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The Big Rethink: developing a fresh strategy

New opportunities for growth should be seized

By Michael Murray

There is nothing like a crisis to unleash a slew of business books. Unsurprisingly, given the dire warnings about the future of the world economy, finding new ways of achieving growth is something of a theme. And yet this process – which usually involves innovation to some degree – is notoriously hard to pull off. Even when business was booming earlier this decade, companies of all sizes were struggling with it.

Part of the reason for this problem became apparent at a recent event in London run in association with the Design Council, which has long been pushing for greater innovation in business. At the Redesigning Business Summit, or The Big Rethink, delegates were at one stage put into groups to work out solutions to the challenges facing different sectors of business. They were good at analysing the problems but much less confident about seeing the opportunities that might arise. This is partly obvious, since if seeing the opportunities was so easy everyone would be doing it. But it is also perhaps a reflection of the way that business executives are typically educated and trained.

Such analytical thinking is enough when businesses are just seeking small improvements to the status quo, but in turbulent times such as these executives need to adopt "design thinking". One of the main proponents of this approach is Roger Martin, author of *The Design of Business* (Harvard [Business Press](#)) and dean of the Rotman School of Management at the University of Toronto. In London recently, he told a round table that one of the key battles in this area was between reliability and validity. It is the old story of businesses putting great store by processes that reliably tell them the wrong things at the expense of taking a chance on something that turns out to be right. "Reliability looks at the past, validity imagines the future," he said.

In his book, Martin refers to a leading practitioners of design thinking – Tim Brown, the chief executive of Ideo, which is increasingly shifting from a [product design](#) consultancy into a more general consultancy. In his own book, *Change by Design* (HarperBusiness), Brown seeks to explain how by adopting the sort of approach Ideo has long practised – particularly taking a human-centred approach to problem solving, testing solutions

against users' real needs and ensuring they are technically feasible as well as commercially and socially viable – companies can better meet the challenges now facing them.

Crucially, although an industrial designer by training, Brown is anxious to dispel the notion that innovation is essentially a chaotic process. Indeed, he sees design thinking as a way of managing an innovation portfolio.

The process is taken further by Mark W Johnson, co-founder with fellow Harvard Business School innovation expert Clayton Christensen of the Innosight consultancy and author of *Seizing the [White Space](#)* (Harvard Business Press). Subtitled *Business Model Innovation for Growth and Renewal*, Johnson's book sets out to provide companies with a framework for breaking out of their existing ways of doing things and seizing [new opportunities](#). Pointing out that many such efforts fail because strategy follows from structure in the traditional strategic planning process, he urges businesses of all sizes to devise models that follow their strategy rather than the other way around. Given that things are happening so fast in today's business world – just look at how [Apple](#) has transformed the music industry – it is hard to argue with the proposition that strategic planning needs to be replaced with strategy development.

It is tempting to think such problems only afflict [large companies](#), but smaller businesses find it just as easy to get stuck in the familiar. Success will come to those who venture into new fields – in a controlled way.