

Exercise 1.4: Identifying Root Causes, Symptoms, and Irrelevant Statements

Participant Solution Handout

Category – Irrelevant Statements:

- 2. Sales have been steadily increasing over the past year.
- 8. The break room has been recently renovated.
- 10. The office is located in a high-traffic area.
- 12. The CEO attends industry conferences regularly.
- 14. There is a strong partnership with a major supplier.
- 16. The company has a solid social media presence.
- 18. The company has received several industry awards.
- 22. Office supplies are ordered monthly.
- 24. The company has an efficient logistics system.
- 28. Regular team-building activities are organized.
- 29. The company cafeteria serves a variety of healthy options.
- 30. The annual financial audit was completed last month.

Category – Effects/Symptoms:

- 1. Employees and customers frequently complain about outdated software.
- 3. The company has a high turnover rate.
- 5. Customer feedback indicates dissatisfaction with product quality.
- 7. Inventory levels are consistently too high.
- 9. There is a delay in production due to equipment failures.
- 11. Customer service response times are longer than average.
- 13. Employee morale is low.
- 17. Marketing campaigns fail to reach the target audience. (**Refer Context Alternative Classification*)
- 21. Sales targets are consistently missed.
- 27. The company's brand reputation is declining.

Root Causes:

- 4. The marketing budget has been cut by 20%.
- 6. There is a lack of training programs for new employees.
- 15. Quality control checks are often skipped to save time.
- 17. Marketing campaigns fail to reach the target audience. (**Refer Context Alternative Classification*)
- 19. Communication between departments is poor.
- 20. The company recently implemented a new ERP system.
- 23. The website is outdated and difficult to navigate.
- 25. Employees report high levels of stress.
- 26. There is a lack of clear project management processes.

(CLP-P2) (WDP1) – Business Turnaround – Workshop 1 – Exercise 1.4

Linking Root Causes to Effects/Symptoms:

<u>Effects/Symptoms:</u>	<u>Root Causes:</u>
1 (Employees and customers frequently complain about outdated software)	Root Cause: 23 (The website is outdated and difficult to navigate) OR Root Cause: 19 (Poor Communication between departments)
3 (The company has a high turnover rate)	Root Cause: 6 (There is a lack of training programs for new employees)
5 (Customer feedback indicates dissatisfaction with product quality)	Root Cause: 15 (Quality control checks are often skipped to save time)
7 (Inventory levels are consistently too high)	Root Cause: 26 (There is a lack of clear project management processes) Note: Inventory management often relies on effective project management planning and coordination processes.
9 (There is a delay in production due to equipment failures)	Root Cause: 20 (The company recently implemented a new ERP system) OR Root Cause: 19 (Communication between departments is poor)
11 (Customer service response times are longer than average)	Root Cause: 19 (Communication between departments is poor)
13 (Employee morale is low)	Root Cause: 25 (Employees report high levels of stress)
17 (Marketing campaigns fail to reach the target audience)	Root Cause: 4 (The marketing budget has been cut by 20%)
21 (Sales targets are consistently missed)	Root Cause: 17 (Marketing campaigns fail to reach the target audience)
27 (The company's brand reputation is declining)	Root Cause: 23 (The website is outdated and difficult to navigate)