Masters of Design

THE 20 MOST INFLUENTIAL PLAYERS IN BUSINESS DESIGN AND WHAT YOU CAN LEARN FROM THEM

FAST COMPANY

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HOW SMART PEOPLE WORK

Strategy by Design

In order to do a better job of developing, communicating, and pursuing a strategy, the head of Ideo says, you need to learn to think like a designer. Here's his five-point plan for how to make the leap.

By Tim Brown

Illustration by Dorit Rabinovitch

>> IT'S REMARKABLE how often business strategy, the purpose of which is to direct action toward a desired outcome, leads to just the opposite: stasis and confusion. Strategy should bring clarity to an organization; it should be a signpost for showing people where you, as their leader, are taking them— and what they need to do to get there. But the tools executives traditionally use to communicate strategy—spreadsheets and PowerPoint decks—are woefully inadequate for the task. You have to be a supremely engaging storyteller if you rely only on words, and there aren't enough of those people out there. What's more, words are highly open to interpretation—words mean different things to different people, especially when they're sitting in different parts of the organization. The result: In an effort to be relevant to a large, complicated company, strategy often gets mired in abstractions.

People need to have a visceral understanding—an image in their minds—of why you've chosen a certain strategy and what you're attempting to create with it. Design is ideally suited to this endeavor. It can't help but create tangible, real outcomes.

Because it's pictorial, design describes the world in a way that's not open to many interpretations. Designers, by making a film, scenario, or prototype, can help people emotionally experience the thing that the strategy seeks to describe. If, say, Motorola unveils a plan to create products that have never existed before, everyone in the organization will have a different idea of what that means. But if Motorola creates a video so people can see those prod-

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ucts, or makes prototypes so people can touch them, everyone has the same view.

Unfortunately, many people continue to think of design in very narrow terms. Industrial products and graphics are outcomes of the design process, but they do not begin to describe the boundaries of design's playing field. Software is engineered, but it is also designed—someone must come up with the concept of what it is going to do. Logistics systems, the Internet, organizations, and yes, even strategy—all of these are tangible outcomes of design thinking. In fact, many people in many organizations are engaged in design thinking without being aware of it. The result is that we don't focus very much on making it better.

If you dig into business history, you see that the same thing occurred with the quality movement. As business strategist Gary Hamel has pointed out, there was a time when people didn't know what quality manufacturing was and therefore didn't think about it. Nevertheless, they were engaged with quality—they created products of good or bad durability and reliability. Then thinkers such as W. Edwards Deming deconstructed quality—they figured out what it was and how to improve it. As soon as people became conscious of it, manufactured goods improved dramatically.

The same thing needs to happen with design. Organizations need to take design thinking seriously. We need to spend more time making people conscious of design thinking—not because design is wondrous or magical, but simply because by focusing on it, we'll make it better. And that's an imperative for any business, because design thinking is indisputably a catalyst for innovation productivity. That is, it can increase the rate at which you generate good ideas and bring them to market. Where you innovate, how you innovate, and what you innovate are design problems. When you bring design thinking into that strategic discussion, you join a powerful tool with the purpose of the entire endeavor, which is to grow. Here is Ideo's five-point model for strategizing by design.

Hit the Streets

>> ANY REAL-WORLD STRATEGY starts with having fresh, original insights about your market and your customers. Those insights come only when you observe directly what's happening in your market. As Jane Fulton Suri, who directs our human-factors group, notes in her book *Thoughtless Acts?* (Chronicle Books, 2005), "Directly witnessing and experiencing aspects of behavior in the real world is a proven way of inspiring and informing [new] ideas. The insights that emerge from careful observation of people's behavior . . . uncover all kinds of opportunities that were not previously evident."

Very often, you can build an entire strategy based on the experiences your customers go through in their interactions with your organization. Service brands have a horrible habit of focusing on the one interaction where they think they make money. If you're running an airline, there's an awful temptation to focus all of your attention on what it's like to fly a particular route on a particular aircraft. In fact, you can track backward and forward a whole series of interactions that consumers have with you that are very relevant. If you start to map out that entire journey, you begin to understand how you might innovate to create a much more robust customer experience.

Recruit T-Shaped People

>> REGARDLESS OF WHETHER your goal is to innovate around a product, service, or business opportunity, you get good insights by having an observant and empathetic view of the world. You can't just stand in your own shoes; you've got to be able to stand in the shoes of others. Empathy allows you to have original insights about the world. It also enables you to build better teams.

We look for people who are so inquisitive about the world that they're willing to try to do what you do. We call them "T-shaped people." They have a principal skill that describes the vertical leg of the T—they're mechanical engineers or industrial designers. But they are so empathetic that they can branch out into other skills, such as anthropology, and do them as well. They are able to explore insights from many different perspectives and recognize patterns of behavior that point to a universal human need. That's what you're after at this point—patterns that yield ideas.

These teams operate in a highly experiential manner. You don't put them in bland conference rooms and ask them to generate great ideas. You send them out into the world, and they return with many artifacts—notes, photos, maybe even recordings of what they've seen and heard. The walls of their project rooms are soon plastered with imagery, diagrams, flow charts, and other ephemera. The entire team is engaged in collective idea-making: They explore observations very quickly and build on one another's insights. In this way, they generate richer, stronger ideas that are hardwired to the marketplace, because all of their observations come directly from the real world.

Build to Think

>> DESIGN THINKING IS INHERENTLY a prototyping process. Once you spot a promising idea, you build it. The prototype is typically a drawing, model, or film that describes a product, system, or service. We build these models very quickly; they're rough, ready, and not at all elegant, but they

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work. The goal isn't to create a close approximation of the finished product or process; the goal is to elicit feedback that helps us work through the problem we're trying to solve. In a sense, we build to think.

When you rapidly prototype, you're actually beginning to build the strategy itself. And you're doing so very early in the innovation cycle. This enables you to unlock one of your organization's most valuable assets: people's intuitions. When you sit down with your senior team and show them prototypes of the products and services you want to put out in two years' time, you get their intuitive feel for whether you're headed in the right direction. It's a process of enlightened trial and error: Observe the world, identify patterns of behavior, generate ideas, get feedback, repeat the process, and keep refining until you're ready to bring the thing to market.

Not long ago, we worked with a large food-processing company on the possibility of incorporating RFID technology into its supply chain. After many rounds of prototyping and getting feedback, we made a three-minute video that described a very complex interaction of suppliers, customers, logistics, weather, geography, and a host of other real-world conditions that showed how RFID might work. The video rapidly accelerated the development of a potential RFID-based strategy, because the company could instantly give us even sharper feedback and help us refine it. Rapid prototyping helps you test your progress in a very tangible way and ultimately makes your strategic thinking more powerful.

The Prototype Tells a Story

>> PROTOTYPING IS SIMULTANEOUSLY an evaluative process—it generates feedback and enables you to make midflight corrections—and a storytelling process. It's a way of visually and viscerally describing your strategy.

Some years ago, a startup called Vocera came to us with a new technology based on the *Star Trek* communicator—that "Beam me up, Scotty" device. They had worked out the technology—an elegant device the size of a cigarette lighter that you could wear around your neck and use to connect instantly with anyone on the network. But the team had no way to describe why people would need the thing. We made a five-minute film that played out a scenario where everyone in the company had these gadgets. The storyline followed how one person used the communicator to rapidly assemble a crisis team dispersed across an office campus. The film showed that while fixed communications and mobile phones are very good for expected interactions, this device was ideal for reacting to the unexpected.

The team used the film to tell their story; it helped them raise VC funding and it acted as the guiding framework for the development and marketing of the product, which is called the Vocera Communications Badge. But there's an interesting twist to this tale. We thought the badge would work best on big office campuses. The market thought otherwise. Vocera's two largest markets are hospitals and big-box retail stores.

In the end, it didn't really matter that the market opportunity morphed into something different. Because you're testing and refining your strategy early and often in the design process, the strategy continually evolves. When the market changes, as it did with Vocera, the strategy can change along with it. This gives you a big jump start over abstract, word-based forms of strategy, in which the first time you get to test the strategy's outcome is when you actually roll it out. You can't gauge the strategy's effectiveness until you achieve the end result and do your postmortem. I don't see why that's useful. By building your strat-

egy early on, in a sense you're doing a premortem: You're giving yourself a chance to uncover problems and fix them in real time, as the strategy unfolds.

Design Is Never Done

>> EVEN AFTER YOU'VE ROLLED OUT your new product, service, or process, you're just getting started. In almost every case, you move on to the next version, which is going to be better because you've had more time to think about it. The basic idea for the notebook computer came out of Ideo some 20 years ago: Ideo cofounder Bill Moggridge is listed on the patent for the design that lets you fold a screen over a keyboard. Since then, the laptop has been redesigned—and greatly improved—hundreds of times, because design is never done. The same goes for strategy. The market is always changing; your strategy needs to change with it. Since design thinking is inherently rooted in the world, it is ideally suited to helping your strategy evolve.

It all comes back to the fact that in order to really raise innovation productivity within organizations, at the strategic level and everywhere else, you have to increase the amount of design thinking inside organizations. Doing so helps you get to clarity faster, helps your organization understand where you're taking it, helps you figure out whether you're on the right track, and enables you to adapt quickly to change. Those are pretty valuable survival skills.

Some companies already understand this and are working design thinking into their organizations. It's not such a hard thing to do. The toughest part is taking that first step—breaking away from your habitual way of working and getting out into the world. 🄵🄲

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