

The Third Opinion

Why We All Need More Design Thinking

Saj-nicole Joni, 01.14.10, 05:19 PM EST

A conversation with Tim Brown, CEO of the design and innovation firm IDEO.



Tim Brown

As we head into 2010 most chief executives are growing more optimistic that the great recession is behind us. We're starting 2010 on firmer economic ground. But the landscape has changed, and we're now somewhere in a fundamental reset of the economy. At least in Western markets we aren't facing a fast rebound. Indeed, many leaders are hunkering down for a long, dreary stretch of low, slow growth that will keep them focused on cost and efficiency, trying to do more with much less.

Nonetheless it's a time a great opportunity—and hunkering down is decidedly not the best way to approach doing more with less. I recently sat down with Tim Brown, the CEO of the Palo Alto-based design and innovation firm IDEO, to discuss ways to face the future. In his recent book *Change by Design*, Tim argues that by applying design thinking to everyday business problems, executives can stimulate innovation and raise the bar on competition. Therefore, he says, such thinking is extremely relevant for leaders and their teams who will have to do more with less in 2010

Forbes: What is design thinking?

Tim Brown: It's a way of looking at the world that welcomes constraints, and leaders at all levels can successfully use it to lower costs, improve their offerings and grow. In fact, design thinking is all about upgrading within constraints.

The first shift is to be future-oriented, right? Look at what might be and then figure out how to get to it, rather than looking at what has been and figuring out how to modify or extrapolate from there.

Yes, that's right. Significantly changed constraints create many new needs. Figure out what they are and how to serve them. Don't assume that the proposition that you've been out in the market with before, the one that sells today, is going to be there in the future. To take this approach you need to get out into the world of those you serve and study constraints and people, looking for changes in need and behavior.

We've both written about how it doesn't work to stay in your office and develop great ideas on your own, not because we can't have good ideas that way but because something different happens when we go out and look. Look with a curious eye for changes and constraints, not as problems to avoid, but as opportunities for responding to what people really need.

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It's fine to do a focus group and ask people what they want, but generally they haven't solved their problems, so they can't tell you. Value comes from looking first-hand at what people do, understanding what they need and are trying to accomplish and using that knowledge as inspiration for developing new ideas.

For example, look at Bank of America's (BAC - news - people) Keep the Change Program. People couldn't tell us that they wanted a debit card that would "keep the change." It didn't occur to them. But we saw how many people were rounding up to the next dollar when they paid for things—yet doing so didn't create value for them. Combining that habit with a debit card created a completely automatic, invisible way to save, which is something people really want to do now. As a result, Bank of America has gotten 10 million new customers and \$1.8 billion in savings for them. And it is such good business for the bank that it is sharing the wealth, matching the first \$400 in each new savings account.

What can you say to leaders who need to increase efficiencies in what they are doing?

Most people think design is all about creating new products, but design thinking creates breakthroughs in efficiency as well. For example, Kaiser Permanente, working with nurses in patient care, used design thinking to totally reconceive the way it changes shifts. It has cut the time from 40 minutes to 12, reduced errors in the transfer of information and increased patient confidence.

To do this you follow a few key principles. Start with divergence. That is, look at every possible approach, every new way of doing things, even if it means considering something that seems to go against common sense or standard practice. Don't narrow your options too early on. Then take a human-centered approach. Go out and look at what people really do. Prototype your possible changes, and fail early and often. Find talent anywhere you can. Make all this work a real project. It will pay off.

I've learned from leaders all across the globe about how important it is to feel really good about the fact that problems in our world are in no short supply. There are so many difficult challenges that we can make all our lives better by solving.

You need to be optimistic in order to be creative. And confident. In fact, if you don't have confidence that you can create solutions, you won't create solutions. Being excited about the endless supply of challenges we need to address is the first step in bringing out your creativity.

So if you're committed to success in 2010, check out how you view your toughest challenges. Do you see them as problems to avoid or as the very reason you show up at work? Don't waste your time playing not to lose. Instead ask yourself where you can take the lead to make a real difference. That raises energy, breeds optimism and, besides, it's fun.

Yes. Design thinking is a different way of approaching the big challenges we face. It starts off with really trying to serve people's needs. It connects constraints with creativity, enabling us to look at old problems with new eyes and generate new possibilities. There are many things in our organizations and markets that we can't control, but your mindset and your approach to your challenges—those are up to you.

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Dr. Saj-nicole Joni, chief executive of Cambridge International Group, is an adviser to executives worldwide and is the author of *The Right Fight: How Great Leaders Use Healthy Conflict to Drive Performance, Innovation, and Value*, which will be published by HarperCollins in January.