



starting the conversation
with sam bucolo

- 1. Who is my customer and what problem am I solving for them?**
- 2. What business activities across the organisation are carried out on a daily basis, which ensure we are focused on addressing our customer's issues?**
- 3. What could I do less of that does not directly address my customer's problems?**

likely other members of the organisation are also not able to provide a suitable response and therefore elements of the organisation will most likely be 'poorly designed.' The Design Led Innovation process is a proven approach to increase top-line growth in today's uncertain economic conditions, but will require firms to invest time, energy and resources to ensure that all aspects of the company align to a deep understanding of the company and the customer they are serving.



successful business must and should be defined around an empathetic view of their customer.

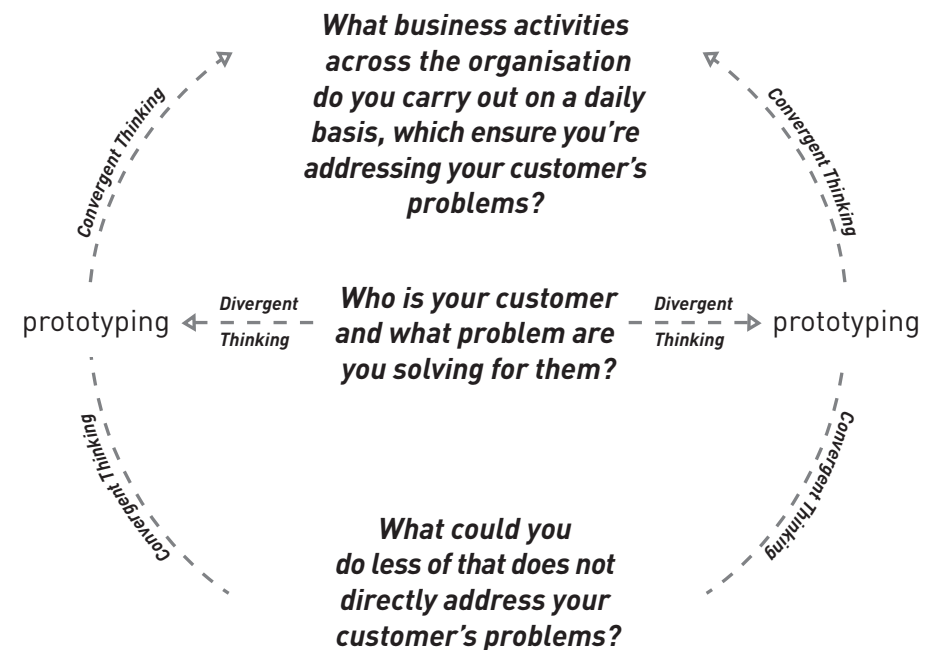
I've found that most firms struggle most with the last question, "What could you do less of that does not directly address your customer's problems?" Once the customer and their needs have been identified, a firm needs to take an objective view of what activities (for example departments, innovation programmes, products and services) the company no longer needs or could be redeployed.

I often hear that firms are too busy to innovate and they don't have enough hours in the day to look at another innovation programme. Innovation can also involve taking away activities to simplify a business structure. Ensuring that everything and everyone in the organisation aligns to the understanding of the customer is the foundation of leading by design. However to do this, firms need to open up their thinking to see innovation as more than just something new that requires time and resources. It often requires *stopping* something, something that may no longer be adding value to a customer.

I regularly see firsthand that innovation inside SMEs is not usually framed around simplifying a business and stopping certain activities. What I often hear back from firms is that these activities are too difficult to stop and in most cases they may be cash flow positive. In the long term, they may be detrimental to the business as they are not providing any real value to the customer.

These three questions get to the heart of Design Led Innovation. The first question forces the firm to expand its understanding of who its

customer is and what current problems the company is solving for them. Having this customer centric view will allow for divergent thinking within the organisation and will enable new ideas and opportunities to emerge. The last two questions form the second aspect of how design can assist a business to innovate. Design isn't just about coming up with new ideas. Design is very much about getting to an outcome and ensuring the solution is refined, elegant and purposeful. To achieve this the firm must also adopt a divergent and convergent thinking mindset to ensure everything it does can be directly related back to



- Convergent Thinking Mindset

Centor has created the best door system in the world. *Centor's* staff feel they have solved unsolvable problems and achieved a breakthrough. The orders and financial rewards are following.

I love *Centor's* story. I admit it was difficult challenging Nigel and his company, so thoroughly and consistently. Nigel says I would come in periodically and ask confronting and challenging questions and would sit there nodding and smiling, knowing that he knew the answer and didn't like it, but it was time to face up to it. He rose to the challenges, and brought his whole company with him. Sure it was uncomfortable, but he doesn't regret a minute of any of it because the outcomes are worth it.

The key lesson from *Centor's* story is that the starting point was not a company in distress - *Centor* was far from that - but the CEO needed to be challenged about how they undertook innovation and for whom. Many CEOs indicate they are rarely challenged on what they do. Design allows for this conversation to be started.

The second key learning was that by asking the three questions: Who is your customer and what problem are you solving for them? What business activities across the organisation do you carry out on a daily basis, which ensure you're addressing your customer's problems? And what could you do less of that does not directly address your customer's problems? forced the entire organisation to rethink how it could provide value to its customer.

Without the leadership provided by the CEO, this depth of company renewal could not have been achieved. Likewise, if Nigel

hadn't brought all his staff along on the journey, by building a common understanding of their customer and allowing staff to make decisions about how they could provide value to the customer, *Centor's* new business model would have remained a great idea and never been put into practice. Leading by design allows for both activities to be undertaken and is critical for a firm's future success.

Throughout this book I'll share the stories of some of the companies that I've worked with like *Centor* and who have generously given me their time, energy and insights. These case studies will illustrate that becoming design led is a journey and it's the mindset that the CEO and then the entire company takes on this journey, which is the critical path. There is no how to manual, but a CEO can feel confident that reflecting on how these principles and concepts can be applied to their own business, will extend their innovation efforts.



and about understanding future customer problems.

The people I needed in the room were a mix of these roles: the CEO or owner of the firm who was ultimately responsible for the entire operations of the business; the head of marketing (if that role existed); and ideally the head of the design department or engineering team (again, if that role existed). For a small business, this was a big ask but it was something that I began to insist on to ensure that the barriers of business could be broken down together.

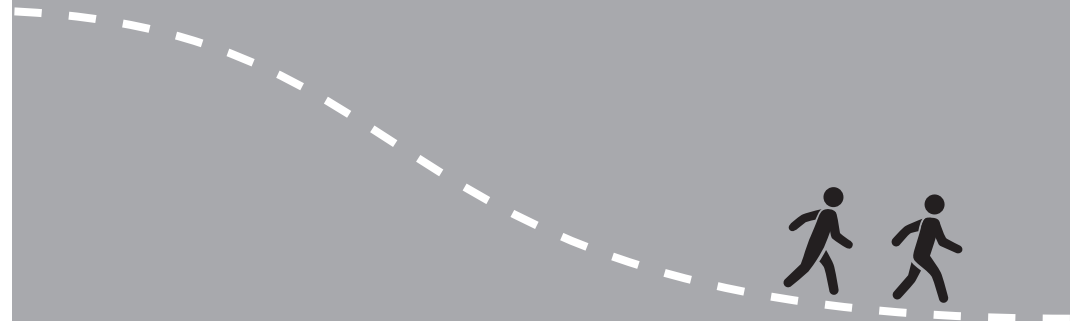
Getting these leaders in the room to start to collectively look at the business was a vital first step. It allowed me to highlight what I often see as a critical problem faced by business. As I stated in Chapter 1, alignment of business activities across an organisation against a clear definition of its customer is the core of Design Led Innovation.

However, getting an organisation to understand that there's little or no consistency in the understanding of the company's strategy and customer is no easy task. Only by being brave and asking the question and by answering it honestly, can the firm start to reveal – and understand – the issue of disconnection within their company.

What I've found is that there are a number of different techniques and approaches, which have helped to start this conversation and get the firms on the journey to becoming design led. I'll share these through four different case studies, which I hope will inspire the start of conversations within companies.

*Rinstrum*¹ is a quintessential Australian SME set up in 1992, making components for the weighing industry. I have worked with

“Put senior leadership in one room and ask them what the company's strategy is and why it was developed and there will be as many answers as there are people in the room.”





and is no longer just a series of product specifications. To achieve this shift in thinking, they undertake short design projects centred on understanding what the user's problem is that needs to be solved; rather than committing to an entire business case or research and development programme with a critical path analysis that doesn't allow for changes to be made once they learn more about the customer problem. Now, if the initial prototyping process shows up a challenge, it's quick and easy to review the direction and not compromise on providing an integrated solution.

Earlier in this chapter I discussed how a key part of the design led journey is getting firms to reframe how they see design. Sure, *Rinstrum* has a design department with some very talented designers. But design, as applied to business, is different. And yes,

they have a sales team with a strong track record, but that doesn't mean a company knows its customer.

Design Led Innovation in the *Rinstrum* context was shifting their perspective about design to focus on understanding customers before they started building technical solutions or making a sale. Through the process of prototyping with their customers, they are now able to reframe what the real problem is and provide both technical solutions and a business model, integrating several partners without compromise.

danish design ladder ³

STAGE 1: NO DESIGN

No tangible approach to design within a firm.

STAGE 2: DESIGN AS STYLING

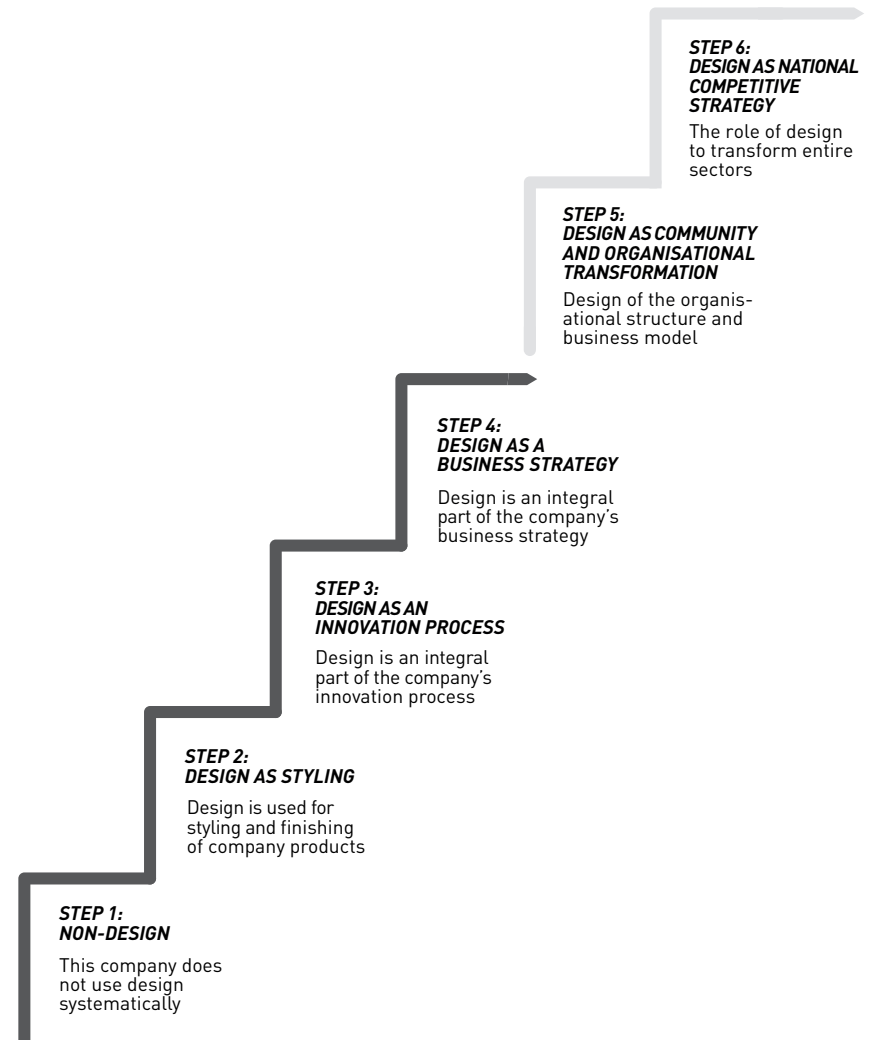
Design is relevant in aesthetic considerations such as style, appearance and ergonomics.

STAGE 3: DESIGN AS PROCESS

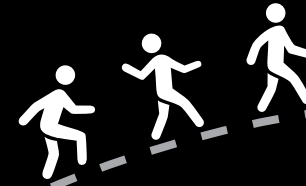
Design is considered as a process or method in product or service output, only embedded in the initial stages of development. The design solution is procured externally and is adapted to the requirements of the end-user using a multidisciplinary approach.

STAGE 4: DESIGN AS BUSINESS STRATEGY

Design is integral to the company's continuous renewal of their business concept as a means of encouraging innovation. Process is fused with the company's key objectives and plays a role at every stage of development.



- extended *Danish Design Ladder*



CHAPTER 3

**i don't think this way,
therefore my staff
don't think this way**

emerge at the turn of the 19th century, as discussed by the philosopher, Charles Sanders Peirce². Peirce quite radically challenged the commonly held theory of logic at that time. Peirce's approach focused on looking at how we could learn from what happens in practice, rather than describing how it should happen. A high level summary of Peirce's contribution was to argue that 'deduction' proves that something must be and exist, whereas 'induction' shows that by looking at the outcomes you can determine or induct why it had occurred. To counter these two views he coined the term 'abduction' to allow for instances where a desired outcome can be considered, but cannot be linked to an understanding of how or what is required for it to occur.

Peirce's theory is heavy, but is easily found when delving deeper; but essentially it's this hypothesising of what may be, the act of producing propositions or conjectures, that is central to designing; and therefore 'abduction' should be thought of as the theoretical logic of design and therefore Design Led Innovation.

Nigel Cross, a British academic, a design researcher and educator, and *Emeritus Professor of Design Studies at The Open University* in the UK, has written extensively on the theory of design thinking³. He has built upon the work of Peirce by observing extensively how designers work. One phrase I particularly like about his description of the design process is that "designers recognise that problems and solutions in design are quite closely interwoven and that 'the solution' is not



DEDUCTION



INDUCTION



ABDUCTION



This is a good time to reflect on the mindset that a CEO brings to problems. How different is it to what I've described in the chapter? Answering this question may first require reflecting on how the CEO goes about solving the biggest challenges in their company. When was the last time something was learnt from a failure and why? When was the last time the CEO was surprised by something a customer said and acted on it?

Learning to think like a designer can be done, although it requires discipline to prevent falling back into old habits and jumping to a solution.

Now that I've covered off on what are the main stages of Design Led Innovation are, I'll focus on some of the practical steps to start this journey and describe some of the signposts along the way.

