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Heads up. We highlight a research project yielding first-hand insights on design thinking in large business organizations. We'll keep you posted. For the moment, we share broad themes from this work in progress.

The Influence of Design Thinking in Business: Some Preliminary Observations

by Sean D. Carr, Amy Halliday, Andrew C. King, Jeanne Liedtka, and Thomas Lockwood

In the spring of 2010, the Design Management Institute and researchers at the University of Virginia's Darden School of Business launched a multistage research program to assess the prevalence and impact of design thinking in business organizations. This interim observation report aims to share with DMI's readers the design and progress of that study, along with some preliminary findings generated during Phase 1.

Study design

The primary objective of this study—sponsored by DMI and the Batten Institute, a center for the study of entrepreneurship and innovation at Darden—was to develop an understanding of the extent to which the methods, techniques, and processes traditionally associated with design and designers had been adopted within established business organizations. Spurred by burgeoning attention to the topic in the popular business press, our intent was to assess the actual impact that design thinking was having. We wondered: Was the increasingly prominent role of design in business just talk, or could we observe it in action? To what extent has design—and designers—been embraced by corporations beyond the traditional design functions? By gathering information about the pace and process of the adoption of design

thinking in business organizations, we hoped to inform designers and practicing managers about how to improve their collaboration and elevate and accelerate their recognition of design's capability to enhance innovation within their organizations.

The study was conceived of as involving two phases. Recognizing the difficulty of developing measures to assess the prevalence of design thinking using quantitative research approaches such as surveys, we thought it important to first develop a deeper understanding of the language and practices surrounding design-related work in large business organizations. To accomplish this, personal interviews with 10 to 15 selected experts at the intersection of design and business were planned for Phase 1. Based on these insights, Phase 2 would then involve the creation and administration of a survey to a broader cross-section of business leaders.

Beginning in April, we conducted a series of interviews with design and innovation executives in large corporations across a variety of industries. The idea was to start with design advocates who occupied roles at the interface between designers and managers and who we felt would be best positioned to help us to understand the relationship between the

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two and how it was evolving in their own organizations. Questions we asked included:

1. To what extent is design thinking gaining prominence as a management approach in your organization? Where do you see it practiced? What form does it take? Who is generally involved?

2. What are your thoughts about the progression a firm might go through as it becomes increasingly sophisticated in its use of design? How has your firm progressed? Where are you now?

3. We are also interested in the language used to describe design-related work and its aim. How do these ideas get talked about in your organization? Do they show up, for example, as relating to innovation, organic growth, customers? Who talks about them?

4. If you were interested in developing some concrete measures of the prevalence of design thinking in business organizations today, what would you look for? Examples might include:

   a. The creation of a chief design officer or chief innovation officer role

   b. The creation of a department devoted to customer experience

   c. Increasingly prominent roles played by design consultancies

   d. The hiring of additional employees in design management, particularly with design backgrounds/prior experience

In May and June, corporate interviews continued, and we decided to add several design consultants to our interviewee list to get their perspective on their clients' organizations. All completed interviews were then transcribed and reviewed, and we held a workshop to discover patterns and determine key insights.

Although any "findings" from this first phase of analysis must be seen as preliminary, we wanted to share with DMI's readership a brief overview of some of the more interesting discoveries.

Emerging themes

We began the study with a loosely held hypothesis that design thinking was in fact growing in influence in business organizations and that its trajectory would follow that of other influential approaches as its value was recognized more broadly and it entered mainstream management thinking. We took total quality management (TQM) as a process likely to be analogous. The progression of TQM, as we understood it, moved from promulgation by W. Edwards Deming and other early thought leaders, continued to the development of specific techniques (such as fishbone diagrams), and eventually gelled into a standard business practice supported by a cadre of highly trained experts. Over time, the approach was systematized and taught, at a basic level, to a broad cross-section of managers. TQM experts retained control over the certification of competencies (the "black belts" in Six Sigma, for instance) and continued to handle difficult quality issues and determined organizational standards and processes, but quality became a central focus and entered the vocabulary of all managers. In fact, quality is often referred to as existing only in organizations in which it is owned by managers rather than by quality

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experts: in other words, a distributed and shared commitment.

A fascinating thing happened as we progressed through the Phase 1 interviews. Our conversations with the design executives surfaced a different set of issues than we had anticipated—issues that sometimes seemed to have little to do with our hypothesis. Rather than talk about the prevalence of design thinking per se, interviewees wanted to talk about a deeper set of questions: Who owns design? How much design thinking should managers be encouraged to do? How do you sell design to business executives? Even the very definition of design thinking emerged as a contentious issue.

Here are some of the highlights of what we heard:

The ownership of design is hotly contested in some organizations.

We found significant tension over the territory of design coming from a subset of interviewees. "Everybody wants to own design; everybody wants to be a design expert; everybody wants to do what designers do," one said. Around the topic of innovation, there appeared to be "many hands in the pot." Responsibility for innovation seemed to be increasingly distributed across many groups in the organization: R&D groups (which sometimes experienced internal conflict between applied and blue-sky work); newer "innovation" groups (one example is the IBM model of emerging businesses); and business unit managers with P&L responsibility. Truly, all these groups could have benefited from a design skill set to do their work, but instead they often operated in silos that did not communicate or collaborate with one another.

Interviewees in the companies that were experiencing turf battles were concerned about the need to protect the design function against incursions by others. They spoke of a drift toward decentralization caused by placing designers on business unit teams, reporting not to the design function but to operating managers. Those in organizations with a more

collaborative environment seemed less concerned about this issue and more open to embedding designers within the business itself.

We noted a high degree of emotion accompanying this discussion; clearly, there is a lot of interest, concern, opportunity, and even pain out there on the part of design leaders as the industry evolves.

Defining and differentiating between design and design thinking is a prime source of contention.

Within our group of design executives, we found some stark conceptual divides over the very definition of design thinking, with some defining it as simply "what designers do." A belief that there is no design process that can be considered apart from the field itself dominated this perspective; thus, there was no meaningful distinction to be made between design and design thinking. Design thinking is, by this definition, about how designers use the techniques and methodologies taught in design school to solve design problems.

On the other hand, other interviewees insisted on a distinction between design and design thinking. To them, design thinking was a distinctive way of solving problems. Many in this group described the discrete

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aspects of what they saw as a rigorous approach: customer ethnography, visualization, pattern finding, ideation, and rapid prototyping. To those who shared this view, design thinking can be applied to any business problem, whether or not it is product-related. And because this problem-solving methodology can be uncoupled from the design function, it can be scaled throughout an organization.

Teaching design thinking to managers is a very good—or a very bad—idea.

From this basic conceptual divide around definitions emerged a related set of views about who should employ design thinking. Not surprisingly, those who defined design thinking as something trained designers do did not see it as a useful tool set for managers to acquire. These interviewees not only doubted that it was possible for managers to acquire such

skills; they also thought it was a bad idea to encourage them to even try. They suggested that managers should learn to appreciate the value of design, rather than try to practice it. Indeed, they framed this as a practical matter: Designers acquire their skill set through particular training followed by specific on-the-job experience. Managers receive different training; a manager trying to do design thinking was likely to lower the quality and credibility of design in the organization. One interviewee noted, "Whether it's R&D, engineering, or marketing, [managers] often admire the outputs of designers but don't understand or appreciate the tools, approaches, and processes designers use to get those outcomes."

We also heard the opposite view: Managers not only could become design thinkers but should—so powerful is that process for finding innovative solutions to all categories of business challenges. One of our interviewees explained that in his experience, teaching the design thinking approach to executives actually increased designers' visibility and clout: "You mean, my designer has been trained in this and has been doing this for 15 years? I need more of that! Now I understand when they bring me these things where they got them and where they came from."

You don't sell design in business organizations by telling managers to think like designers.

Despite differences in definition and ownership, one nearly universal point of agreement emerged—the term "design thinking" was fraught with problems in all but the most design-savvy organizations. Managers, we were told, found the term confusing and off-putting. Many of our interviewees noted that executives often hear the word "design" and think only of the aesthetics of a physical object, or even the final stage in the development of a product—cake decoration, as one interviewee described it.

So how do you sell design, we asked? "Talk like a strategist, not a designer," we were told. Adopt business language; talk about business outcomes. Speak to customer impact, brand, revenue growth, and return on investment—things that are on managers' minds. Tell stories of design's successes, and develop metrics to demonstrate them.

Phase two

As we look to Phase two of the study with the business executive community and the development of a more structured approach to studying our original questions, we are faced with additional ones:

If design thinking succeeds as a popular managerial tool, how might it influence the credibility and clout of design managers and designers, and of the design function within organizations?

Will efforts to protect the integrity of design by keeping it in-house as a separate function succeed? What is the best way to integrate design and design thinking? Which path is in the best interests of design as a field? Of designers? Of business performance?

It would also be interesting to explore the relationship between attitudes about who "owns" design and organizational context and culture.

Stay tuned. ■

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