

Problem Breakdown: the gap, three explanations, one test

MODEL

Problem Breakdown

BUILT ON

Bulletproof Problem Solving (C. Conn, R. McLean) · The McKinsey Way (E. Rasiel) · The Minto Pyramid Principle (B. Minto) · The Secrets of Consulting (G. Weinberg)

Goal This template helps you name the real problem before you spend money on a solution. Instead of collecting all the data “just in case,” you write down a few possible explanations and the fact that would disprove each one. At the end you have the answer in writing: what you do, why, who and by when.

In 15 minutes. (our estimate, not measured) To be honest: in 15 minutes you won't check the facts. You will settle what to check first, before you spend money. Checking against the data takes about half an hour more if you have one report at hand (our estimate).

1. (3 min) Part A: write the result today and the result you want, with a deadline. With no number or visible effect, don't go on.
2. (4 min) Part B: write your own idea for a solution as a question. Add two other explanations: one from outside the business, one from inside.
3. (4 min) Next to each explanation, write the fact that would disprove it, where you will get it and by when.
4. (2 min) Part C: choose one test whose result will change your decision.
5. (2 min) Write one line: “I decide that ... Who ... By when ... I will check ...”. Here “I decide” means: which test I run first.

Instructions (full version) (estimate: 45 to 60 minutes if you have one report at hand, e.g. 12 months of sales; we have not measured this)

1. Fill in part A. If you can't state the result you want, stop: settling it is your first step.
2. In part B, write down your own idea for a solution, word for word. Add two other explanations: first one from outside the business (market, season, suppliers), then one from inside it (customers, offer and prices, people and time, costs).
3. Next to each explanation, write the fact that would disprove it. Do this before you look at the data.
4. In part C, choose one test that can settle the matter. Cross out every test whose result won't change your decision.
5. Check the facts, mark what holds up and what was ruled out, and fill in part D. Start with the recommendation.

Template fields

A. The gap

Field	Fill in
Result today (a number, if there is one)	
The result you want (a number or a visible effect) and by when	
What made this a problem now? (from outside / inside the business / I've only just noticed)	
Another goal to keep in mind? (two goals = two problems, or one goal and one condition)	
Who decides · what we don't change (budget, people, tools)	
Check the description: ☐ a result, not an activity ☐ a number ☐ a deadline ☐ it's clear what we don't touch ☐ there is room for a surprise ☐ the whole business, not one department	

B. Three explanations (each one a question ending in "?")

Explanation?	The fact that would disprove it (write it before the data) · where I get it · by when	Result: holds up / ruled out / "it now looks like..."
My idea:		
1. (from outside)		
2. (from inside)		

C. A test that can settle the matter

Yes/no question	What I will see if the answer is "yes"	Will the result change the decision? (no = cross it out)

D. The answer

Field	Fill in
What everyone already knows	
What has changed or isn't working	
The question that follows from it	

Field	Fill in
Answer: what I do (start with a verb)	
Three reasons	
What was ruled out, and by which fact	
Three actions: what · who · by when	
What I don't know yet and how I'll check it	

Fictional example (the firm and the numbers are fictional, for this template)

A paint and varnish wholesaler, 14 people.

A. Result today: gross margin 18%, a year ago 23%, on similar sales. The result I want: 22% by March 31. What caused it: from outside, suppliers raised prices twice, and inside the business, since spring the sales reps have been giving contractors bigger discounts. Another goal: not to lose the two largest contractors (I treat this as a condition). The owner decides. We don't change: the team and the warehouse. The description meets all six points.

B.

Explanation?	The fact that would disprove it · where I get it · by when	Result
My idea: will raising the price list by 5% restore the margin?	most of the drop in margin is discounts, not the price list · 12 months of sales with discounts · the owner · Friday	"it now looks like" the price list explains part of the drop at most
1. (from outside) Did we fail to pass the supplier price increases on to our prices?	prices raised within a month of each increase · purchase invoices and the price list · the accountant · Friday	ruled out: prices went up after 3 weeks
2. (from inside) Are the discounts for contractors eating the margin?	the average discount is the same as a year ago · the same report	holds up: the average discount grew from 6% to 9%, mostly with 9 customers

C. Is more than half of the drop in margin down to discounts? If yes, the margin before discounts has barely changed. Will it change the decision: yes, because then I set rules for discounts instead of raising the price list.

D. What everyone knows: sales and customers are unchanged. What has changed: the margin fell by 5 points, the average discount grew by 3. Question: how do we win back the margin without losing the large contractors? Answer: introduce discount rules, that is, a limit for each sales rep, and a higher discount only with the owner's approval. Reasons: discounts explain more than half of the drop; prices have already been adjusted after the supplier increases; raising the price list would hit small

customers, who don't get discounts. Ruled out: explanation 1 (prices raised after 3 weeks). Actions: a discount table, the owner, by November 15; a conversation with the two largest contractors, the sales manager, by November 30; the margin before and after discounts every month, the accountant, from December 10. What I don't know: where the remaining 2 points come from. Next test: a change in which products we sell.

From us. The ideas come from books: Charles Conn and Robert McLean (Bulletproof Problem Solving) give six traits of a well-stated gap and a hypothesis you look for arguments for and against; Ethan Rasiel (The McKinsey Way) the initial hypothesis and the rule "don't boil the ocean," meaning don't collect all the data; Barbara Minto (The Minto Pyramid Principle) the order "what everyone knows, what changed, the question, the answer"; Gerald Weinberg (The Secrets of Consulting) the Rule of Three, which we adapted into three explanations. What we added is a disproving fact written down before you look at the data, and crossing out tests whose result won't change the decision.

When to call us.

- The fact that would disprove an explanation sits in data you can't get to or can't put together.
- After checking, more than one explanation holds up, and one decision won't settle both.
- The gap touches several departments at once and you don't know who should decide.

The first call (30 minutes) is free. We will see whether one more report is enough or a fuller breakdown is needed.

Prompt for your AI. Paste it into your own ChatGPT, Claude or Gemini account; our own method, working from your company's knowledge, is what we do in a Diagnosis.

You are a calm coach for the owner of a small business. Walk me through the
"Problem Breakdown": one question at a time, and wait for my answer after each.
At the start, remind me: "Do not paste passwords, account numbers or personal data."
Order: 1) the result today and the result I want, with a deadline (with no number or visible effect, stop); 2) my own idea for a solution as a question ending in "?", then two other explanations: one from outside the business, one from inside; 3) for each explanation, the fact that would disprove it, where I get it and by when; 4) one test whose result will change my decision. If an answer is vague, ask for a number or an example. Never invent facts about my business; if you don't know something, ask.
At the end, write one line: "I decide that ... Who ... By when ... I will check ...".

Want to do it with us?

Stuck on part B? In a Diagnosis we do this breakdown with you, on your data: 5 business days, 4 900 PLN.

We'll go through your template on a 30-minute call. Free of charge.

aic-site.chmura-mac.workers.dev/en/contact/

The examples in the templates are fictional. The times given with the instructions are our estimates, not measurements.