

Designing for Growth

a design thinking
tool kit for managers

By Jeanne Liedtka and Tim Ogilvie

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Every business owner dreams of creating the equivalent of the iPod, but all too often they believe that they are out of their league when it comes to unleashing that kind of innovation and growth. So they throw up their hands and go back to poring over spreadsheets and market research reports in the search of the next silver bullet, the next catalyst for growth.

But design is not magic. It is not an enigma, a mysterious no-man’s-land where only the brave and the brilliant dare tread. And it certainly does not mock any idea that a formal process could exist for navigating its many hairpin turns.

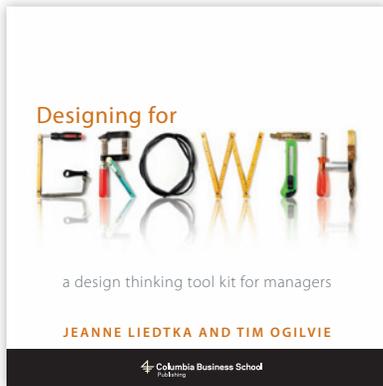
“Design thinking” is a topic that recently burst onto the scene accompanied by lofty promises but precious few practical details. *Designing for Growth: A Design Thinking Tool Kit for Managers* is the book that provides those details. Going beyond the basic theory and philosophy of recent books about the topic, it shows readers how to apply design thinking in a step-by-step way to solve complex growth opportunities.

Authors Jeanne Liedtka and Tim Ogilvie assure readers that business leaders already have the power to design for the 21st century—they just need to figure out how to use it. And they say that any leader of innovation in an organization has likely been practicing design thinking all along.

In *Designing for Growth*, Liedtka, a professor at the University of Virginia’s Darden School of Business, and Ogilvie, CEO of innovation strategy consultancy Peer Insight, present design thinking as a systematic approach to problem solving built upon four questions:

1. **What *is*?** Exploring the current reality
2. **What *if*?** Envisioning alternative futures
3. **What *wows*?** Getting users to help make tough choices
4. **What *works*?** Making it work in-market, and as a business

Aligned to the four questions are ten tools, including customer journey mapping, value chain analysis, customer co-creation, and the learning launch. To make them come alive, readers are introduced to a number of practicing managers who are all using design thinking to drive innovation and growth in their organizations, including accountants, marketers, a nurse and an engineer – none of whom have design training.



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Designing for Growth aims to demystify design thinking by decoding design from an abstract idea into a practical, everyday tool from which any manager can profit. The book explains that the process starts with customers and the ability to create a better future for them, it acknowledges that we probably won't get that right the first time, and it assures us that making it work certainly does not require supernatural powers.

Using a business perspective and business language, Liedtka and Ogilvie:

- Translate the vocabulary of design
- Unpack the mysterious connection between design thinking and profitable growth
- Introduce a systematic process, complete with simple project management aids
- Teach readers the ten tools you'll need to marry the design approach to traditional business thinking in ways that enhance their ability to profitably grow their businesses

Design is ready to step out of the graphics department and take on complex business and social challenges, but practicing managers don't care for buzzwords and platitudes. Managers are doers, and when they hear about a promising solution, they want to know how to do it.

Designing for Growth converts the fundamental promise of design thinking into a straightforward system that readers can use immediately to deal with uncertainty and create growth and innovation. It can help business owners connect deeply with users, reframe their challenges, get new insights, and prototype their way to unexpected solutions that create sustainable growth.

Written in an approachable, hyperbole-free tone, *Designing for Growth* will help business owners, executives, managers and staff discover the strengths they already have and teach them how to develop some new skills, providing the tools and templates to make readers instant brown-belts in design thinking.

Jeanne Liedtka

Jeanne Liedtka is a member of the Strategy, Ethics, and Entrepreneurship area at the University of Virginia's Darden School of Business, where she has taught since 1989. Formerly the executive director of the school's Batten Institute, a foundation established to develop thought leadership in the fields of entrepreneurship and innovation, Jeanne has also served as chief learning officer for the United Technologies Corporation (UTC), headquartered in Hartford, Connecticut, and as the associate dean of the MBA program at Darden. Jeanne's current teaching responsibilities focus on design thinking, innovation, and organic growth in Darden's MBA and Executive Education programs.

Jeanne's current research explores how design thinking can be used to enrich our ability to create inclusive strategic conversations about organizational futures. Her previous book, *The Catalyst: How You Can Become an Extraordinary Growth Leader* (Crown Business, 2009), is based on a three-year Batten Institute study of operating managers who excelled at producing revenue growth in mature organizations. *The Catalyst*, coauthored by Robert Rosen and Robert Wiltbank, was named by *BusinessWeek* as one of the best innovation and design books of 2009.

Jeanne received her DBA in Management Policy from Boston University and her MBA from the Harvard Business School. She has been involved in the corporate strategy field since beginning her career as a strategy consultant for the Boston Consulting Group.

Tim Ogilvie

Tim Ogilvie is the CEO of Peer Insight, an innovation strategy consultancy, where he has made pioneering contributions to the emerging disciplines of service innovation, customer experience design, and business model exploration. His clients include AARP, Bank of America, Diebold, GE, Hallmark, Hewlett-Packard, Pfizer, Procter & Gamble, Starwood Hotels, and The Hartford. His projects seek to create organic growth by using design thinking methods to link new customer experiences to scalable business models.

He has also consulted to five governments and influenced innovation policy from the United States to the European Union to Taiwan. In 2007 he coauthored "Seizing the White Space: Innovative Service Concepts in the United States," published by Tekes, the Finnish funding agency for R&D. This publication established the precepts for service innovation that are being embraced by public policy makers and leading private firms in the European Union.

Tim is a visiting lecturer at the University of Virginia's Darden School of Business, where he teaches customer-centered design and innovation. He holds a master's degree in Computer Integrated Manufacturing Systems from the Georgia Institute of Technology and a BA in English from the University of Virginia.

Design is ready to take on complex challenges, and *Designing for Growth* cuts through the fancy vocabulary to make the process simple and intuitive. The design thinking approach presented by Jeanne Liedtka & Tim Ogilvie relies on four very basic questions, which correspond to the four stages of the process: **What is?** **What if?** **What wows?** and **What works?**

The **What is** stage explores current reality. **What if** envisions a new future. **What wows** makes some choices. **What works** takes us into the marketplace.

There are ten essential tools that a design thinker uses to address the four questions. These are the tools they need to create new possibilities and reduce risk as they manage the inherent uncertainty of growth and innovation.

Designing for Growth unpacks each of these stages and tools so that readers can apply them to their own growth challenges, using the stories and voices of everyday managers with no design training.

The Ten Tools

1. **Visualization:** using imagery to envision possibilities and bring them to life
2. **Journey Mapping:** assessing the existing experience through the customer's eyes
3. **Value Chain Analysis:** assessing the current value chain that supports the customer's journey
4. **Mind Mapping:** generating insights from exploration activities and using those to create design criteria
5. **Brainstorming:** generating new possibilities and new alternative business models
6. **Concept Development:** assembling innovative elements into a coherent alternative solution that can be explored and evaluated
7. **Assumption Testing:** isolating and testing the key assumptions that will drive the success or failure of a concept
8. **Rapid Prototyping:** expressing a new concept in a tangible form for exploration, testing, and refinement
9. **Customer Co-Creation:** enrolling customers to participate in creating the solution that best meets their needs
10. **Learning Launch:** creating an affordable experiment that lets customers experience the new solution over an extended period of time, to test key assumptions with market data

Jeanne Liedtka and Tim Ogilvie noticed something curious in their research of the most successful growth leaders. They found their subjects never mentioned speed as a key aspect of their work, yet they saw it in everything that they did. Indeed, speed seems to be wired into growth leaders.

To better understand how speed fosters success on growth projects, Liedtka and Ogilvie convened a working group of 12 companies, including McDonald's and Kaiser Permanente, which shared their respective "cheat sheets" for speed. Liedtka and Ogilvie then supplemented their tips with some that they had gleaned from their own research as they developed their new book *Designing for Growth*:

1. Choose a burning platform as a place to start
2. Tell a human-centered story to arouse passions
3. Care about speed; make the words "by when?" part of every conversation
4. Agree on audacious goals
5. Agree on a fast decision-making model (who decides, when do they decide, using what criteria?)
6. Set public deadlines (but not too public!)
7. Don't debate; experiment (learn by doing)
8. Share your ideas when they are just "good enough" (have the courage to look foolish)
9. Let others validate your ideas
10. Speak the truth about failures (and what was learned)

There was a time when people looked forward to participating in brainstorming sessions. Today, the bloom is off the brainstorming rose, and little wonder why: Nearly every manager has been involved in failed brainstorming, where you go to an off-site location, play with squishy balls, are entertained by an external facilitator with little grounding in your business, create a zillion Post-it notes, and end the day in a room cluttered with debris and with no follow-up process in place. Here are four reasons people hate this type of brainstorming, along with our solutions to create sessions people will love—because they improve the future of the business.

- 1. Problems are poorly framed:** There are two kinds of people in brainstorming: the extroverts who shout out ideas no matter how irrelevant and the introverts who wish they could be somewhere else. Both kinds of people struggle when challenged merely to “think outside the box.”
Solution: Don't invite people to think outside the box. Instead, give them a clearly defined box by framing the challenge through user research and then providing good trigger questions.
- 2. The usual suspects say the usual things:** Instead of bringing the strongest, most diverse team into a brainstorm, many project leaders invite large numbers of people for political reasons. Everyone brings their pet projects into the session and uses the time to justify them. The social extroverts take over despite the best efforts of the external facilitator. Result: Nothing is said that we haven't heard before.
Solution: Keep the group small (12 people at most) and diverse.
- 3. Brainstorms turn into critiques:** Most brainstorming sessions lack ground rules, so it is very easy for these sessions to turn critical instead of productive. After all, our inner critic is used to having a front row seat in business meetings.
Solution: Set ground rules (such as, “Withhold judgment”). Enforce them quickly and without exception.
- 4. Brainstorming makes more work, and the organization is going to kill all these ideas anyway:** Often there is no follow-up process for a brainstorm. And if there is, there is little reward for trying something innovative and a great penalty for advocating anything difficult and improbable.
Solution: Don't conduct brainstorming unless there is a financial commitment to explore current reality, a team in place to develop alternative futures, and a sponsor with a track record of courage to see the project through.

With or without the benefit of MBA coursework, professional managers tend to follow a set of maxims that simplify their professional lives. Sayings like “Keep your boss in the loop” and “It’s sometimes better to beg forgiveness than to ask permission” are good examples. Unfortunately, some of the old, reliable tenets don’t work anymore. Here are six common management myths that will definitely make your life more difficult.

Myth 1: Don’t ask a question you don’t know the answer to.

This one is borrowed from trial lawyers, and it traveled into mainstream business because it always seems career-enhancing to look smart. Unfortunately, growth opportunities do not yield easily to leading questions and preconceived solutions. A better maxim for growth leaders is: **Start in the unknown.**

Myth 2: Think big.

There are always pressures to be sure an opportunity is big enough, but most really big solutions began small and built momentum. How seriously would you have taken eBay (online auctions?) Or PayPal (online escrow?)? In an earlier era, FedEx looked like a niche market. To seize growth opportunities, it is better to start small and find a deep, underlying human need to connect with. A better maxim for growth leaders is: **Focus on meeting genuine human needs.**

Myth 3: If the idea is good, then the money will follow.

Managers often look at unfunded ideas with disdain, confident that if the idea were good it would have attracted money on its own merits. The truth about ideas is that we don’t know if they are good; only customers know that. Gmail sounds absurd: free e-mail in exchange for letting a software bot read your personal messages and serve ads tailored to your apparent interests. Who would have put money behind that? The answer, of course, is Google. In that light, a better maxim for growth leaders is: **Provide seed funding to the right people and problems, and the growth will follow.**

Myth 4: Measure twice, cut once.

This one works fine in an operations setting, but when it comes to creating an as-yet-unseen future, there isn’t much to measure. And spending time trying to measure the unmeasurable offers temporary comfort but does little to reduce risk. A better maxim for growth leaders is: **Place small bets fast.**

Myth 5: Be bold and decisive.

In the past, business cultures were dominated by competition metaphors (sports and war being the most popular). During the 1980s and 1990s, mergers and acquisitions lent themselves to conquest language. Organic growth, by contrast, requires a lot of nurturing, intuition, and a tolerance for uncertainty. Placing bold bets falls well short of our proposed maxim: **Explore multiple options.**

Myth 6: Sell your solution. If you don’t believe in it, no one will.

When you are trying to create the future, it is difficult to know when you have it right. We think it is fine to be skeptical of your solution, but be absolutely certain you have focused on a worthy problem. You’ll iterate your way to a workable solution in due time. In this case, we propose two design-based maxims: **Choose a worthwhile customer problem and Let others validate.**

“This book is a magic hat for managers. Reach inside and pull out value creation and inspiration for a process that used to be reserved for magicians of design and white rabbits.”

– Scott Williams, Principal, Scott Williams & Co., former Chief Creative Officer for Starwood Hotels

“*Designing for Growth* is a well crafted fusion of an inspired point of view and a coherent framework for understanding on how practitioners can more effectively step up the Innovation intensity to service and product development. It does so with an engaging voice and a light touch. It is rich in practical anecdotes and guidelines, but avoids the drudgery of an academic methodology, by design.”

– R. Lemuel Lasher, CSC, President, Global Business Solutions Group (GBS) & Chief Innovation Officer

“The best designers seem to have an almost magical gift for finding creative solutions to problems we didn’t even know we had. This book will teach you how to capture that magic and turn it into a problem-solving process that can create a better future for your customers and yourself.”

– Daniel H. Pink, author of *Drive* and *A Whole New Mind*

“One trait that sets leaders apart is their ability to turn vision into ideas, and ideas into action. This utterly refreshing book zeroes-in on the iterative dance between ideas and action – sometimes called design thinking – using simple language and clear examples. If you feel like you’ve been stuck in your left-brain, or not utilizing your creative edge to full capacity, consider this book your roadmap to creative nirvana!”

– Brendon Burchard, Founder, Experts Academy and author, *Life’s Golden Ticket*

“This is an intelligent ‘how-to’ follow up to the first wave of popular design books, and will serve as a useful guide to going through a design project from start to finish.”

– Roger Martin, Dean of the Rotman School of Management, University of Toronto

“Add the stories and tools found in *Designing for Growth* (a very compelling read) to your leadership tool kit to insure that innovation and organization renewal become part of your leadership portfolio.”

– Stanley S. Gryskiewicz, Ph.D., Founder and Board Chair, Association for Managers of Innovation, and Senior Fellow, Center for Creative Leadership

"Designing for Growth is for leaders who wish their organization could grow faster but don't know how to do things differently. It translates what might seem to be an unexplainable 'creative' process into an accessible language and set of tools. There is no substitute for seeing and touching a tangible example of innovation – and then discovering if people will buy it!"

– Lauri Kien Kotcher, chief marketing officer, Godiva Chocolatier

"This book slices through the design thinking fog to provide practical ways to use design methods that will generate value for your organization."

– Ryan Armbruster, vice president of innovation,
UnitedHealth Group

"Jeanne Liedtka and Tim Ogilvie wonderfully illuminate the kind of thinking that 21st century organizations need to solve problems, innovate, and grow. And they give managers a wealth of hands-on tips and tools they can put to work right away. Penetrating insight, practical applications—a terrific combination."

– David Wickenden, executive vice president
and senior partner, Fleishman-Hillard

"This isn't a book of answers. It's a book of questions, of how to choose the best ones, and how to get customers and partners to answer them. That's the crux of design thinking. The simple organizing framework—What is? What if? What wows? What works?—is my new mantra for innovation and growth."

– Mark Stein, Managing Director, Kaiser Associates,
and author of *Successful Onboarding*

"The most powerful message is the book's underlying premise: that business is ultimately a social activity performed by humans. With that framework, the authors build a compelling case that user empathy will improve ROI, and they deliver the tools to get you started."

– Greg Littleton, COO, Smart Design

1. What do you mean by design thinking? What other types of thinking are there?
2. Does design thinking mean creativity?
3. What makes design thinking difficult?
4. Aren't some people just better design thinkers than others?
5. Why is design thinking important at this time?
6. When is design thinking appropriate? Is it right for every situation?
7. What's an example of a design thinking tool that is easy for an untrained person to use?
8. Some cultures are known for design – Italy, for example. Does that mean they are also good design thinkers?
9. President Obama made a big point of the need for innovation in the U.S. How does design thinking support his vision?
10. Does design outweigh other considerations such as technology, cost, etc.?
11. What firms are the standard bearers for design thinking? Is Apple at the top of the list?
12. How has the education system responded to the need for design thinking?