

How to Tackle Big Business Problems

**SOLVING WICKED PROBLEMS
WITH LITTLE BETS**



William & Mary

Raymond A. Mason School of Business

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An Introduction to Wicked Problems and Little Bets

Have you ever had an issue or a problem that seemed insurmountable? Are you currently dealing with a problem of that nature?

Problems that seemingly have no simple solution and no clear path for moving forward require us to enter a process of discovery, where we experiment and gather insights to create ideas that innovate and help bring us closer to an ideal solution to our seemingly intractable problems.

In this guide, you will get an introduction to “wicked problems”—what they are, how to identify them and ultimately how to begin solving them. You will also learn about “little bets,” which play an important role in the problem-solving process.

What is a Wicked Problem?

Wicked problems, as defined by design theorist Horst W. J. Rittel and city planning professor Melvin M. Webber, are complex social or cultural problems with an unknown number of potential solutions.¹ Globally, issues like poverty, education inequality and climate change can be considered wicked problems, as can business problems such as organizational change, stakeholder disagreements or an unprecedented challenge that requires a new strategic approach.

Wicked problems play out on the global, community and individual levels. Since there are no clear-cut fixes, proposing solutions, challenging those solutions and testing solutions to these problems often plays a prominent role in politics, and can affect the missions and operations of businesses worldwide.



DEFINITION

Wicked Problem [wik-id prob-luhm]

noun

complex social or cultural problems with an unknown number of potential solutions.

WICKED PROBLEM CRITERIA

A challenge can be considered a wicked problem if the following criteria are met:

- The problem has an unknown set of potential consequences
- The amount of information available to “solve” the problem is unmeasurable
- The problem is difficult to define and frame
- The problem may be described differently by various stakeholders
- Even after taking action, there is no way of knowing which course of action is best
- It is impossible to gauge whether or not a sufficient solution has been achieved

1. Retrieved November 4, 2022, from https://urbanpolicy.net/wp-content/uploads/2012/11/Rittel+Webber_1973_PolicySciences4-2.pdf

Wicked Problems in Business

Wicked problems affect the business world in many ways, and are often addressed by policymakers, as well as professionals who manage large groups or organizations like educational institutions or corporations.

A BUSINESS PROBLEM MIGHT BE WICKED IF IT INCLUDES:

- Stakeholder disagreements
- Complex roots of the problem
- A lack of precedent for the problem
- Difficulty solving the problem or identifying possible solutions

A wicked problem will often threaten the strategy and stability of a business organization. In these instances, top executives as well as various department heads may all have differing opinions about the potential solution, making the problem even more wicked.

While the business challenges you face may not be to the same scale as an organization-wide wicked problem, the problem-solving tools used to address wicked problems are applicable across issues faced in general management and throughout various levels of a business.

The **William & Mary Online MBA program** requires students to identify an example of a wicked problem in their personal or professional lives, and then use that issue to guide them through their studies as they pursue their degree. This unique program enables students to think in terms of the big picture and learn how to execute the details that help make the businesses they work with thrive and, in a broader sense, help make the world a better place.

Find out if your business problem is wicked by using the tool on the next page.

“ The wicked problem is great because it taught me to be a problem-finder and problem-solver, which changed my mindset about how I envision business, conduct business and measure the effectiveness of business.”

CHERISE NEWSOME

William & Mary MBA '23 Candidate



How Wicked is your Problem?

Answer the following questions to determine just how wicked of a business problem you are facing.

- 1. Does your problem have:**
 - A. An unknown set of potential consequences?
 - B. An unknown set of potential consequences with manageable risks?
 - C. A predictable and fully understood set of consequences?

- 2. How would you describe the availability of information surrounding your problem?**
 - A. There's no way of knowing what information is needed to reach a good solution
 - B. You know what information is needed, but not how to get it
 - C. You know the information needed to solve the problem and how to get it

- 3. Describe the clarity of the problem:**
 - A. It has no definitive formulation, and others may describe it differently
 - B. There may be a correct formulation, but it is neither known nor agreed upon
 - C. It is completely understood and agreed upon by others

- 4. Describe the clarity of your problem's solution:**
 - A. There is no way of knowing that any course of action is best, even after taking action
 - B. There is no way of knowing that any course of action is best until after the action is taken
 - C. The best course of action can be determined before the action is taken

- 5. How would you describe the sufficiency of your potential solution?**
 - A. There is no way of gauging whether a sufficient solution has been reached
 - B. The sufficiency of the solution is not clear, but will reveal itself quickly
 - C. The solution is sufficient

- 6. Describe the size of the potential solution set:**
 - A. The range of possible solutions to the problem cannot be identified
 - B. The range of possible solutions has not been identified, but can be ascertained
 - C. All possible solutions to the problem are known

- 7. Describe the reversibility of your potential solution:**
 - A. Once a decision has been made, it is completely irreversible
 - B. Once a decision is made, changing course will have a very high cost
 - C. The decision is reversible, any damage can be undone at no cost

Total As

Total Bs

Total Cs

Mostly As:
EXTREMELY WICKED

Your problem is extremely wicked and will benefit from the framework outlined on the following pages.

Mostly Bs:
SUFFICIENTLY WICKED

Your problem is sufficiently wicked and will also benefit from the framework presented in this guide.

Mostly Cs:
NOT WICKED

Your problem is not considered wicked and therefore does not necessitate use of this specific framework.

Working Through Wicked Problems

Considering the complex nature of wicked problems, working toward a solution may seem daunting. However, just because wicked problems are intimidating doesn't mean they're not worth tackling.

To get started, let's review some initial, high-level steps for approaching your wicked problem:



RESEARCH AND UNDERSTAND THE WICKED PROBLEM FROM ALL ANGLES.

Use documented case studies to convey how the wicked problem is affecting the organization.

ASK FOR MULTIPLE STAKEHOLDERS' OPINIONS ON THE PROBLEM.

Gather insights from shareholders, employees and customers and ask for suggestions on how they would tackle the problem.

USE BRAND IDENTITY AND VALUES TO COME TO POSSIBLE SOLUTIONS.

These important components can make working on a wicked problem easier, since you already have guiding principles in place to influence your decisions.

EXPERIMENT WITH ACTIONS.

Taking some type of thoughtful action is better than being paralyzed by multiple possibilities and doing nothing at all.



Taking Action with Little Bets

Experimenting with actions is key to finding the best possible solution to your wicked problem. The experiments are sometimes known as “little bets.” Based on the book “Little Bets: How Breakthrough Ideas Emerge from Small Discoveries” by Peter Sims, this type of experimentation is necessary to approach complex, ambiguous challenges with highly uncertain outcomes. A little bet is a low-risk action taken to discover, develop and test an idea.²



DEFINITION

Little Bet [lit-l bet]

noun

a little bet is a low-risk action taken to discover, develop and test an idea.

A central premise of “Little Bets” is that there are circumstances in which there is no knowable “right” answer, which is your wicked problem. Through placing your little bet, which is a concrete action, you kick off a discovery process in which you will test and develop ideas, generate creative outcomes and then iterate and refine those outcomes until you come to an ideal solution to your wicked problem. These little bets are achievable and affordable.

This recursive discovery process is at the heart of solving a wicked problem.

2. Retrieved November 4, 2022, from <https://theinvisiblementor.com/7-lessons-from-little-bets-by-peter-sims/>

Six Considerations to Discover, Test and Develop an Idea

Consider the following as you work to incorporate little bets into your problem solving.³

1



START WITH EXPERIMENTATION

This is where you will learn by taking action. The goal is to fail quickly in order to learn fast. Your little bets should gather insights, identify problems and build up to creative ideas to work toward your solution.

2



TAKE A PLAYFUL APPROACH

As you come up with new ideas, maintaining a playful atmosphere will help you be less inhibited. Don't take the idea incubation stage too seriously, as being too judgemental can kill an idea before it has even had a chance to be fully realized or tested.

3



IMMERSE YOURSELF IN THE WORLD

Step away from your desk. Going out into the world can help you shake things up in order to gather fresh ideas. Spend some time observing people and processes.

4



DEFINE PROBLEMS AND NEEDS

Take a look at any insights you've gathered so far in this discovery process. Do these insights further define your wicked problem?

5



PIVOT AS NEEDED

Flexibility is important in this process. Did you learn anything in the prior step that requires you to chart a different course to get to a solution?

6



RINSE AND REPEAT

Frequent testing is necessary to get to your ideal solution. You will need to repeat and refine your experiments to obtain better insights.

3. Retrieved November 4, 2022, from <https://theinvisiblementor.com/7-lessons-from-little-bets-by-peter-sims/>

Place Your Bets

It's your turn to take action and do some experimentation in order to move the needle on solving your wicked problem.

CRAFT A LITTLE BET

Make a plan to put your little bet into action. This might take some coordination, so make sure to plan ahead and make time to put your takeaway to the test. Predict what you think will be the outcome.

PLACE YOUR LITTLE BET

This might be one event or multiple but this is the pinnacle of this exercise. This is your little experiment in the wild. Make sure to be very intentional about its execution and aware of how things go. A little bet isn't casual, even though it's small.

REFLECT

This is as important as any prior step. Consider how your experiment went.

- Did it go how you expected or did something else happen?
- What did you learn?



Sample Low-Risk Experiments

Having trouble coming up with an experiment of your own? Check out these examples to get a better sense of the types of low-risk experiments you can run to quickly test and evaluate your ideas.



EXAMPLE #1

Find a work situation where you could use some additional information to understand a challenge or opportunity. Seek out different perspectives from various stakeholders to refine your original understanding.

EXAMPLE #2

Break down a substantial work task or process into smaller, workable parts and note the response of your team and the outcome.

EXAMPLE #3

Create a low-resolution prototype of a deliverable you are working on and solicit feedback.

Perfect Your Problem Solving Through Practice

In the global marketplace, business problems are getting more complex. We've only scratched the surface of how to work through wicked problems. There's so much more to learn and explore.

The wicked problem is an integral part of the Online MBA program at William & Mary, which gives students the opportunity to practice placing little bets in a safe and encouraging environment. Students work on a relevant wicked problem, which in some courses can be something they're facing at work, or a larger business issue they want to tackle. The wicked problem is thematically tied to the coursework throughout the program, meaning that students are able to immediately apply what they're learning to address complex, real-world problems.

“ We found students were able to take this back to the workplace and be a really important change agent in their organizations.”

JAMES OLVER, PH.D.
William & Mary Associate Professor



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