



The Problem with Problems

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Successful entrepreneurs solve the right customer problems, but some of them are not worth solving or building a business around. Here's how to analyze the possibilities.

Problems surround us. From the mundane inconveniences of everyday life to the complex challenges faced by global communities, issues arise constantly, demanding our attention and often, our action.

For entrepreneurs, recognizing, understanding, and ultimately solving problems is at the heart of their endeavors. It's the spark that ignites innovation, the driving force behind new ventures, and the key to creating value.

But there's a problem - not all problems are created equal. Each has its own shape, behavior, impact, and timeline. Some problems are too rare. Some are fleeting and easily resolved, while others are persistent and deeply entrenched. Others aren't painful enough. Some look urgent but aren't. Choosing the wrong one to solve can mean months—sometimes years—of wasted effort.

Designed for first-time entrepreneurs and educators alike, this article offers a framework for assessing which problems are truly worth solving. We also provide a **downloadable worksheet (see link above)** to make this tool immediately actionable in the classroom and by startups and their teams.

Problem Dimensions

To effectively evaluate which problems merit entrepreneurial attention, I believe it's helpful to break them down into key dimensions. This structured framework moves beyond intuitive guesses, allowing for a more nuanced and strategic assessment.

By examining problems through four specific

lenses—Frequency, Severity, Urgency, and Longevity—entrepreneurs and educators can gain clarity about the nature of each issue, prioritize effectively, and ultimately make informed decisions about where to invest their limited resources and energy.

Here's how I describe those dimensions:

- **Frequency** - how often the problem happens
- **Severity** - how severe or challenging the problem is when it happens
- **Urgency** - how urgent the problem is when it happens
- **Longevity** - the duration of the problem when it happens

It's likely not sufficient to consider just one or even two dimensions. For example, an infrequent problem may, on its own, not require immediate attention, but an infrequent problem that is both severe and urgent likely requires a solution. Likewise, an urgent problem that occurs only very occasionally may only warrant a workaround, as opposed to a carefully designed solution.

Taking these dimensions together provides a holistic approach, helping entrepreneurs distinguish between problems worth investing time and resources into and those that, while present, might lead to less fruitful outcomes.

One important caution - while this framework is handy for entrepreneurs pursuing scalable, venture-style opportunities, not all entrepreneurs are aiming for problems that score highest across these dimensions. Many lifestyle entrepreneurs, niche market builders, or resource-constrained founders may deliberately pursue problems that rank lower on severity, urgency, or longevity because they align better with personal goals, available resources, or market fit.

Let's now go into more detail about each dimension.



Frequency

Frequency, as it pertains to problem evaluation, is mainly about how often something happens. Frequency also influences anticipation and preparedness. Highly frequent problems often lead to the development of routines or systems to mitigate them. Infrequent issues, on the other hand, might catch individuals or organizations off guard, leading to more significant disruptions when they do arise.

An easy way to analyze frequency is to examine it from the perspective of our daily lives and consider what happens within time-based intervals. Here are some examples:

Frequency Level	Impact	Examples
Daily	Frequent	A commuter consistently facing traffic jams on their route to work.
Weekly	Frequent	A business experiencing a server outage every weekend due to maintenance.
Monthly or quarterly	Intermediate	A landlord dealing with tenants who are late on rent each month.
Yearly	Infrequent	An individual needs to renew their driver's license annually.
Rarely	Very Infrequent	A person experiencing a flat tire only once every few years.

A high-frequency problem might cause significant day-to-day challenges, difficult circumstances, or create a negative reputation. Such problems often call for immediate attention and long-term solutions. Conversely, low-frequency problems might just be minor annoyances that don't have significant implications.

But frequency isn't just about how often something happens. You can consider these additional qualitative factors that impact the frequency of a problem:

Temporal Patterns: Do occurrences follow a consistent rhythm or appear in clusters? A predictable pattern allows for preventative measures (e.g., scheduled maintenance), while clustered issues may signal specific triggers (e.g., customer complaints spiking after a marketing campaign).

Escalation Pattern: Does the frequency of the problem tend to increase over time, or is it stable? An escalating frequency might indicate a worsening underlying condition. Example: Increasing customer churn rate over consecutive months.

By understanding the nuances of frequency,

entrepreneurs can better assess the true impact of the problems they aim to solve and prioritize their efforts accordingly.

Severity

Severity in the context of problems refers to the degree of impact or difficulty a problem presents when it occurs. It encompasses the range of negative consequences, the resources required to address it, and the potential long-term effects. A problem's severity can be assessed based on various factors, including the magnitude of its impact on individuals, systems, or goals; the urgency with which it needs to be resolved; and the complexity involved in finding and implementing a solution.

Here are some examples:

Severity Level	Impact	Examples
Low	Minor inconvenience.	Slightly slow internet connection.
Moderate	Mid-level issue requiring replacement or moderate resources.	Needing to replace a broken household appliance.
High	Critical problem involving significant issues.	Major health issue or a business-threatening cyberattack.
Catastrophic	A devastating problem that leads to significant losses or complete system failure.	Natural disaster destroying a home or a complete system failure leading to significant losses.

A high-severity problem might involve significant financial losses, critical system failures, severe safety risks, or widespread negative impacts. Such problems often demand immediate attention and substantial resources for resolution. Conversely, a low-severity problem might have minimal impact, require fewer resources to fix, and can usually be addressed with less urgency.

There are additional qualitative factors you can consider that help inform the level of severity when it comes to problem analysis:

- **Systemic Impact:** The extent to which the problem affects interconnected systems or processes beyond its immediate scope. Example: A server outage impacting multiple departments vs. a single user's application crashing.
- **Reputational Risk:** Potential damage to the reputation or brand image of an individual or organization due to the problem. Example: A data breach eroding customer trust vs. a minor website glitch.

- **Extended Impact:** Consider whether the problem creates ripple effects that extend well beyond the immediate incident. For example, a cybersecurity breach may erode trust across future customer relationships, while a temporary service interruption is easier to contain.

Urgency

Urgency refers to the time sensitivity of a problem, indicating how quickly it needs to be addressed to avoid negative consequences or capitalize on an opportunity. It's not just about whether something is important, but also about how urgent the need for action is. A problem with high urgency demands immediate attention, whereas a low-urgency problem can be addressed later without significant repercussions.

Here are four examples illustrating different levels of urgency:

Urgency Level	Impact	Examples
Immediate	Needs instant resolution.	A medical emergency requiring an ambulance.
Within Hours	Requires very quick action to avoid significant negative impact.	A critical software bug that needs to be patched before impacting users.
Within Days	Must be addressed in the near term to meet deadlines or avoid issues.	A deadline for submitting a project proposal.
Within Weeks	Not near term but still within a foreseeable time horizon	A quarterly budget proposal prepared several weeks ahead.
Eventually	Action is needed but not immediately.	Routine maintenance check on equipment.

Understanding these aspects helps determine the true urgency of a situation. A problem may be severe, but if the consequences of delay are minimal or the window of opportunity is wide, the urgency might be lower. Conversely, a seemingly minor issue can have high urgency if immediate action is required to prevent significant negative impacts.

To further analyze urgency, consider these additional qualitative factors:

- **Time Sensitivity:** Some problems have a hard deadline or expiration date, making them highly urgent. For example, a grant application due tomorrow versus a report due next month.
- **Dependency:** If solving the problem is a prerequisite for other tasks or projects, it becomes more urgent. A blocked team member waiting on a fix increases the problem's urgency.

- **Impact on Others:** Urgency increases if the problem directly affects others' ability to work, receive service, or maintain safety. A software bug affecting customer transactions is more urgent than one impacting an internal tool.

Longevity

Longevity should be viewed as the duration per incident — how long the problem persists once it occurs (remember that recurring patterns of occurrence are addressed under Frequency). Understanding a problem's longevity helps in planning long-term strategies for mitigation or resolution, rather than just dealing with immediate symptoms.

Longevity Timeframe	Impact	Examples
Momentary	Brief	A brief power surge that lasts only a second.
Short-term	Limited duration	A seasonal flu that lasts for a week.
Medium-term	Persistent	Chronic pain that persists for months or years.
Long-term	Repetitive	A technical glitch that comes back every few days despite attempts to fix it.
Permanent	Irreversible	A physical disability that is irreversible.

Understanding these aspects helps determine the actual longevity of a situation. A problem may have a short duration, but if it recurs frequently, its overall impact on longevity is significant. Conversely, a long-lasting problem might have minimal long-term impact if it does not recur.

To further analyze longevity, consider these additional qualitative factors:

- **Root Cause:** Understanding the root cause helps predict if the problem will recur. Addressing the symptom might provide short-term relief, but the underlying cause needs fixing for long-term resolution.
- **Resource Allocation:** Problems with high longevity might require dedicated resources and ongoing attention. Planning and allocating these resources effectively is crucial.
- **Adaptability:** If the problem is ongoing or permanent, how adaptable are systems and individuals to live with it? This involves managing and mitigating its impact over time.

Frequency, urgency, severity, longevity. Each is important on its own, but when taken together, they

provide a holistic framework for analyzing problems and helping entrepreneurs determine whether a problem warrants the human and financial capital needed to solve it and create a successful enterprise.

Real-World Scenarios

What are some examples of startups where we can demonstrate the relevance of the above dimensions? Here are a few:

Example 1: Replit Reminder App - tackled a low-severity, daily problem with a low-cost solution

An entrepreneur developed a [simple reminder app](https://www.reddit.com/r/startups/comments/1hgfli0/i_built_a_simple_reminder_app_using_replit_for_40/) (https://www.reddit.com/r/startups/comments/1hgfli0/i_built_a_simple_reminder_app_using_replit_for_40/) using Replit, investing just \$41.25 and two hours of development time. The app addresses the daily and moderate-severity issue of forgetting daily tasks. What's important to note is that the level of human and financial investment was very low and commensurate with the problem analysis.

Analysis:

- Frequency: Daily
- Severity: Moderate
- Urgency: Within hours
- Longevity: Recurring

Example 2: Juicero - pursued an infrequent and low-urgency problem

Juicero introduced a high-tech juicing machine that required proprietary juice packs. While aiming to revolutionize home juicing (a problem for health enthusiasts), the product addressed a niche issue that wasn't urgent for most consumers. The high cost and limited necessity led to its [downfall](https://www.cnet.com/culture/juicero-is-still-the-greatest-example-of-silicon-valley-stupidity/) (<https://www.cnet.com/culture/juicero-is-still-the-greatest-example-of-silicon-valley-stupidity/>), highlighting the risks of targeting low-urgency and low-severity problems. (https://fastercapital.com/topics/examples-and-lessons-from-successful-and-failed-startups.html?utm_source=chatgpt.com)

Analysis:

- Frequency: Daily
- Severity: Low

- Urgency: Low
- Longevity: Recurring

Example 3: Oscar Health - addressed a moderate problem with a unique advantage in a regulated industry

Oscar Health entered the complex health insurance market, aiming to simplify the user experience and transparency. While health insurance issues are moderately severe and frequent, Oscar's unique advantage lies in its tech-driven approach and understanding of regulatory frameworks. This solvability edge allowed it to navigate a challenging industry [successfully](https://www.healthcaredive.com/news/oscar-health-first-profitable-year-aca/739269/) (<https://www.healthcaredive.com/news/oscar-health-first-profitable-year-aca/739269/>) (https://www.makeitsimple.co.uk/blog/startup-success-rate?utm_source=chatgpt.com)

Analysis:

- Frequency: Moderate
- Severity: Moderate
- Urgency: Moderate
- Longevity: Ongoing

These examples underscore the importance of evaluating problems through multiple dimensions. Replit's success stemmed from addressing a common, manageable issue. Juicero's failure illustrates the pitfalls of focusing on an infrequent, non-severe, and non-urgent problems. Oscar Health demonstrates how a unique position or insight can turn a moderately frequent, severe, and urgent problem into a successful venture.

Putting it all together

To analyze whether a problem might be worth developing a solution that can be the basis of a successful enterprise, download the Problem Evaluation Worksheet above.

Final thoughts

Just because a problem isn't frequent, urgent, severe, or long-lasting doesn't mean it's not worth your time — especially in contexts like lifestyle entrepreneurship or niche markets. However, you may find that you are pushing water up a hill. It's also essential to recognize that the assessment of a problem's dimensions is subjective and context-dependent. What might be a

minor inconvenience for one person could be a significant hurdle for another and worthy of your attention.

The value of solving a particular problem isn't solely determined by these dimensions. Personal passion, societal impact, or long-term vision can make even seemingly less significant problems worth pursuing. The key is to have a clear understanding of the problem's nature and to make an informed decision based on both objective analysis and personal considerations.

The framework presented here is not meant to be a rigid rulebook, but rather a guide to help you think critically about the problems you encounter. It encourages a systematic approach, moving beyond gut feelings to a more nuanced evaluation. By engaging with this framework, entrepreneurs can better align their efforts with their resources and goals, ultimately increasing their chances of success.

Remember, the journey of entrepreneurship is filled with unexpected challenges and opportunities. Being able to analyze and prioritize problems effectively is a skill that will serve you well throughout this journey.

Technical notes

The original concept, including problem categories, was solely created by the author. The following AI tools were used to assist in developing certain details of this paper.

ChatGPT for generating ideas for the examples in the tables for each problem area

ChatGPT for brainstorming the advanced qualitative factors

ChatGPT to generate ideas on specific company examples (further researched and refined by the author)

Also, Grammarly for sentence structure and editing