I. **What** is a Problem Definition?
   1. A description of a problem and the information needed to understand the problem...so it can be solved.
   2. A tool.

II. **Why** define the problem?
   1. If the problem (definition) is vague and unobservable, the same will be true for the solution.
   2. The first job in decision making is to find the real problem and define it.
   3. The most common source of mistakes in management decisions is the emphasis on finding the right answer—rather than the right question.
   4. There are few things as useless—if not as dangerous—as the right answer to the wrong question.
   5. A problem does not necessarily mean a bad situation. In Market Segment Focus, it is something that is not fully understood.

III. **Uses** of a Problem Definition
   1. As preparation for gathering pertinent information to:
      a. Make an decision
      b. Create a product specification
      c. Change manufacturing process
   2. As the basis for developing a discussion guide (talking to customers or end-users of your products)
   3. Request for a proposal from a vendor

IV. **Elements** of a Problem Definition
   1. **Background** information about the business or market, plus a description of a problem/or issue you are dealing with.
      a. Helps us to understand the broader picture—the context that we must understand in order to drive our data gathering. It describes the problem or issue that we need more information about. Goals (25% more business)
      b. Current situation (i.e., very competitive market)
      c. Known information (i.e., limited sand for concrete in Singapore)
      d. Action we are considering
   2. **Why** do we need information?
      a. What don’t we understand?
      b. We would like to take some kind of action, make a decision, but we know there could be much risk if we move in the wrong direction.
3. **What** do we want to know? (Use SWOT analysis)
   a. What is the cause of the problem that we want to solve? What information is needed to insure that the action we are considering will be appropriate?
   b. What is the need that hasn’t been met?
   c. What products do people or companies use? Why?
   d. Who and where do people or companies buy from? Why?
   e. Why aren’t target customers buying our product?
   f. What do customers think of our… … …
      1) Product
         • How much is used?
         • Selection criteria?
         • Value Proposition
      2) Price
         • How much for us?
         • How much for competitor?
      3) Place
         • Where do they buy?
         • What is lead time?
         • Who is the competitor?
      4) Promotion
         • How do they learn about new products?
         • How important is packaging?
      5) People
         • Do we have enough coverage in the field?
         • Are the reps knowledgeable about the product?

4. **Where** is or who has the information?
   a. Market Segment
   b. Trade magazines
   c. Government data
   d. Industry statistics
   e. Internet
   f. End-Users
      1) Influencers
      2) Users of products
      3) Purchasers/Buyers
      4) Supervisors/Foremen
      5) Boss/Owners

5. **What** method(s) should we use to get the information?
   a. Phone Calls
   b. Site Visits
   c. Face-to-Face interviews
   d. Focus groups, mail or internet surveys
   e. STEPS to get info:
1) Directories to obtain list of active companies
2) Select big players on maximum tender limit
3) Phone call to find out purchasers identity, location
4) Face-to-Face Interview
5) Revisits / Call to verify
6. **What will we do** with the information after we get it?
   a. Analyze information
   b. Formulate sales strategy
   c. Develop action plan & time frame to penetrate market
   d. Review progress