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Leadership by design

Creating alignment between the
way we think and the way we act

**Continuously adapt your business to
create advances in innovation,
performance and organizational health.**

Why was a Dean of a Business School named one of the World's Most Influential Designers?

Author: Manie Eagar: PACTS

“Design Thinking balances analytical thinking and intuitive thinking, enabling an organization to both exploit existing knowledge and create new knowledge. A design-thinking organization is capable of effectively advancing knowledge from mystery to heuristic to algorithm, gaining a cost advantage over its competitors along the way. And with that cost advantage, it can redirect its design thinking capacity to solve the next important mystery and advance still further ahead of its competitors. In this way, the design-thinking organization is capable of achieving lasting and regenerating competitive advantage.” (Roger Martin, 2010)

Leading Business School Dean Roger Martin was named one of the World's Most Influential Designers

On February 1, 2010, Business Week announced the list of the Most Influential Designers in the World. The list of 27 included Roger Martin, Dean of the Rotman School of Management at the University of Toronto since 1998. He was also included on The Thinkers definitive listing of the world's top 50 business thinkers by the London Times (www.Rogermartin.com).

Why should we pay attention to this anomaly?

Review of the Foundations of Current Leadership and business theory and practice

The majority of current management theory practice is based on the perspective of an ordered and structured world, where cause-and-effect relationships are relatively predictable. The foundations of the industrial age were also the foundations for leadership theory and practice, promoting the concept that leaders are able to stand as independent, expert observers outside the system and impact on it with predictable results. Through applying certain well researched formulas and principles, leaders would be able to achieve results over time. Similarly business education focuses on individual modules, assuming that students will naturally integrate all of these into a coherent and practical whole.

This perspective also implied that there is a particular formula for effective leadership, and therefore significant effort was spent in studying the success of leaders, determining the qualities for success, and using these to create leadership models and developmental theories and practices.

During the past century, reductionism resulted in the fragmenting and specialisation of knowledge, with people become increasingly specialised in one field, without considering knowledge within other fields and the potential application or implication thereof in their own domains. The same happened within the domain of leadership and management.

The wicked problem of Current Leadership and business theory and practice

Those tasked with leadership responsibilities at all levels in different types of organisations, have to cope with increasingly dynamic global and local changes in the economic, social, environmental and technological landscapes.

Where we look, we see “wicked problems” – those problems that are difficult or impossible to solve because of incomplete, contradictory, and changing requirements that are often difficult to recognize and, because of complex interdependencies, the effort to solve one aspect of a wicked problem may reveal or create other problems. (Wikipedia).

At the same time companies find that they are unable to come up with game-changing innovations, such as the Ipad, or create new categories of business, such as Facebook. This, despite spending money on research & development and hiring top innovation consultants.

Consilience – A jumping together of ideas and knowledge

Integrative thinking, is “the ability to constructively face the tensions of opposing models, and instead of choosing one at the expense of the other, generating a creative resolution of the tension in the form of a new model that contains elements of the individual models, but is superior to each” <http://www.rotman.utoronto.ca/integrativethinking/definition.htm>.

And here then is the opportunity to bring together the discipline of business with classic design thinking allowing for such a consilience.

Business and Design need to find a common objective that lies beyond the present, beyond the temporary – a goal that goes beyond a single transaction or a specific product. Together they need to take responsibility for leading us away from mediocrity and to connect not just at a commercial level, but at a higher level, as well.” – Stefano Marzano, CEO, Philips Design

Design thinking and it's growing importance

A more dynamic world means that business would have to become a constant process of purposeful design. Leaders in this new dynamic world are expected to bring about transformation and provide for stability and sustainable success.

It is human nature to “shape and make” our environment to serve our needs and give meaning to our lives. Design is the activity of creating solutions through the purposeful and intentional use of the relationship between various elements and the composition as a whole. Ultimately, **design** is the one thing that creates differentiation that drives innovation in the form of creativity, ambidextrous thinking, teamwork, end-user focus, and curiosity.

Outside the box thinking is encouraged in these earlier processes since this can often lead to creative solutions, meaning making and significance.

Companies with a strong design emphasis outperform their competitors. Design is gaining rapid ground in sustainability and green solution creation. It is a high-concept aptitude that is difficult to replicate, outsource or automate, and will increasingly provide for competitive advantage in business.

IDEO, a leading US based design and innovation consultancy, and in particular its CEO Tim Brown originally popularised design thinking in the field of innovation. The stages of “by design” thinking include: definition, research, ideation, prototype, choose, implement, and learn. Within

these seven steps, problems can be framed, the right questions can be asked, more ideas can be created, and the best answers can be chosen. The steps aren't linear; they can occur simultaneously and can be repeated.

“The methodology commonly referred to as **design thinking** is a proven and repeatable problem-solving protocol that any business or profession can employ to achieve extraordinary results. Design in its most effective form is a process, an action, a verb not a noun.”
(Fastcompany, March 20, 2006)

Design thinking and analytical business thinking converge to create competitive advantages

Business leaders mistake design thinking to be the realm of abstract, conceptual modelling best left to product designers and branding experts. Some even see it as a new fad.

Yet design thinking has created competitive advantage for business for a long time. Consider this classic story about design – The Shopping Cart (1936) as described in the Corporate Design Foundation, Journal http://www.cdf.org/issue_journal/19.html

“An example of how one spectacular invention can prompt another is the supermarket shopping cart. By the mid-1930s, private automobiles and home refrigerators had become commonplace, giving consumers the means and the ability to buy more groceries at well-stocked self-service supermarkets proliferating across the country. Problem was that customers usually restricted their shopping to what they could comfortably place in their hand-held baskets; when it grew too heavy, they tended to stop.

One day in 1936 Sylvan Goldman, owner of the Standard/Piggly Wiggly supermarket chain in Oklahoma, contemplated the dilemma while idly staring across his office at two folding chairs. Then it hit him. By putting a basket on the seat and wheels on the legs, he could form a rolling cart - better yet, why not make it two baskets. Working with mechanic Fred Young, Goldman fashioned a metal frame with caster wheels supporting two wire baskets.

It was ingenious, but women initially shunned it because it reminded them of baby carriages, and men refused to use it lest they appear effeminate. Undeterred, Goldman secretly hired a few men and women to "demonstrate" how convenient it was to shop using the carts. His marketing ploy worked. Merchants across the nation saw it as a way to increase sales. Goldman formed the Folding Basket Carrier Company, later issuing improved models with nesting capabilities and built-in child seats. Soon, checkout counters and aisle layouts of supermarkets everywhere were being redesigned to accommodate shopping carts. In 1940, the *Saturday Evening Post* touted Goldman's invention as "the cart that changed the world." Indeed, it did.”

Modern case studies where design thinking has created significant competitive advantage are worth investigating to convince business leaders of the monetary rewards. Examples and references are listed below:

Name	Design Thinking Activities
Bloomberg Businessweek	Dedicated focus on Design with the purpose on how to best to educate the design thinkers and innovators of the future. http://www.businessweek.com/innovate/design/
Proctor &	Building design thinking into various activities, growing a design thinking

- Gamble facilitation team of 175 facilitators
- “P&G ‘s Design Function leads the work of infusing Design Thinking into the DNA of P&G in order to build irresistible brands that create emotional connection and delight consumers. <http://www.pg.com/jobs/cac/dm.htm>
<http://www.businessweek.com/innovate/design/>.
- Philips Design-led innovation has placed Philips lighting to transform itself from a company that pushes products into the market into one that designs them with customer desires in mind.
<http://www.design.philips.com/>
- Google Google’s Marissa Mayer is Vice President of Search Products and user experience ensuring the distinct Google user experience through careful designed engineering. "On the Web in general, (creating sites) is much more a design than an art," she said. "You can find small differences and mathematically learn which is right."
<http://news.cnet.com/newsblog/?keyword=Marissa+Mayer>
- Apple Apple is known for clever application of design, as reflected in the newly launched iPad: *Apple, instead, makes their living **by tightly controlling the experience of their customers**. It’s why everyone praises their designs. From top to bottom, hardware to software - you get an integrated experience. Without this control, Apple could not be what it is today.”
<http://www.lukew.com/ff/entry.asp?994>*

New Trend: Design thinking integrating into business education

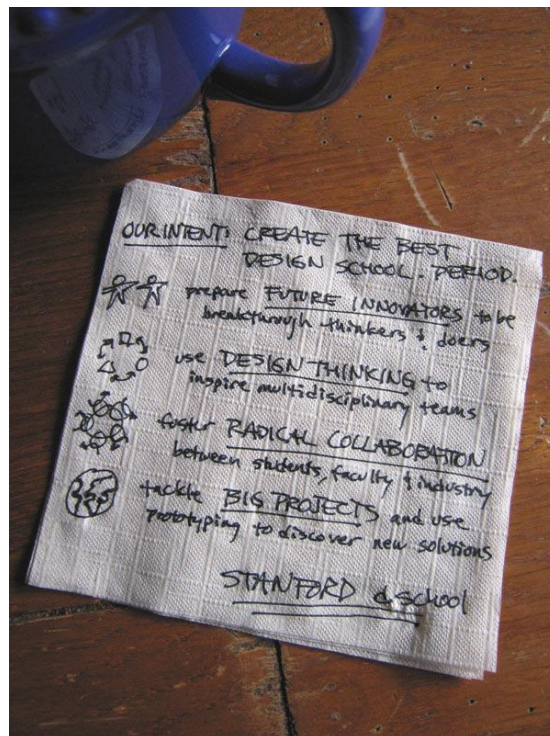


Image from www.ds.school.stanford.edu

Various business schools concluded that design thinking offers a new creative edge in business, and now offer design thinking as part of the curriculum. These include:

Name	Quote
Stanford Business School: The Stanford Institute of Design	“We believe having designers in the mix is key to success in multidisciplinary collaboration and critical to uncovering unexplored areas of innovation. Designers provide a methodology that all parties can embrace and a design environment conducive to innovation. In our experience, design thinking is the glue that holds these kinds of communities together and makes them successful.” (http://dschool.stanford.edu/
HPI School of Design Thinking in Potsdam, Germany	“The revolutionary concept of the Design Thinking approach is to group students in small multi-disciplinary teams so they can uncover unexpected innovations by combining their different points of views.” http://www.hpi.uni-potsdam.de/d_school/home.html?L=1
Design thinking and Business innovation at the University of St Gallen,	“The goal of the initiative is to help organizations by improving the knowledge, skills and capabilities of our students to become leaders for innovation in today’s business environment. The goal is not to become “designers” but to become managers that know how to combine their “business thinking” with “design thinking”. http://dtbi.iwi.unisg.ch/index.php?id=2
Rotman School of Management, DesignWorks Toronto:	“At the Rotman School of Management, we believe the mindsets and methods behind great design are also essential in building a successful enterprise – that’s what we call Business Design™.” http://www.rotmandesignworks.ca/
PACTS South Africa and the WITS Business School Collaboration	“STRATEX is an innovative approach incorporating the practical application of design thinking, social collaboration technologies and visual intelligence, creating an authentic experience of the convergence of innovative thinking and technology.” http://www.pacts.info/

Leadership by Design - a practical model for Design Thinking developed in South Africa

“The future belongs to a very different kind of person with a very different kind of mind.”
(Daniel H Pink)

Leadership by Design is a 21st century leadership development model created by Manie and MaRi Eagar and is based on design thinking. It is applied practically through STRATEX, which is offered in partnership with Wits Business School, where the focus is on providing individuals and organisations with critical competencies in closing the gap between ideas generation, strategy design and execution.

The model systemically build strategy design and execution skills through learning skills in stimulating new thinking to enrich Insight. Participants then learn how to open up possibilities for new sources of value and performance using design thinking which results in Innovation.

Speed and Agility in execution capability is created through application of business modelling and visual intelligence to turn ideas into action with speed using creative collaboration including social networking. Then leaders are taught the principles of making it all enduring and sustainable, balancing the tension between the present and the future. Pathfinder skills connect vision with purpose and passion.



Practical Questions to use in stimulating conversations about design thinking

Design thinking will stay an abstract theory unless you practically engage in discussions about the potential application and benefits for individuals, organisations, society and even the environment. Intriguing questions to tease out perspectives on design thinking could be:

- How can you design the worst (customer experience, destruction of your company, employee lack motivation, recruiting worst employees)
- What are the distinctions in your product/service? How were they designed?
- Which organization sets out to deliberately design negative/unpleasant emotions? But how many companies set out to deliberately simulate positive and pleasant emotions?
- Do you know what your customer's emotional expectations are?
- How many of your brand values are emotional? How were these emotions designed?
- How does your current market research uncover the real motivators (beliefs) of customers?

PATTERNS: DESIGN INSIGHTS BEHAVIOR CHANGE



Image from <http://www.ideo.com/>

Conclusion

Design thinking as a competitive advantage should not be seen as different to business thinking. Apple CEO Steve Jobs is an example of a leader who integrated design thinking with business thinking with spectacular results. The challenge facing executive development today is not just to focus on learning new content, but to facilitate how our leaders think, and promote design thinking as a practice to be incorporated in the organisational DNA and not an abstract “once-off” intervention.

About the Author

AS CEO of PACTS (Personal and Cultural Transformations), Manie’s design experience originates from many years of graphic design, brand communication and his early career in photo journalism. Manie has facilitated change and knowledge management, organizational development, ICT and e-business strategies and corporate communication strategies for some of South Africa’s most prominent business, government and parastatals to assist in managing the complexities of innovation, strategy and execution.

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References:

Books on design thinking

A Whole New Mind: Why Right-Brainers will Rule the Future, by Daniel H Pink (2006)

Change by Design: How Design Thinking Transforms Organizations and Inspires Innovation, by Tim Brown (2009)

The Design of Business: Why Design Thinking is the Next Competitive Advantage, by Roger L Martin (2009)

Internet resources on design thinking

www.rogerlmartin.com

http://en.wikipedia.org/wiki/Design_thinking

<http://dschool.stanford.edu/>

<http://www.rotmandesignworks.ca/>

<http://www.ideo.com/>