

The five whys

[Business](#)



If you're thinking that the Five Whys mean you have to say why five times, no, not exactly. The Five Whys in business is a process that you would actually use to help you to find out the real root of a business problem and ways to fix it.

Sometimes in business, managers can spend so much time in the boardroom, discussing the potential problem and discussing what might have happened, that they don't really see the problem or the bigger picture. Problems have different steps to them and one of the reasons why you want to use Five Whys is that this particular method helps you to ask the Why question five different times to get to the root of a problem. You can look at the whys to help you to better understand why something might work, or why something does not work. Let's look at our first example:

Netflix customers begin to complain about Netflix raising their fees.

Why? Netflix didn't indicate they were going to raise their fees at any point.

Why? Netflix is a movie streaming online site and they were trying to secure more deals, but they lost the Starz channel. It was a very popular channel with a lot of movies.

Why? It turned out that Netflix was great at negotiating in some areas but not in others.

Why? Netflix under their CEO, Reed Hasting, was trying too hard to do things on his own and without researching what his customers wanted. He relied on his own opinion instead of actually trying to research what customers wanted.

Why? Netflix didn't have a team in place to help strategize and do the research needed to get results.

Counter-measure: Netflix needed to have a research team in place to help make sure they wouldn't make mistakes or rash decisions with marketing and things that would adversely (negatively) affect their customers.

As you can tell, by asking Why several times you get to the real root of the problem. By the time we get to the counter-measure, you realize that this is the real problem and the counter-measure is actually a way to turn it around to find, address and fix the real cause of something. Let's use another example:

Walmart store shelves aren't stocked and customer service is poor.

Why? Customers have been complaining that they can't find reliable customer service reps, and workers are nowhere to be found.

Why? Walmart was actually hiring fewer employees, and the employees they did have, were overworking.

Why? Walmart was actually having a problem with their labor unions.

Why? Walmart was in a pricing war with their labor unions over the salary that employees should have.

Why? Walmart didn't want to pay employees and the ones that they did have were overworked, underpaid and could not spend the extra time stocking shelves.

Counter-measure: Walmart needed to raise the minimum wage for their employees' salaries to make sure they had employees who were treated fairly. They also wanted happy employees who would readily come to work with better attitudes. The employees would also be able to stock the shelves because there were more employees on board who could help them.

As you can see from this example, it wasn't just about the shelves not being stocked because they were out of merchandise. It had to do with the employees who weren't being paid well and it also had to do with labor unions.

When you are on a board, or in a conference room, you can't see these problems early on. You also can't get a clear indication of the types of problems that your firm or company may have. One of the reasons why the Why question actually helps and you want to ask it no less than five times is because it helps you to get further and further down to the core area where there may be problems and mistakes.

Sometimes that means for managers they actually have to come out of their offices and go down and check plants, stores, or warehouses and speak to their staff and employees to find out what they need.

For any manager in business to be successful, you don't want to just have big meetings in corporate board rooms. You want to actually spend some time with the people who get the work done because you want to hear from them about the problems.

Had Netflix sent a questionnaire out to their customers and asked them ahead of time whether or not they would pay a higher rate, they would have found out that their customers would not pay a higher monthly fee.

In the same manner, had Walmart asked their employees whether or not they were overworked and underpaid, they would have found out right away that the answer was yes. To strategize in this manner, when you use the Five Whys, it helps you get to the core areas and this will take you straight to the problem so you can use the counter-measure.

A countermeasure is your way to find the solution. This is also considered a cause and effect analysis. The reason being, you want to find out the cause or reason behind something and then look at different ways that performance may have been affected. You can also look at how a product or service may have lost money. Then you can figure out how to fix it.

By using the Five Whys, sometimes you can get to the root of the problem quickly. If you don't, make sure that you check with manufacturing, your employees, or your factories.

Walmart, had they gone to their employees right away, may have gotten their answers in a quicker manner. It was a process that they had to go through because there were different areas that were affected such as customer service that was poor. They also had a problem with the store shelves that weren't stocked, and they had to get to the root of that.

Even with the Netflix example, it wasn't just about Netflix raising the prices. It had to do with what the customers were seeing in emails and messages.

Because customers saw that Starz was no longer an option to view movies on through Netflix, they felt like Netflix was asking for more money and offering less service.

Your goal is to use the Five Whys as a practical tool to solve problems in your business. The underlying problems will become apparent and then you will be able to fix them quickly.

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