Curiosita
design thinking for modern management

Why Design Thinking is right for the future of business innovation

A Point of View by Diane Jacobsen
curiosita, LLC
January 2011

"The test of a first-rate intelligence is the ability to hold two opposed ideas in the mind at the same time, and still retain the ability to function." F. Scott Fitzgerald

Background

Traditional business thinking has generally followed a linear, compartmentalized process that molded the sum of its various *known* parts into a logical, pragmatic solution. This process was born primary out of the dawn of manufacturing, which attenuated the sequenced progression, and didn't allow for continuous discovery, collaboration, rapid prototyping, or integrated thinking.

The pace of change in today's business climate has accelerated to the point that a linear-based thinking approach no longer can possibly support a contemporary approach to shifting customers, focus on increasing productivity while reducing costs, and time-to-market pressures. This pace of change is driven by information overload, along with a continuous state of flux, that further challenges an organization to keep up. What is needed is a multidisciplinary approach that supports the rapid infusion of multiple perspectives, new ideas, continuous research, group collaboration and rapid prototyping. This process can help to develop products, services, processes and even strategy.

Welcome to Design Thinking.

What is Design Thinking?

To simplify the concept, *Design Thinking* is about approaching problems and opportunities in a very non-linear way. It is a human-centric process that requires a collaborative effort that supports idea integration, empathetic observation, rapid prototyping, along with a detached viewpoint. This approach requires the team to begin with "I don't know" which is fundamentally where one must start the process of discovery.

The value of "not knowing"

Not knowing means that you are open to exploration and innovation; readily admitting that one size does not fit all. The world is changing too fast, new competition and new business models emerge daily and the security of *been there done that* does not have the value it used to. Adopting the Design Thinking process allows you to quickly understand this new environment, and respond quickly to your true customer needs, product or service shortcomings, or organizational opportunities. Most legacy-driven company cultures are very uncomfortable with this approach for three reasons:

1. *Design Thinking does not necessarily assume that the current product/service/process in place is the starting point for the next phase of development.* This is why the design thinking approach is more "detached" than older methods as it does not *assume*. This does not mean you do not have opinions or ideas, experiences or possible solutions; it simply means you recognize at the start you might be wrong or that this might be uncharted territory. This is a very frightening place to be as a traditional business professional and especially as an executive.

2.   *Design Thinking requires a collaboration, i.e., a "scrum" instead of the more linear "relay race" approach of traditional business thinking.* Most corporate developmental processes are built upon linear management structures that require departments to complete a task, then "hand it off' to the next group. This approach does not encourage nor reward group thinking. In addition, the lack of group ownership often leaves the output of this approach void of a true breakthrough, unique competitive advantage, or rapid time to market.

3.   *Often, traditional business thinking is based upon permanent positions that are driven by bottom-line profit performance goals, and not the quality of solutions.* This further prevents the organization from considering customer activities, as it places its primary focus on stakeholders return instead. This is a fundamental reason why corporations often succeed in the short term, yet fail miserably in the medium and long term.

Origins of Design Thinking

Not all design thinkers came out of design and architecture schools, even though most professionals have had some kind of design training. Many design thinkers were born with a natural aptitude for design thinking that some career paths seem to unlock and support better than others. Regardless of industry, there are a number of key characteristics to look for in design thinkers:

Collaboration
Perhaps the key to the process, collaboration allows the team to consider the increasing complexity of products, services, and experiences. This replaces the myth of the lone creative *guru* with the reality of the enthusiastic interdisciplinary collaboration. The best design thinkers don't simply work alongside other disciplines; many of them have significant experience in more than one venue.

Optimism
They assume that no matter how challenging the constraints of a given problem are, at least one potential solution is better than the existing alternatives.

Human Centric
This method can imagine the world from multiple perspectives: those of colleagues, clients, end users, and customers (current and prospective). By taking a "people first" approach, design thinkers can imagine solutions that are inherently desirable, empathetic, and meet explicit or latent needs. Great design thinkers observe the world in minute detail. They notice things that others do not and use their insights to inspire innovation.

Integrated Thinking
They not only rely on analytical processes (those that produce either/or choices) but also exhibit the ability to see all of the salient (and sometimes contradictory) aspects of a confounding problem and create novel solutions that go beyond and dramatically improve on existing alternatives.

Ideation
Significant innovations don't come from incremental tweaks. Design thinkers pose questions and explore constraints in creative ways that proceed in entirely new directions. They rapidly prototype new ideas in order to feel, touch, and try them before moving ahead.

Strategy and Solution
Traditional business methods and metrics are cast out with the recycling, rather, are repurposed to enhance (but not drive) the design thinking process. Strategies are often expanded to include not only the short-term but long-term as well. Stakeholders at this phase are not only the traditional (Wall St. analysts and Stockholders), but are *driven* by Customers.

Metrics & Organizational Change Management
This is a critical and constant method to any design thinker. A new product or service "launch" is only the beginning of the evaluation of success. Problem ownership doesn't evaporate after the Champagne corks have popped. Design thinkers know that unless the measures of success along with supportive OCM programs are put in place, the process will not be complete.

Where to start

It would be great to whisk out the old and bring in the new, but this is hardly a practical solution for most organizations in transition. While the major business schools are adding this way of thinking to their curriculums as we speak, unfortunately it will take years for these newly-minted MBAs to infiltrate your current business.

Intrigued by the Design Thinking approach but are unclear as to where to begin? The first step is that your team or company must be re-trained to think differently. This is not an easy task, but one essential to becoming a successful *DesignThinking* process-driven organization.

A simple summary of the organizational change in mindset needed is as follows:

- Define your company's situation honestly
- Determine if the top executives truly want or desire to change
- Realize that you may have to broaden your thinking beyond the short-term
- Eschew traditional management hierarchies and inflexible structures
- Think in terms of projects not departments
- Find natural leaders who are recognition driven and not just bottom line driven
- Change the reward system from total *bottom line dependence* to the recognition of a leaders *quality of solutions*
- Support collaboration and resist compartmentalization

Once this is in process, then utilize these approaches:

- Research the context of a problem or issue from multiple *user-centric* directions
- Become driven by abductive thinking and not just inductive or deductive reasoning
- Ideate to uncover unmet needs and opportunities
- Prototype to test your ideas with end users
- Choose the best path to follow to achieve your goals
- Implement to solve the most immediate need
- Learn for continuous improvement

The methods are actually quite simple and can be taught to employees in your business. But to succeed you need executive support. The process will need to be adapted to fit your companies' culture and organizational structure.

Isn't that what I'm doing now?

No! You are coming to the meeting with a solution born out of linear thinking, countless formal meetings, endless PowerPoint presentations, and short-term thinking. You most likely are seeking a solution to what may or not even be the problem. And, you are hardly alone. We have all been there (and most still are!) yet it is amazing as to why we continue to do this. Routine, structures, reward systems, company cultures and mores die hard.

A simplified example from industry:
A very large automotive manufacturing company (still in business) had fantastic products (according to JD Powers) but scored very low in customer service. The company conducted a significant internal research study in order to look at their customer service function and to develop a roadmap of activities and projects to improve overall performance. This was a very linear process that was very internally focused, lacking the collaboration of involved departments.

Curiosita was engaged to assist in developing a Knowledge Management Solution for the customer service agents. First we created a "project team" consisting of an interdepartmental group that had little experience working together in the past. We began with the data from an internal research study and the findings during the deep-user understanding phase of the engagement.

Then once the problems were identified, we developed a structured interview protocol, ethnographically driven, for use in interviewing a small number of the agents. We conducted ½ day, side-by-side observations of real customer interactions. This was meant to uncover new ideas, new choices and new alternatives to the previous solution, as well as to verify the source of the perceived problem.

Our next phase was to conduct a workshop that synthesized the results from the interviews and observations. The participants included customer service agents, managers and program leads. We observed them discussing the findings and developing themes and speculate as to the issues described in the raw findings. It was important for them to do this for three reasons: to develop a deep understanding of the problem, take team ownership of it, and to understand the situation.

This information was used to create a solution framework and charter for the project. We also used the information to develop a high level set of use cases and functional requirements. It was also apparent to all at this point that this was not an IT only solution and it would fundamentally transform the organization if successful. It was decided to closely partner the IT team with business and the training and change management functions. We created a 3-legged stool for decision making and engaged all levels from the beginning to the end of the project.

To create the new experience in the context of the day-to-day workers 3 to 4 end users were assigned full-time as advisors. We also developed an internal governance team who worked as we developed the solution. They "participated" in design sessions; testing assumptions and solutions as we developed them.

To ensure success, we imbedding change management and end-user "change agents" into each step to insure adoption and a fast ramp-up from the old way of working to the new. It was a tremendous coordination effort but paid off in less than a year. "Go-live" for Phase I had a 60% adoption rate within 30 days. After the second release three months later, 100% of all call center employees adopted the new solution and customer service scores took a huge leap! The project has been recognized as one of the most successful in the history of all IT projects at this company. And the solution has been successfully adapted to the needs of additional functions within the company following a similar user centered approach, reusing the existing components.

How can Curiosita help me to begin to think differently?

Suffice to say we have been somewhat alone in utilizing this process within the traditional consulting landscape, but managed to remain dedicated to design thinking because the results are powerful and successful. We've trained countless consultants and clients, and have enjoyed watching these users of these solutions success; applause and hugs have even been known to break out during user acceptance testing! How often has that happened in your organization? This process can be learned. And you can turn your organization into a lean, mean, Design Thinking machine.

Can your company afford not to start thinking differently? How many more failed product launches or IT projects will it take to convince you looking at opportunities and problems from every available perspective prior to implementation is just good business. Are you ready to walk into a conference room and say, "I don't know, lets find out."

#

For More Information, please contact:

Diane Jacobsen, Principal
curiosita, LLC
Seattle,WA

email: dianej@curiosita.biz
web: www.curiosita.biz