

# Director

January, 2010

## Winning by design

by David Woodward

*Design thinking is changing the way creativity and commerce interact. Even big players schooled in efficiency are beginning to ask the question: what would a designer do?*

Plenty of designers have mastered the art of making money. James Dyson, Sir Terence Conran, Giorgio Armani and Philippe Starck all match creative flair with commercial nous. But how many business leaders can say they have mastered design? Not many, argues **Roger Martin** in his new book, *The Design of Business*. Martin says that most businesses find it extremely difficult to behave like designers. The lure of hard data is simply too enticing.

As companies grow, Martin writes, they tend to prefer the safety and predictability of efficiency over innovation. New projects are assessed according to past events, "a very narrow definition of proof". And this culture is replicated throughout the organisation. "The average manager has been trained and rewarded to look to the past for profits before making the big decisions."

These slaves of quantitative data aren't attempting to drive out innovation, but they are trying to protect themselves "against the randomness of intuitive thinking". If you hide behind the numbers, creativity starts to shrivel.

Most designers, of course, favour intuitive thought over data analysis. But there is a third way. Design thinking is a method of sparking creativity, combining what companies

know with what they don't. It offers businesses a chance to convert a refined user experience into a successful product. And it allows chief executives hung up on efficiency to innovate.

Thanks to design agencies such as IDEO, design thinking is steadily gaining currency as a way not only of injecting companies with a dose of creativity, but also as a method of tackling intractable macro problems, such as climate change or the financial crisis. It's about using creativity to change behaviour.

In 2007, Oxfam approached IDEO with a brief. How could the charity better educate people to understand climate change? More important, how could Oxfam translate that understanding into a better relationship with donors? When IDEO interviewed a variety of consumers, from professional Selfridges buyers to High Street shoppers, a common thread emerged. "The majority were afraid to admit what they were buying and where it was coming from," says Sue Siddall, IDEO's UK managing director.

With so many consumers in denial, IDEO argued that preaching climate change ideals would have little impact. "Oxfam needed to change its tone of voice from a 'telling style' to a conversation, so that you draw them in rather than push them away."

The agency spotted another flaw in Oxfam's model: the charity's donors were in essence different to the kind of people who actually shopped in Oxfam stores, but the two groups were being treated as one. What was difficult for the charity to see was that many donations were coming from people who wanted to spend as little time as possible in Oxfam stores. "We called it drop and dash," says Siddall. These donors were not only disengaged from Oxfam as a brand, their behaviour was also preventing the charity from collecting gift aid, because they weren't hanging around long enough to list the items they were donating.

IDEO turned the model on its head, taking the act of donation direct to the donor. "We went to people's offices to try to get people donating regularly, rather than once every six months," says Siddall. Oxfam has now learnt to think more like a design agency, says the charity's head of media, Sam Barratt, using rapid prototyping of ideas and "building insight into the heart of new campaigns". In particular, Barratt says, Oxfam's response time to world events is sharper. "It has helped us to be a lot shallower, and more agile. We are looking at ways we sign off statements, the way that we speak."

The prominence of design thinking is growing. In 2007, the Royal College of Art and Imperial College London joined forces to create Design London, bringing together the disciplines of design, engineering, technology and business. The Design Council has long promoted the benefits of applying design principles to socioeconomic problems and plays a role in helping small businesses incorporate the tools of design through its Designing Demand programme. And the Open University recently unveiled a new design-thinking course, specifically targeted at business.

Stewart Emery, who teaches design in Beijing and at JFK University in California, believes that design thinking doesn't just mean the ability to make good-looking products. At Apple, he says, design is built into the company's infrastructure. "You have the physical design, the tight integration between the design of the physical product and its operating system, the extraordinary level of customer care from the Apple stores and the design of the stores themselves. The result is that Apple has created a company that people love and are rooting for."

Many companies in the sustainability space are also built using design principles, largely because the problems they are attempting to solve are deeply complex. AMEE, the carbon calculation company, with its mission to measure the carbon footprint of everything, is one example; Origo, a carbon-capture company, is another. Both start-

ups began with a fundamental question and used innovative techniques to try to answer it.

In the case of AMEE, a complex algorithm was developed to help clients measure carbon right to the edge of their supply chains, something that even some in the carbon-calculation industry didn't believe could be done. Origo set out to prove that carbon capture on a moving vehicle wasn't only possible, but marketable. "R&D guys are trained to think outside the box," says Origo founder Ian Houston. "What we do is look at the box. We redesign it and then think about the things to put back inside."

Solving environmental problems is a good way for all types of companies to experiment with design thinking. Combining product design with a social message can be powerful. IKEA, for example, helps tackle food wastage by selling storage containers that sport a plastic grid, which allows excess moisture to drain off and help food to last longer.

Procter & Gamble, says Adam Werbach, chief executive of Saatchi & Saatchi S, has a similar strategy. When P&G launched Tide Coldwater, he says, the company began with the assumption that its customers, who washed their clothes in hot water, were the company's greatest source of carbon. "They used that as a design inspiration to go back to the lab and see if there was a surfactant they could create that would allow clothes to be washed in cold water. So there's a solution good for the climate, good for the consumer, because it saved them money, and good for the business because it created a new product that's been a breakthrough."

Design thinking has the potential to become a significant competitive advantage, but only if businesses are brave enough to embrace it. As IDEO chief executive Tim Brown says in his book, *Change by Design*, "design thinking needs to move upstream, closer to the executive suites where strategic decisions are made".

But harmony between business and design is by no means assured. The design community has been slow to pass on its skills, says Werbach. “Designers hold on to their craft as if only people with magic skills can do it,” he says. “They need to let non-traditional designers into the effort, give them a role, empower them.”

That should be easy enough, says Siddall—at least on an individual level. “Take any CEO in any organisation and show them how to think in a creative way, and they would be able to do it,” she says. The problem is that many businesses don’t know how to ask the really tough questions at the core of all good design. “A lot of organisations do make it difficult,” admits Siddall. “Part of their job and what they are measured by is efficiency and speed. That’s how companies are set up, how they work as a business.”

Incorporating design thinking doesn’t mean that companies should ignore their commercial goals, she adds. But with each new product, desirability, feasibility and viability should be assessed jointly, in that order.

Design consultant Lydia Thornley says there is always a “fearless deconstructing of things at the beginning of a good design process”, often after “conventional business thinking has gone around in circles”. Designers are like small children, she adds. They like to ask why. “Why does that go with that, why is it that shape?” And that’s often not an easy thing for a chief executive to do, especially with investors watching.

Having a brave client helps. At the end of last year, Westminster City Council, Transport for London and The Crown Estate jointly unveiled a new design for Oxford Circus in central London. Defining the problem wasn’t difficult. The intersection of Regent Street and Oxford Street is one of the busiest urban zones in Europe, attracting up to 40,000 pedestrians an hour. Its poor layout of crossings, Tube and bus access points merely adds to the confusion, with pedestrians often squeezed into areas that lead them away from their destination. From above, the scene frequently resembled a colossal scrum.

Atkins, the engineering and design consultancy, first sought to segment the many different users of the crossing—tourists, shoppers, workers, cars, buses and goods vehicles—monitor the different behaviours and ensure the new design met each group's needs. Analysis revealed "a large proportion of people who used the existing crossings in succession", says Atkins project manager Chris Greenwood. In other words, people attempting to cross Oxford Circus diagonally had to go across two busy streets, against a flow of people doing the same in reverse. The tightly cramped space couldn't cope.

The consultancy's neat solution managed to separate the different users and improve user experience. The four crossings were replaced with a single, diagonal crossing, based on the X-shaped Shibuya design in Tokyo. Pedestrians now cross diagonally, straight to their destination. And by removing unnecessary street furniture, such as metal barriers and concrete balustrades, Atkins created room for a zone, where people wait their turn to cross, and a through-zone, between the Tube access and the building line, which gives people passing through room to manoeuvre.

The redesign also provided an unexpected, aesthetic benefit: Oxford Circus is beautiful again. "You can now appreciate the buildings a bit more," says Greenwood. And that is design thinking's hidden edge: providing serendipitous, as well as forecast, discovery.

IDEO's Brown believes there is now a real opportunity to turn design thinking from a "black art" into a tool of competitive advantage, balancing "management's legitimate requirement for stability, efficiency and predictability with the design thinker's need for spontaneity, serendipity and experimentation". It could prove a happy partnership.