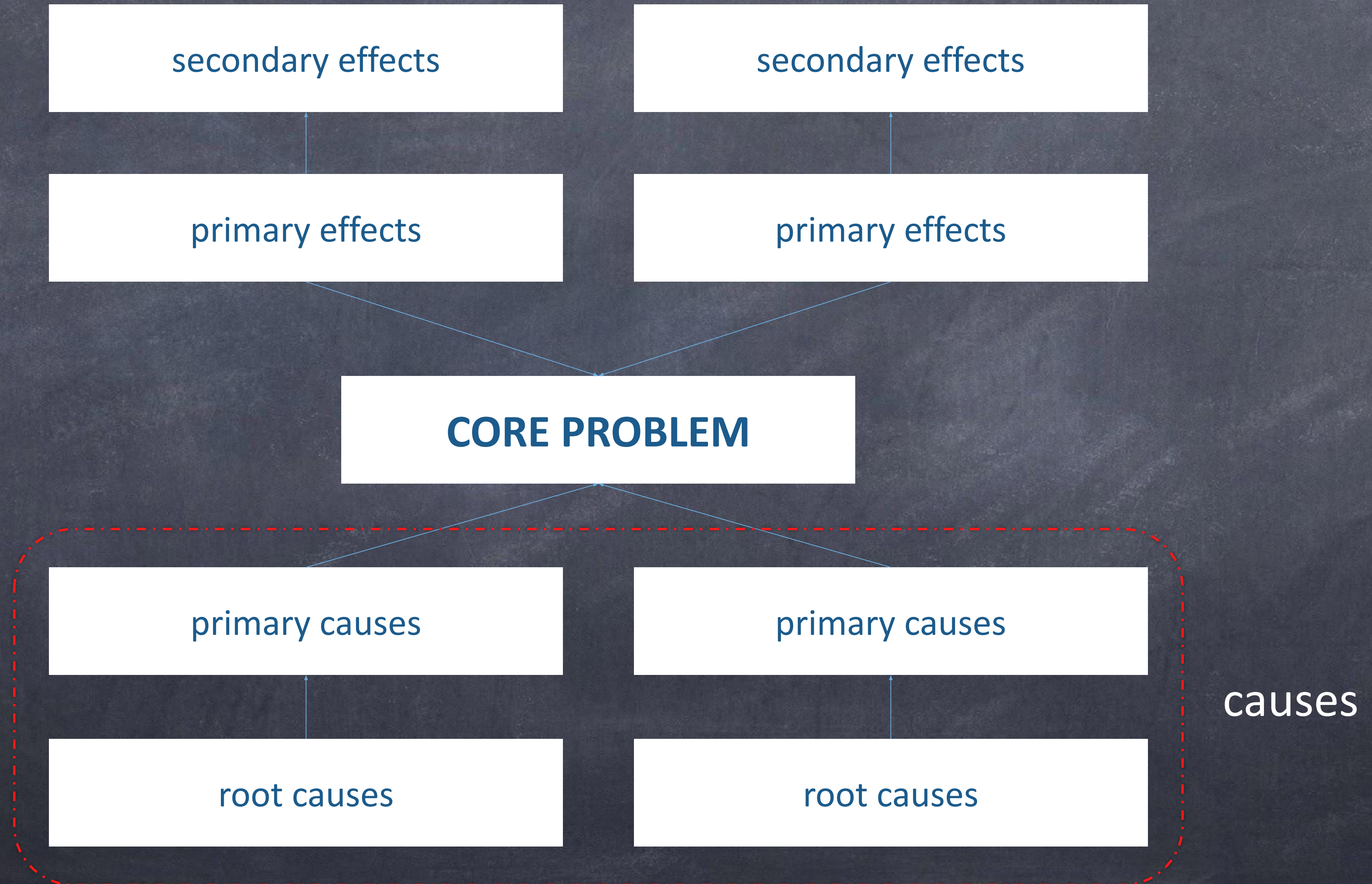
root causes

causes

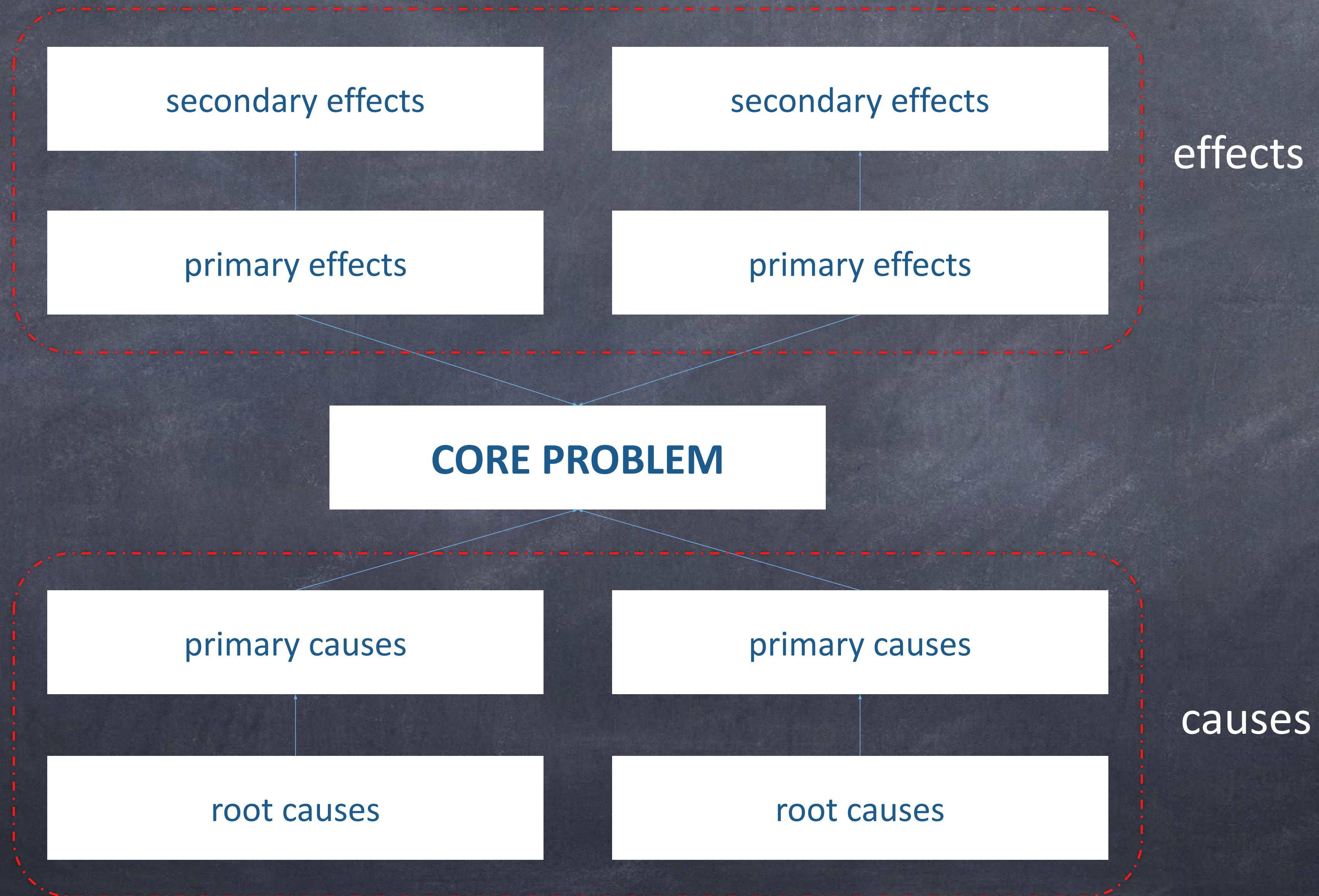
The problem tree



The problem tree



The problem tree



Let's do it together?

Impact Gap Canvas*

** most suitable for Social Ventures*

IMPACT GAPS CANVAS

CHALLENGE MAPPING

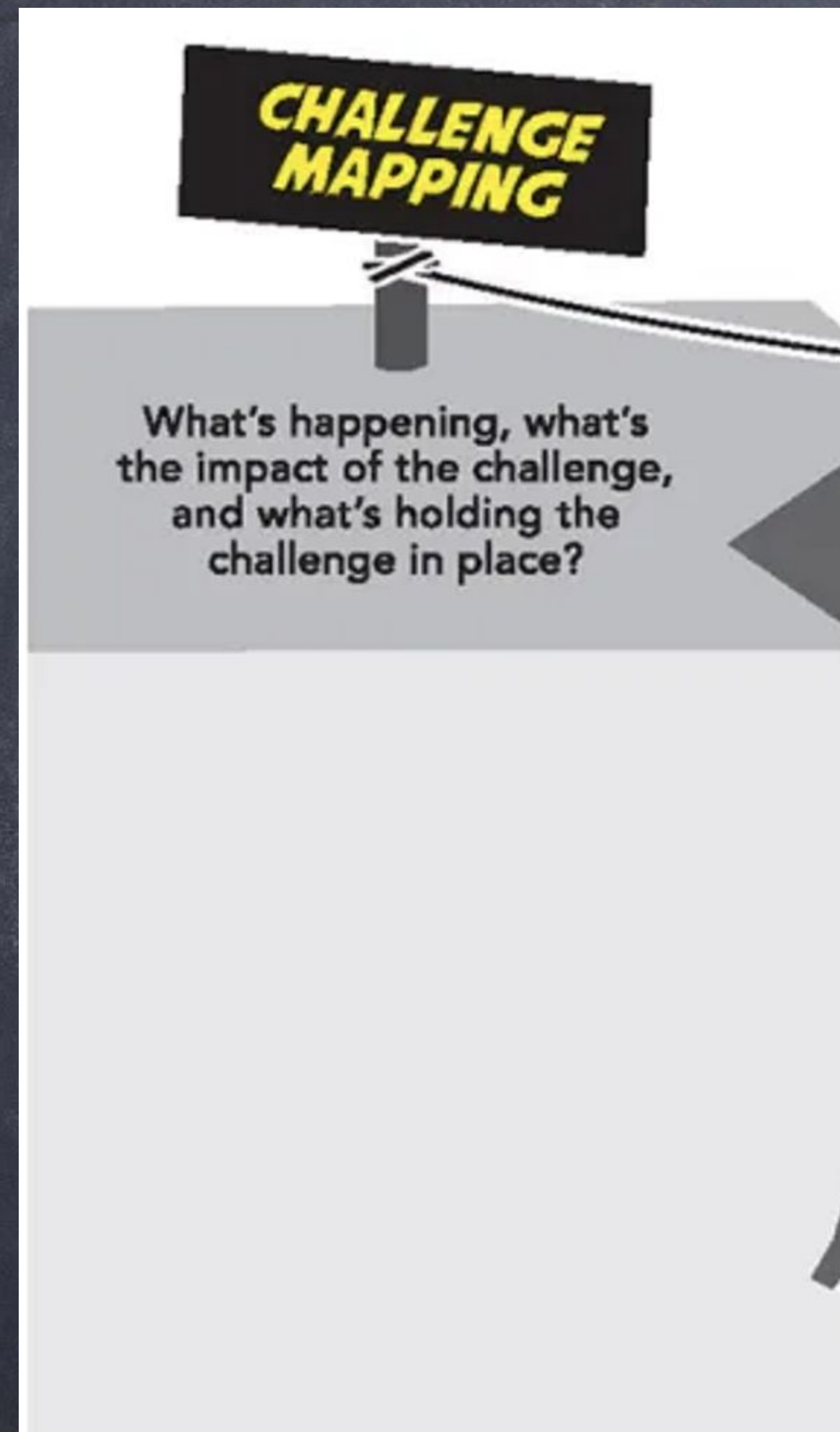
What's happening, what's the impact of the challenge, and what's holding the challenge in place?

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?

SOLUTIONS MAPPING

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



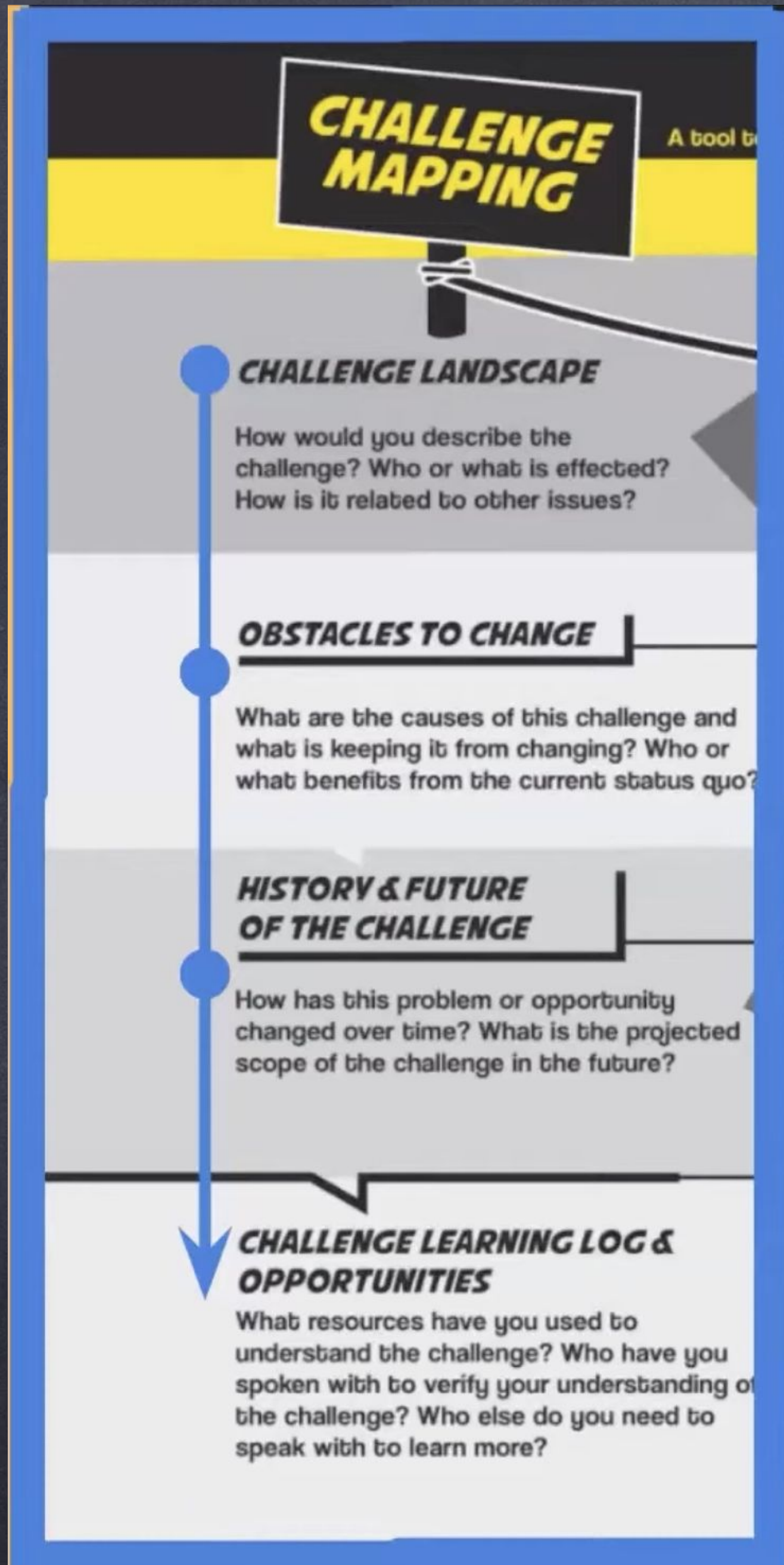
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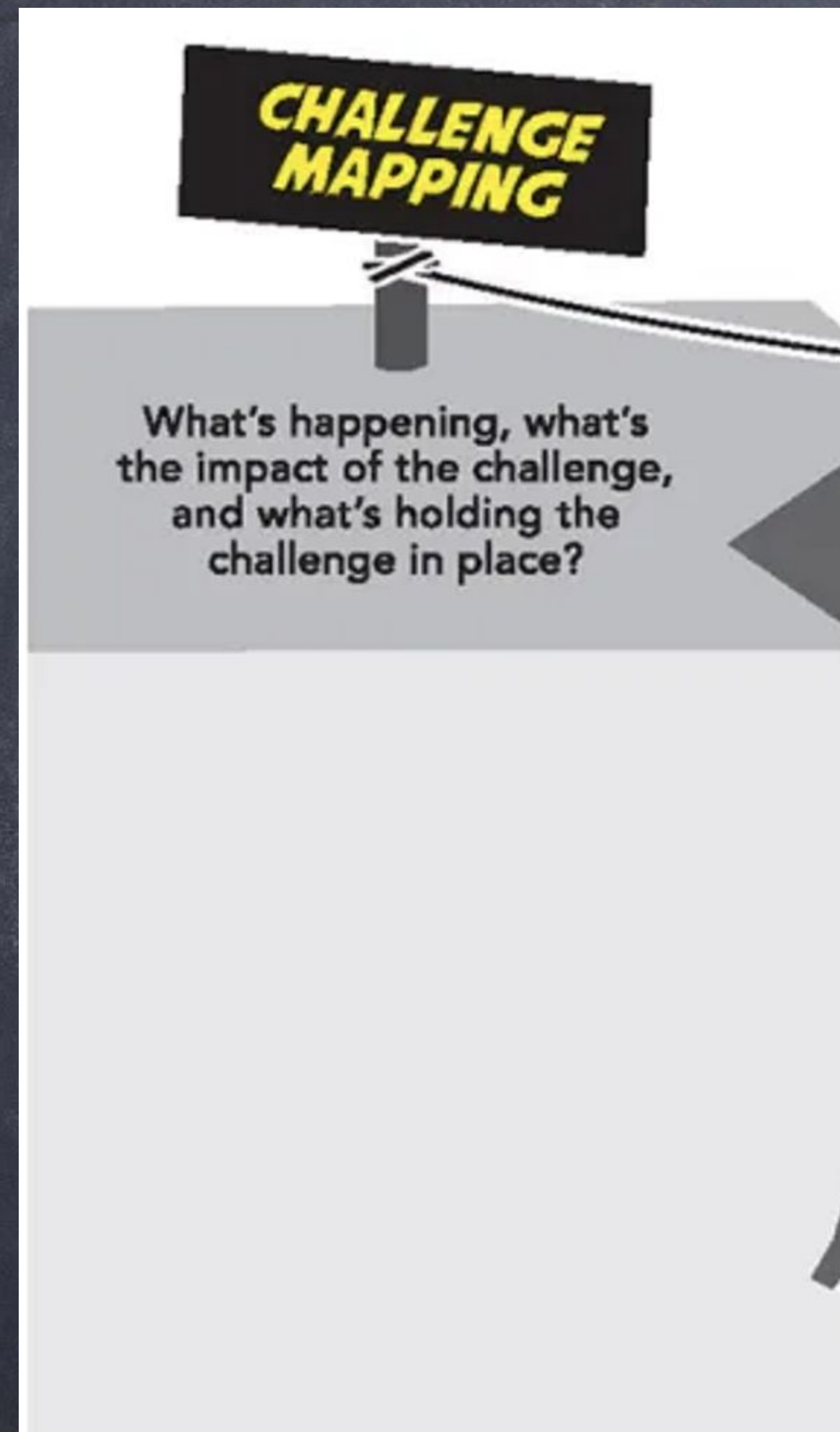
✓ *Challenge landscape*

✓ *Obstacles to change*

✓ *History & future of the challenge*

✓ *Challenge learning log & opportunities*



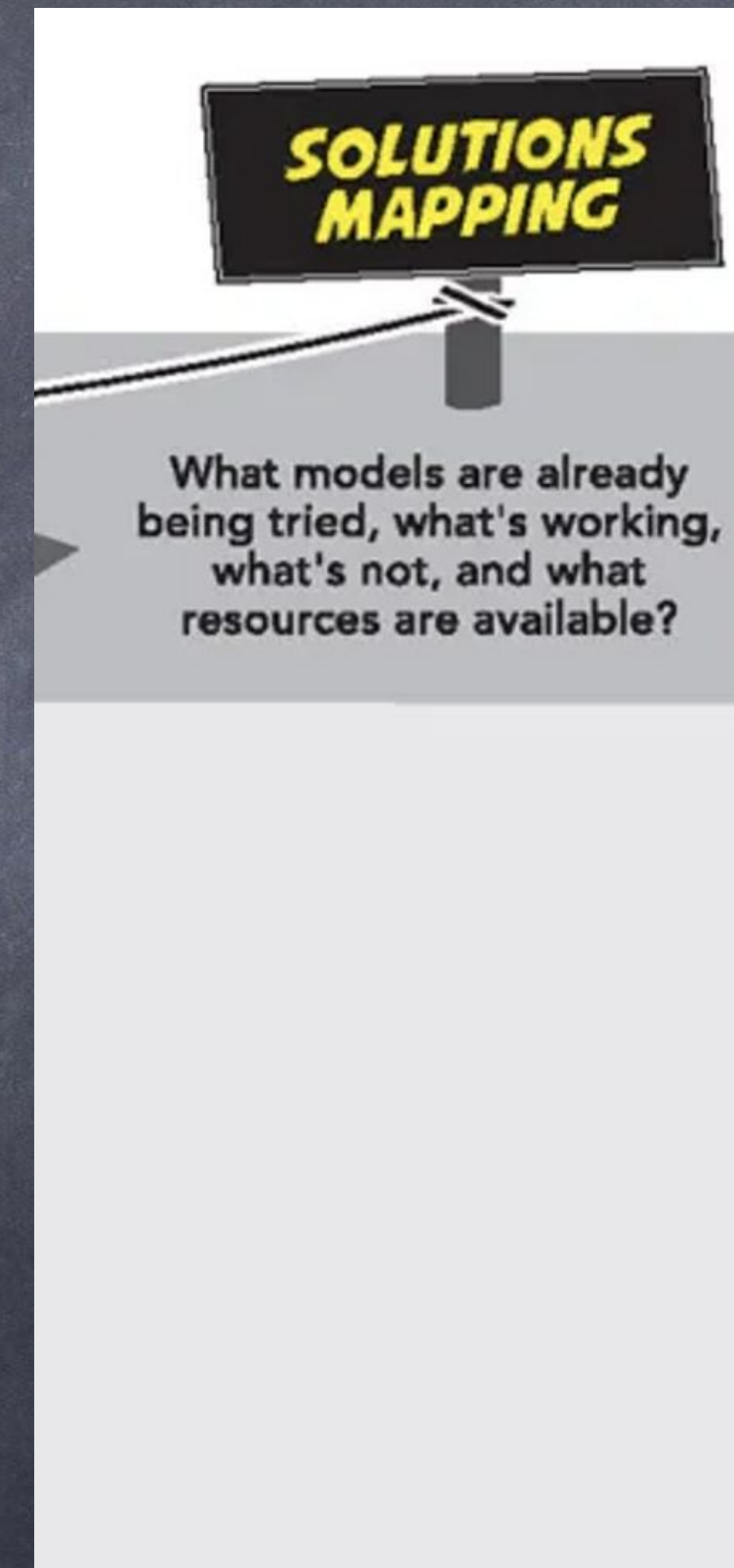


What's happening, what's the impact of the challenge, and what's holding the challenge in place?



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?



✓ *Solution landscape*

✓ *Models for change*

✓ *Future impact, scope & scenarios*

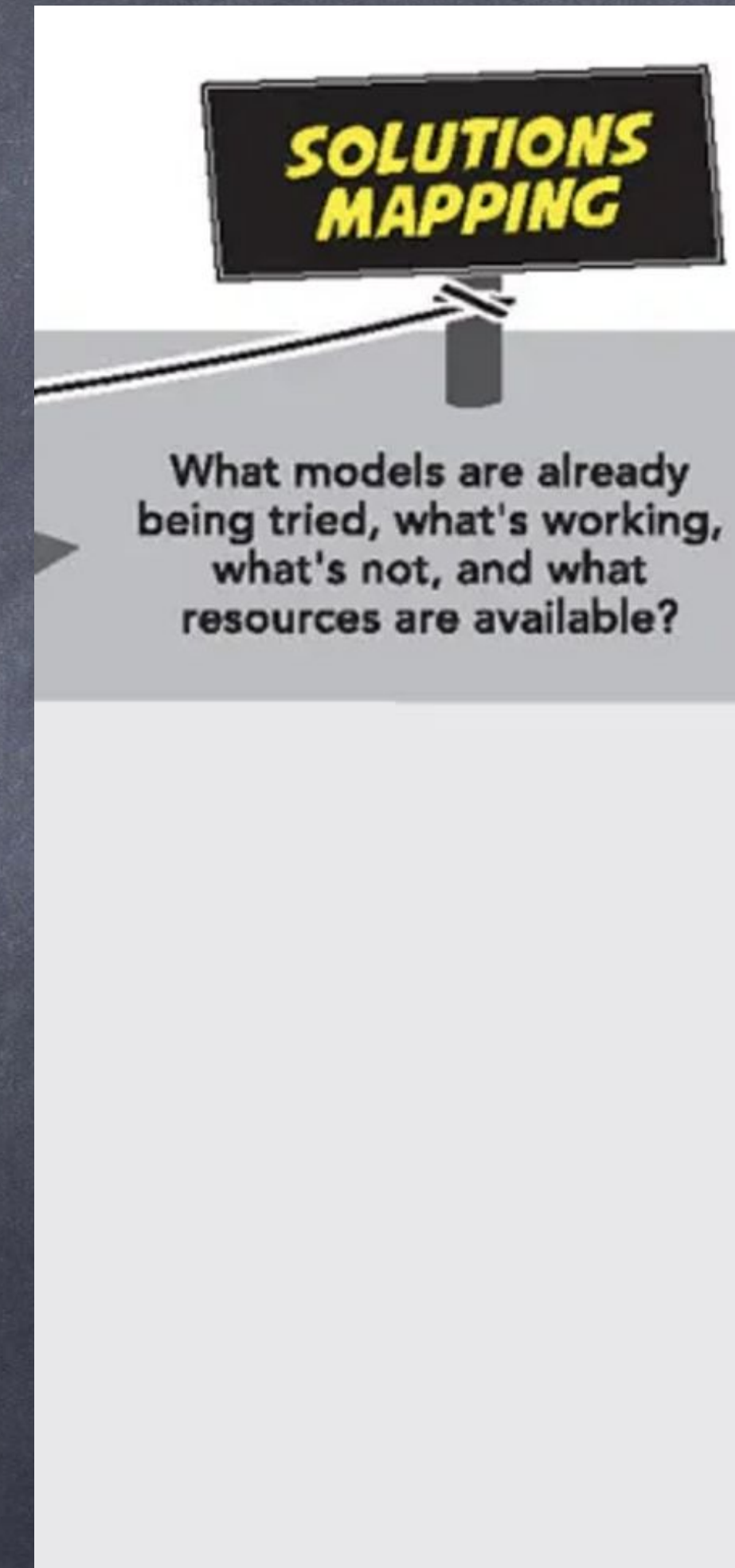
✓ *Solutions learning log & opportunities*

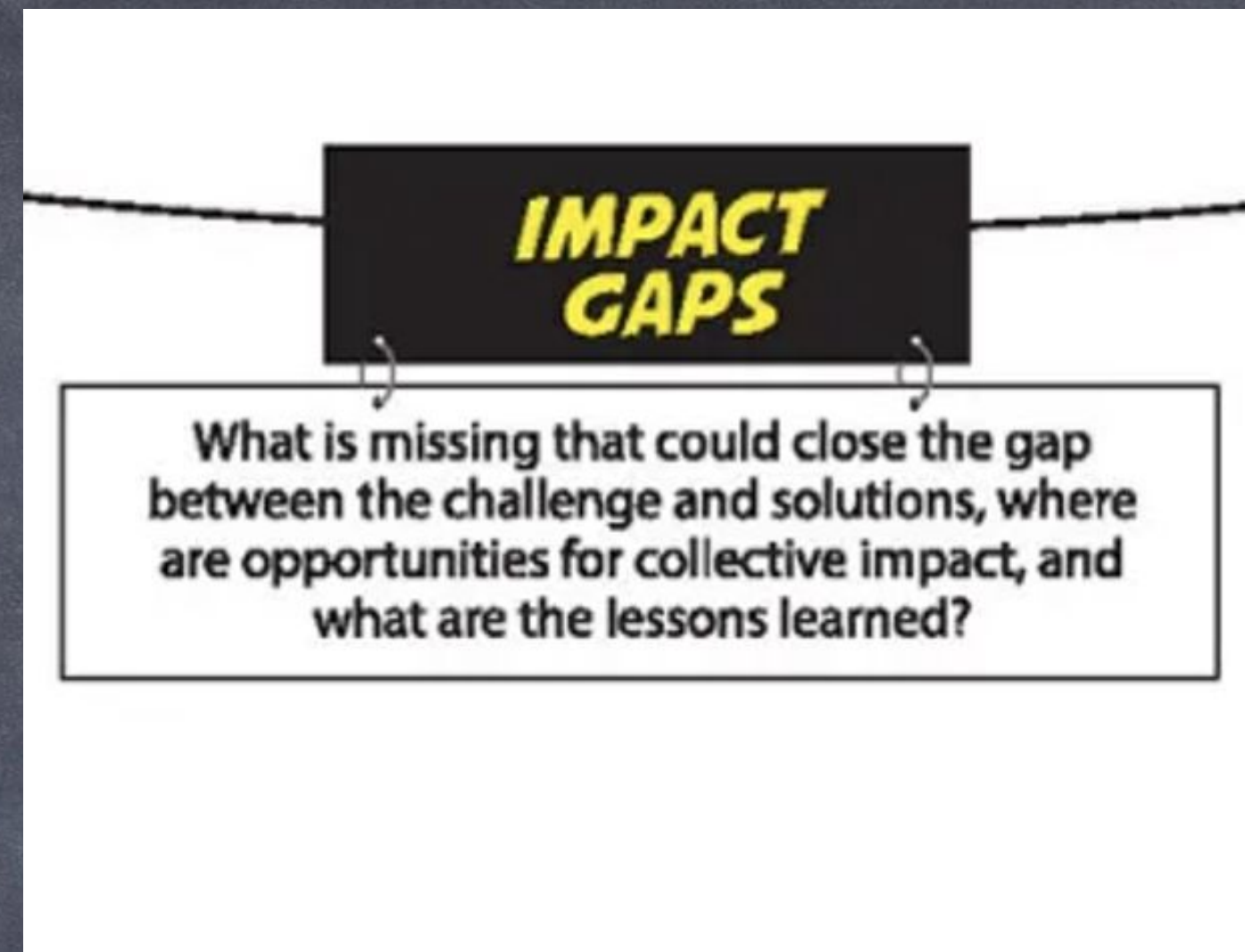


What models are already being tried, what's working, what's not, and what resources are available?



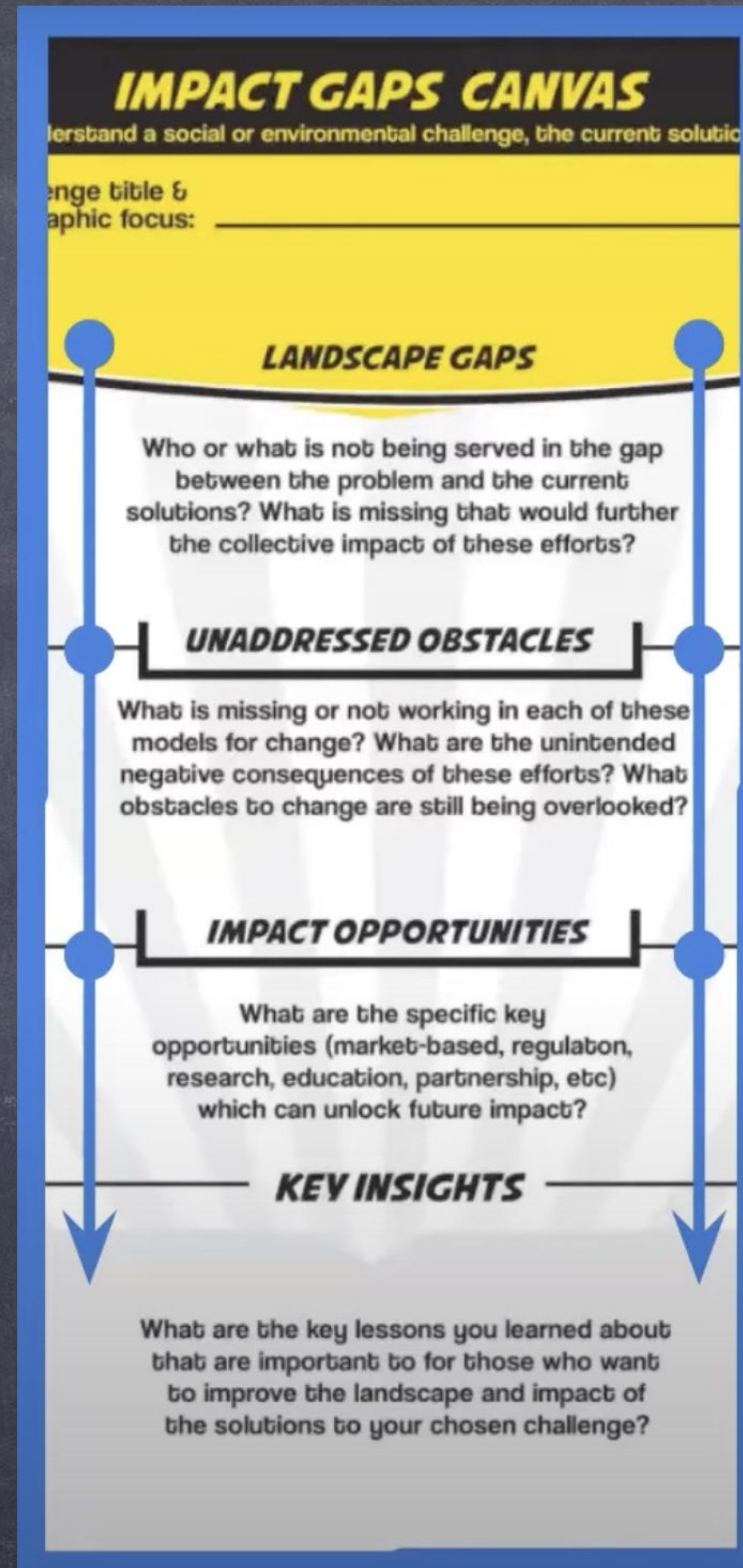
Think wisely and broad! Benchmark from other industries, geographies...

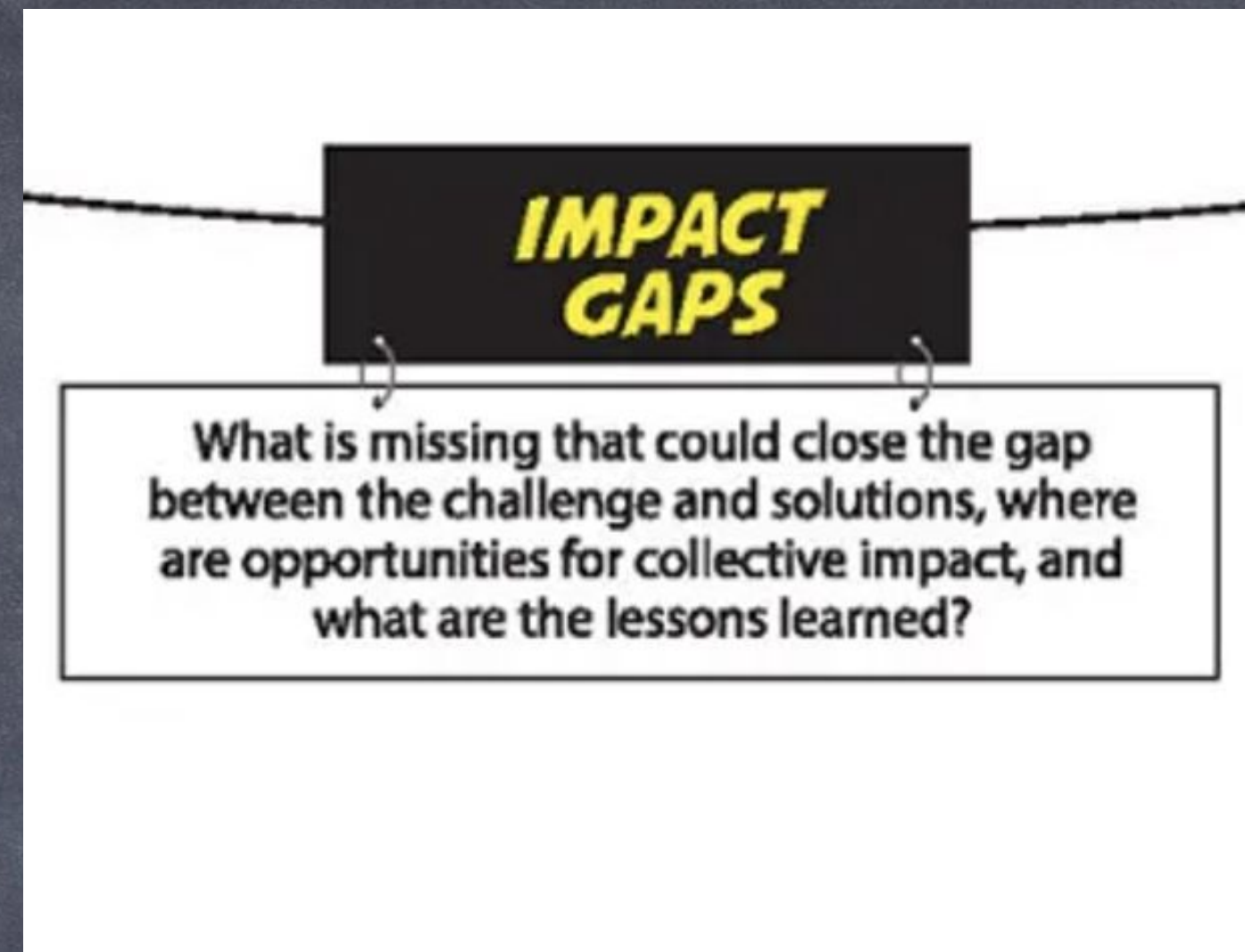




What is missing that could close the gap between the challenge and solutions, where are the opportunities for collective impact, and what are the lessons learned?

- ✓ *Landscape gaps*
- ✓ *Unaddressed obstacles*
- ✓ *Impact opportunities*
- ✓ *Key insights*





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



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

To come:

→ An analysis of revenues

See you on next session :)