

Case Study

Do You Have to Spend Money to Make Money?

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## Case Study 5:1

### Do You Have to Spend Money to Make Money?

Question # 2: Recall from the chapter the four key decision-making approaches (rational decision-making model, intuition, wicked organizational problems, and creative problem solving). Try to come to a decision for the organization using the tenants of each of these styles.

As summarized by Scandura (2019) the rational decision-making model maximizes an outcome, the intuitive approach expresses some experience with the problem, creative problem solving allows time to immerse in the issues and, wicked organizational problems are indeterminate and essentially unique, where endless solutions cannot be fully tested. In the case study, “Do You Have to Spend Money to Make Money?” the tenets of each of the four key decision-making approaches are active in the problem-solving process at SABMiller.

The rational decision-making approach was used to define the problem posed at SABMiller brewing company. The problem was that SABMiller was trying to generate more sales by attracting women in South Africa to drink its beers in bars and pubs but, most women in South Africa did not frequent bars and pubs (Scandura, 2019). Mauricio Leyva, SABMiller’s managing director in Johannesburg, thinks he has a solution to the problem. Leyva used creative problem solving as the primary approach to the problem at hand coupled with some of the tenants of rational decision-making, intuition, and wicked organizational problem approaches. Sousa, Monteiro, Walton and, Pissarra (2013) opine that it is easy to adapt many of the principles of the creative problem solving (CPS) to the next stage of problem-solving in an organization where the solution remains open. Applying the creative problem-solving method to the SABMiller case study, Leyva brings a creative approach to problem-solving and business development necessary for a business to succeed in the competitive arena.

Basadur and Gelade (2002) presented a theory of organizational creativity as a process comprising the four stages of generating, conceptualizing, optimizing, and implementing. Each quadrant corresponds to a specific stage of the problem-solving process. The first two quadrants represent the components of problem finding, generation, and conceptualization, while the third and fourth quadrants represent problem-solving (optimization) and solution implementation (implementation) as the final two stages.

The first quadrant combines gaining knowledge through experience with using knowledge for creating options. Quadrant 1 activity corresponds to generation and yields a problem worthy of investigation but not yet clearly defined or understood. Leyva faces a problem at this stage which may resemble a wicked organizational problem. Rittel (1996), the man who coined the term wicked problem defined it as a problem that has no solutions, or a host of potential solutions, and another host of solutions never considered. Thus, it is a matter of creativity to devise potential solutions, and a matter of judgment to determine which are valid and which should be pursued and implemented (Rittel, 1996).

The second quadrant combines gaining knowledge by mental processing with using knowledge for creating options. Quadrant 2 activity consists of turning a problem from Quadrant 1 into a well-understood problem definition and some fledgling solution ideas and is called conceptualization. At this stage intuition, theorized by Tracy (1984) as the time where you are putting your onboard computer to a task, is implemented. The simple equation is, specific question asked + contemplation time = answer. Using this equation involves allowing the brain to work on the details while possible solutions to the problem are drafted, practicing quietness or contemplation and, maintaining an attitude of openness towards receiving the best solution. The

final step is to seize the intuitive solution when it presents itself (Tracy, 1984). It is at this point that Leyva uses his gut feeling to make a mental picture of the plan.

The third quadrant combines gaining knowledge by mental processing with using such knowledge for evaluating options. This stage, called optimization, yields a well-devised solution to a significant, well-defined problem. At this point, Leyva transforms the mental plan to a well written plan to present to the boss.

The fourth quadrant combines gaining knowledge by experiencing with using such knowledge for evaluating options. In this stage, comes the implementation of a new solution (Basadur & Gelade, 2002; Basadur et al., 1990). Leyva combines the problem-solving approaches used in the plan including the company's plan to buy bar supplies, to present to the boss, the director of African and Asian Sales.

In the final analysis, Vose posits that "There are no textbook answers to the problems of risks. In the final analysis, in business, there is typically a direct relationship between risk and reward. The bigger the risk one takes, the greater the possibility of making a high return. The reverse side of this is that high risks can lead to spectacular failure. In most cases, you have to spend money to make money." As Leyva's boss, I approve the idea of helping establishments to upgrade their look to appeal to women customers. Leyva's plan to address the problems at SABMiller is a viable plan.

## References

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