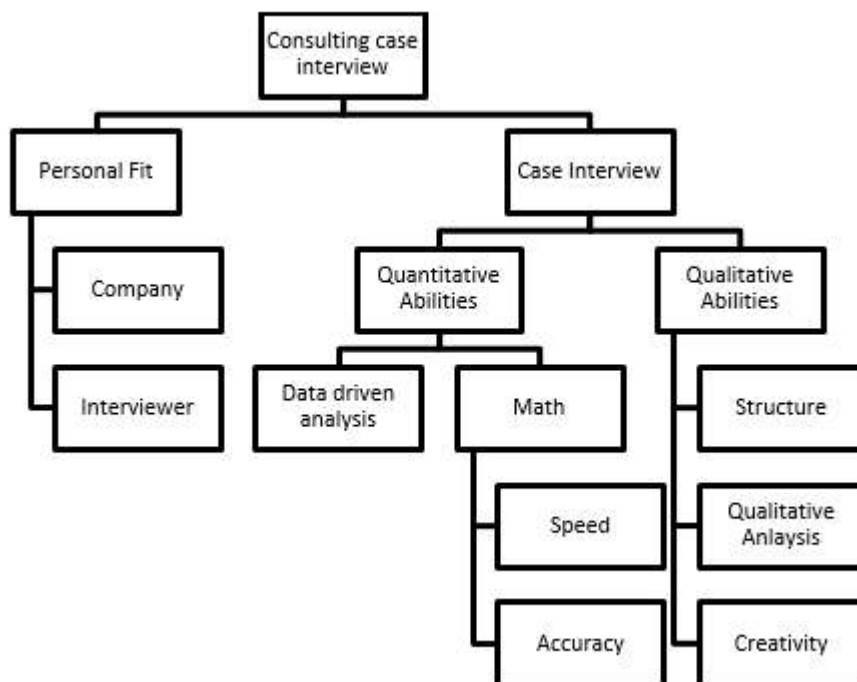


# Paramonos Research & Consulting

a Lean Six Sigma Consulting Firm focus on Cost Savings & Process Improvement

MECE

An issue tree is a customized framework used to analyze the root causes of problems in a case



An issue tree is a customized framework used to analyze the root causes of problems in a case. During interviews you will be given case problems that you would need to solve on the spot. Use a graphical issue tree (or logic tree) method to break a complex problem down into its component parts. Focus on the most pressing problems by using a hypothesis-driven approach. This approach will significantly increase your speed during interviews, which is a highly desired skill amongst consultants. Start with a problem-based tree to detect the problem and end with a solution-based tree to fix it. There are two types of issue trees during case interviews: A problem-based tree can be used to determine the root cause of the problem and

understand the "why" the problem exists. A solution-based tree can be used to determine the recommendation and understand the "how" to solve the problem. Ensure that your issues are MECE, otherwise it would be extremely challenging to tackle each branch independently. Apply the hypothesis-driven approach to effectively target those issues first that matter the most (see pareto principle) in the case problem and build on to your knowledge upon getting information in a structured fashion. The most desired approach in consulting is the answer-first or results-first. This approach is closely related to the pyramid principle, which states that you should start your recommendation with the actual solution or conclusion before justifying your recommendation. An issue tree is the foundation of all consulting projects. Once a new project starts, you draft an issue tree of the case problem right away as a team. As soon as you are aligned on all underlying sub-problems you force yourself to take a view and focus on the most important issues based on your hypotheses (answer-first style). Since all branches of the issue tree are MECE, it's relatively easy for the project manager to divide the overwhelming workload on single team members. Each branch will result in a separate work stream that can be executed independently. So there are no needless interfaces between all team members which would create inefficiencies. That is why a small team of consultants gets so much done within a short time frame. Once the root cause of a problem is discovered, the case team will do the same exercise using a solution-based tree to find out what can be done to fix the problem.

Author: Gabriel Daniels PE,. □ 0 Comments

## An issue tree is a customized framework used to analyze the root causes of problems in a case

During interviews you will be given case problems that you would need to solve on the spot. Use a **graphical** issue tree (or logic tree) method to break a complex problem down into its **component parts**. Focus on the most pressing problems by using a **hypothesis-driven approach**. This approach will significantly **increase** your **speed** during interviews, which is a highly desired skill amongst consultants.

## Start with a problem-based tree to detect the problem and end with a solution-based tree to fix it

There are two types of issue trees during case interviews:

- A **problem-based tree** can be used to determine the root cause of the problem and understand the "why" the problem exists.
- A **solution-based tree** can be used to determine the **recommendation** and understand the "how" to solve the problem.

Ensure that your issues are MECE, otherwise it would be extremely challenging to tackle each branch independently. **Apply the hypothesis-driven approach** to effectively target those issues first that matter the most (see pareto principle) in the case problem and build on to your knowledge upon getting information in a structured fashion.

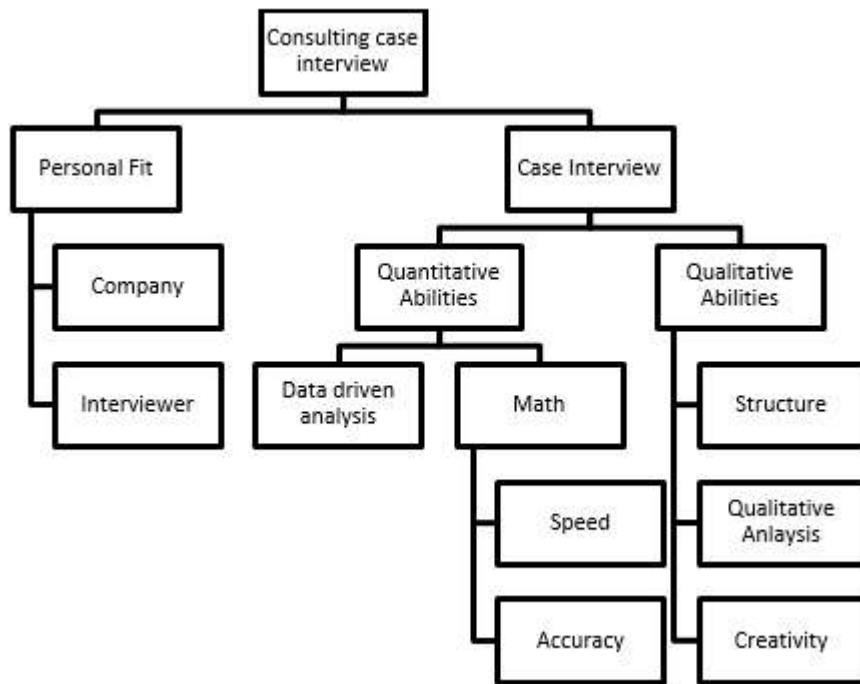
The most desired approach in consulting is the **answer-first** or **results-first**. This approach is closely related to the pyramid principle, which states that you should **start your recommendation** with the **actual solution or conclusion** before justifying your recommendation.

## An issue tree is the foundation of all consulting projects

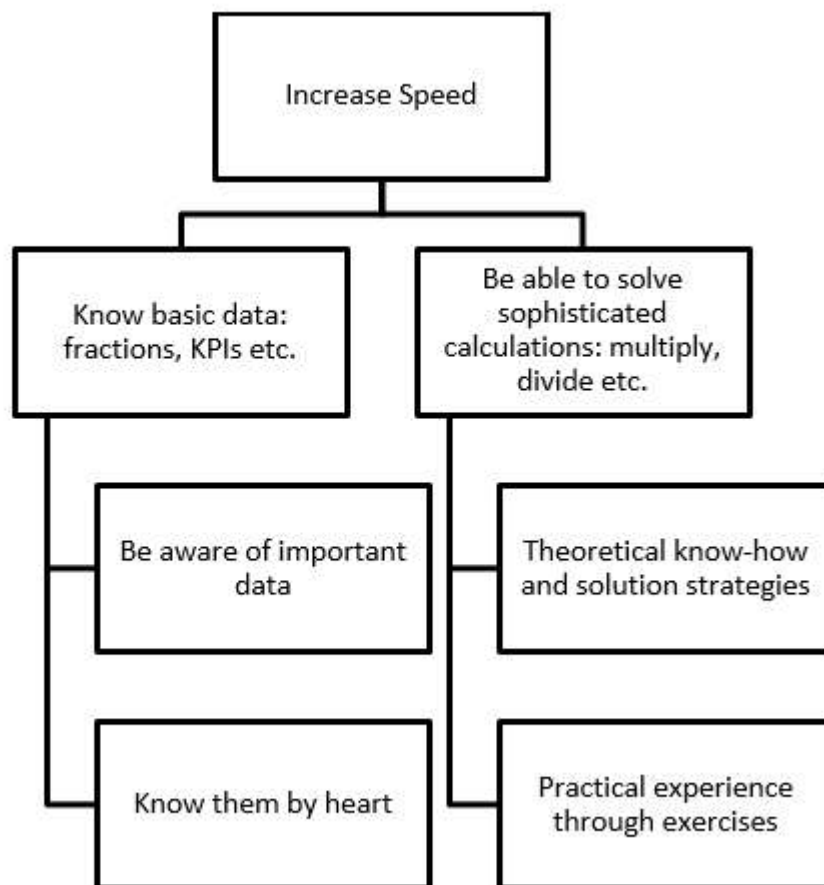
Once a new project start, you draft an issue tree of the case problem right away as a team. As soon as you are aligned on all underlying sub-problems you force yourself to **take a view** and focus on the most important issues based on your **hypotheses**(answer-first style). Since all branches of the issue tree are MECE, its relatively easy for the project manager to divide the overwhelming workload on single team members. Each branch will result in a separate **work stream** that can be executed independently. So there are **no needless interfaces** between all team members which would create inefficiencies. That is why a small team of consultants **gets so much done** within a short time frame. Once the root cause of a problem is discovered, the case team will do the same exercise using a **solution-based tree** to find out what can be done **to fix the problem**.

## Example of an issue tree for an aspiring management consultant

Imagine analyzing your interview scenario, in which the goal is to “succeed in consulting interviews”. First, you need to **find potential issues** and then **break** the interview process **into its component parts** as shown below.



Let's assume you have tested the above related hypotheses and determined that the primary issues lie in the speed and accuracy of calculations during interviews. Thus, the goal now should be to develop a **solution-based** issue tree to find potential solutions.



## Key takeaways

- An issue tree is the **most important tool** for structuring your case and form hypotheses.
- Be sure to **differentiate two types of issue trees** (problem-based or solution-based).
- **Use hypotheses** when analyzing your issue tree to come quickly to the root cause.
- Trees have to be MECE to avoid inefficient dependencies between branches.

*For more on this topic and others check out **Paramonos Research Labs**, a cost savings & strategy consulting firm that partner with executives on solving complicated problems within their organization using the **latest costs saving data collection tools and methodologies**.*

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Gabe is an Operations, Engineering, and Business Process Improvement professional with over 9 years domestic and international experience. He is a practitioner of Lean and change management strategies, a licensed industrial engineer, and Master Six Sigma Black Belt. Gabe experience includes managing key segments of medium size and larger, industry leading consumer products manufacturers, automotive component suppliers, and smaller technology and engineering based organizations. His manufacturing knowledge spans from raw material conversion, through component fabrication, coating, assembly, and packaging. He also has extensive experience off the manufacturing floor implementing ERP systems, and leading improvements in transactional processes. He has a drive for “improving every day” through the use of effective change management techniques, a strong technical skill set, and the application of process analysis/improvement tools. Gabe

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