

The challenge of organic growth: why design? Why now?

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Changes in attitude, changes in latitude

The business world we once lived in provided growth...

- * Markets in developed economies were robust and growing
- * Big firms enjoyed significant advantages in scale and access to distribution
- * New tools and technologies drove productivity and profitability
- * High stock valuations fueled acquisition activity
- * Consumers believed in the ever increasingly availability of everything

The world we now live in makes it a big challenge

- * Dramatic slowdown in developed world – growth moves to emerging
- * Scale edge disappears as Mfg loses to service and the internet demolishes barriers to entry
- * Efficiency/productivity tools reaching the end of their runways
- * Acquisitions lose allure
- * Questions of resource availability, consumerism, climate change, system shocks worry consumers

Where are we today?

Large organizations now have to work hard to find growth...

...and they are almost invariably their own worst enemy

Which list describes your organization?

analytic

rule-based

*understand customers'
functional needs*

good at exploiting

focused on capturing value

execution-oriented

prefer errors of omission

creative

tool-based

*understand customers'
emotional needs*

good at exploring

focused on creating value

invention-oriented

prefer errors of commission

Most large corporations are built to succeed in a world that no longer exists

Optimized for conditions of predictability and stability...
... with political, technological, and economic shocks increasing

Designed for top down control...
... in a world that is increasingly chaotic and where local knowledge is key

Their toolset is oriented almost entirely towards efficiency...
... when they need to pursue opportunity

Hard-wired to avoid risk and addicted to “proof”....
... when yesterday’s numbers offer little guidance

Obsessed with big ideas and impatient for results...
... when predicting a big winner at the outset is unlikely and iteration is key

Hyper-analytical ...
... when experimentation is the risk-reducing approach

Monitor and reward successes that are easily measured...
... when the important stuff long-term defies easy quantification

For reasons everybody in this room
knows...

Design has the ability to save this world – not just make
it pretty...

how?

Moving from rhetoric to reality...

One path is process and systems....

Another path is democratizing design

Democratizing design asks

What are the other **284,969** people at Telefonica doing while Pamela's 31 are designing?

“democratizing design” means

Distributing literacy with design thinking tools,
approaches and ways of addressing a problem
throughout an organization

not

Telling managers they can be design experts

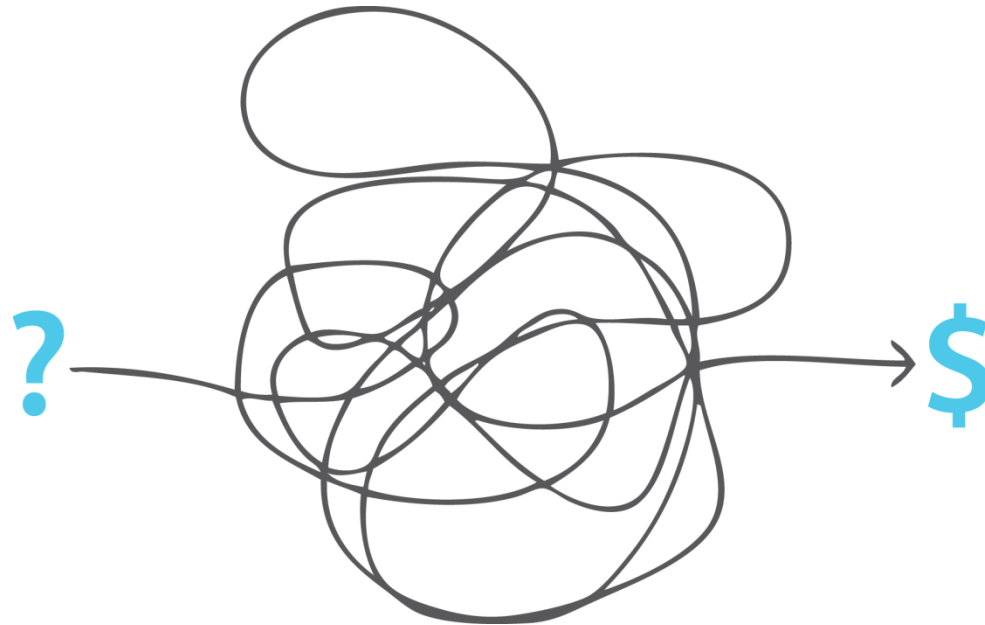
Why is this an important path?

- * *Changing* organizational culture, systems, and processes is incredibly hard work
- * People *already* bring their brains to work
- * Asking forgiveness is more energizing than asking permission
- * Systems and process is only one lens on where design lives

Design thinking represents a particular kind of choice

- * A choice to be human-centered, to invest energy in deeply understanding of people's unarticulated needs
- * Be skeptical about imposing our own definition of the truth on others
- * To see "failure" as learning and keep trying
- * Whenever possible, to show instead of tell
- * To listen to your stakeholders feedback and be willing to call your own baby ugly

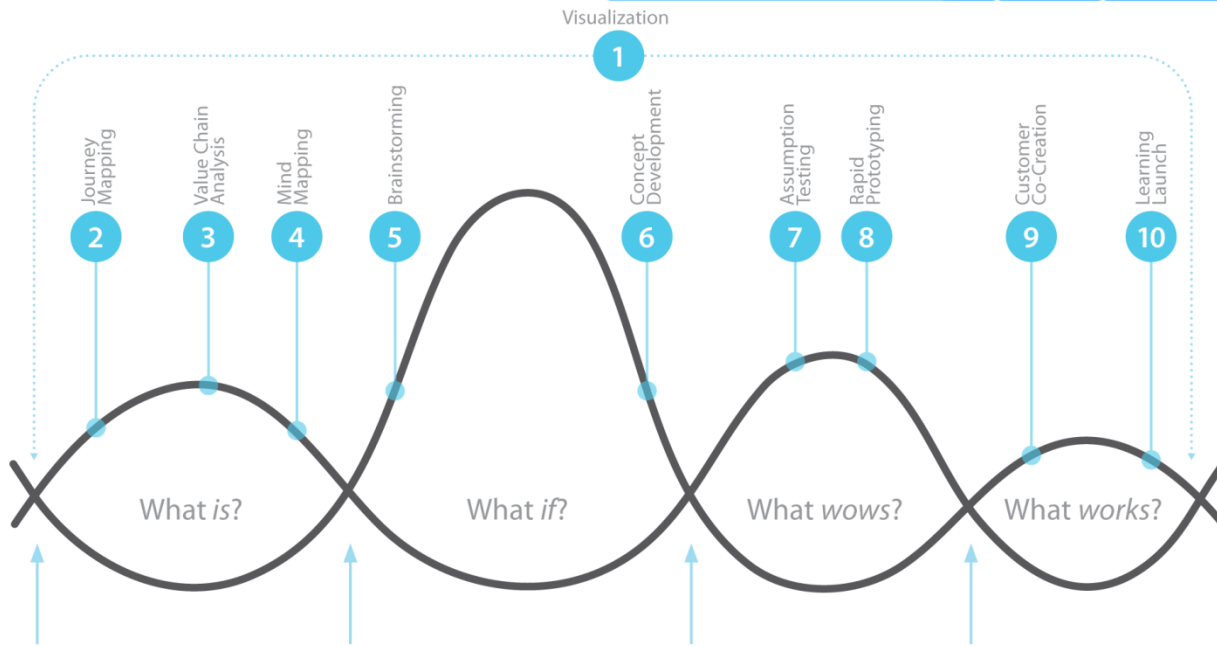
How do we help managers choose design?





Fear is the obstacle

making it safe



DESIGN BRIEF	
Project Description	
Intent / Scope	
Exploration Questions	○
Target Users	○
Research Plan	
Expected Outcomes	○
Success Metrics	○
Project Planning	

DESIGN CRITERIA	
Design Goal	
User Perceptions	○
Physical Attributes	○
Functional Attributes	○
Constraints	○

NAPKIN PITCH CONCEPT NAME	
NEED	APPROACH
○	○
○	○
○	○
BENEFIT	COMPETITION
○	○
○	○
○	○

LEARNING GUIDE	
Strategic Intent	
Remaining Key Assumptions to Be Tested	1
	2
	3
	4
	5
In-Market Test Plan	Untested Assumptions
	Success Metrics
	1
	2
	3
Financial Capital to Be Expended	○
	○
	○
	○
	○

The opportunity: inviting people to bring their whole brains to work

<i>analytic</i>	+	<i>creative</i>
<i>rule-based</i>	+	<i>tool-based</i>
<i>understand customers' functional needs</i>	+	<i>understand customers' emotional needs</i>
<i>good at exploiting</i>	+	<i>good at exploring</i>
<i>focused on capturing value</i>	+	<i>focused on creating value</i>
<i>execution –oriented</i>	+	<i>invention-oriented</i>
<i>willing to tolerate errors of omission</i>	+	<i>errors of commission</i>

Fast Co Post: Need to solve a tough business problem? don't hire an MBA

“...business school students were slaughtered by the design school students... Would you go toe-to-toe with even a purple belt in jiu jitsu having never taken a lesson?”

The hoarders speak

- * Call me an elitist, but I think that it can be good that lots of MBAs don't get design. ..The results can be more dangerous than if they are afraid of design because they know they don't understand it.
- * MBAs your time is over. Its easier to teach business skills to designer than teaching business people the meaning of empathy.
- * Corporations, as everyone knows are ruled by a race of alien reptiles that use MBAs as their slaves.

The future speaks?

- * I wholeheartedly disagree with positioning "design" and "business" as two distinct, adversarial forces at battle for problem-solving and decision-making rights. This polarization may be good for link-baiting sensationalist headlines, but it is nowhere near reflective of how business design works in the real world, where complex challenges require the skills of both business and design.

The future speaks?

- * “What you need is equal and respectful collaborators for mutually generated equity, rather than competitors for value... when we're competitors, the MBAs understanding of money wins the value contest, but MFAs understanding wins the innovation.”

The future speaks?

- * “I won't apologize for my fervent desire to learn about design thinking, and to try to integrate both, business and design, into this sweet spot where wicked problems can be solved. I know I need to learn, and I am learning, and will continue to learn...”

The future speaks?

- * “Designers and businesspeople often mix like oil and water. Conventional thinking is that designers are egocentric aesthetes and businesspeople are penny-pinching prigs... Smart practitioners of both disciplines understand that amazing things are accomplished when talented people come together to explore the combined potential of their unique gifts. Collaboration is the catalyst for real innovation.”

A sign?

“Need to solve a tough business problem?
don’t hire an MBA”

mysteriously morphed into

“What Both MBAs And MFAs Get Wrong About
Solving Business Problems”

Business + Design = “whole brain”

- * To achieve organic growth, businesses need to continue to improve people’s lives by creating ever better products, services and markets
- * Without design, business will simply fight over a smaller pie
- * Without managers who choose design thinking, design will remain an outpost in a hostile world
- * Anything we do to expose managers to design thinking is moving towards goodness

A question

What if those **284,691** Telefonica people
who don't work for Pamela
bring just **1%** more
of their whole brain to work ,
what wicked problems might they tame?