TREND BRIEFING

The Marketer’s Guide To

Design Thinking

Everything a marketer needs to know of the purpose and process of human-centred design within organisations.
This report edited by
MICHELLE DUNNER.

Foreword by
ROBERTO VERGANTI.

Executive summary

Fad or fashionable? Flaky or fundamental? No matter which side you lean towards, design thinking is undoubtedly a hot topic.

It’s a process that continues to win recognition as a core plank of strategy by an ever-growing list of businesses, seeking cut-through and differentiation in their crowded markets. And it’s not just the preserve of start-ups. The interest in design thinking and the role of designers more broadly has seen a number of major organisations ramp up their capabilities.

Late last year, Wired reported that IBM was busy building the biggest design team on the planet, while UK banking giant Barclays had become the largest employer of designers in London. That significant change in mindset came about not only because of a renewed focus on the customer experience, but also due to competitive challenges from untraditional players, such as Google’s push into financial services.

Even Microsoft is said to be employing more designers than engineers now – a seismic shift in attitude.

But even with such high-profile examples, is there underlying resistance to embracing design thinking, especially among larger, more traditional and, perhaps, less agile organisations? Is it still misunderstood, undervalued or dismissed as being yet another business buzzword?

And further questions need to be asked: Do you need to be a designer to implement or drive a design thinking process? Does design thinking sit most naturally with the marketing function within an organisation or elsewhere?

At issue is the very definition of design thinking and its application beyond its roots in product design and engineering. In essence, design thinking is a process that harnesses creativity to resolve problems and create solutions with the intent of making a product, a service, or a business, better.

Up to now, companies that have made use of design thinking are often of a similar mindset, and that is to cultivate a more customer-centric or human-centred culture.

To gain full value from design thinking processes, though, academics such as RMIT University professor of design Gerda Gemser are more direct, saying companies need to “get out of the ivory tower”.

It’s an approach that moves away from an analytical or evidence-based model and, as such, can lead to value judgements about its worth and usefulness, particularly in industries like financial services where data-driven evaluation has ruled, unchallenged.

Deloitte, just over 10 years ago described by BRW as a ‘sick puppy’, has effectively reinvented itself by using design thinking – not only as it applies to the firm’s burgeoning digital business, but in an integrated strategy that encompasses all of its business units, including tax and auditing.

While the Deloitte marketing team has championed the design thinking process, it has been embraced much more widely within the organisation’s overall strategy. There’s no requirement to be a designer with specific creative or spatial skills; rather the Deloitte team has been trained by some of the world’s foremost exponents of design thinking, including Stanford’s d.School and Italian professor Roberto Verganti, to develop a new mindset.

There is a plethora of benefits on offer to organisations that embrace and follow through with the design thinking process. At its very heart is the ability to work, at the same time, on the issues of both the present and the future, exploring a range of solutions. Its iterative nature can offer solutions to problems as the process runs – potentially opening up alternative paths, new solutions or, indeed, the ability to redefine the initial problem.

Some see design thinking as the integration of left and right brain disciplines to be a required strategy essential to business success. Others are more blunt – they see the application of the design thinking process to solve problems or issues, especially as they relate to customer experience, as a no-brainer. ▲
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Design is in its heyday. It's spreading to all industries. Why?

Because any organisation needs innovation to compete or simply survive.

No innovation, no business.

But there's a lot of confusion about what innovation is. Innovation is not just an improvement in performance. We can improve performance without generating any business results. Would it make sense to create a faster car? Or a razor with seven blades? Or photographic cameras with billions of pixels?

Innovation is useful only when it creates value for people.

No value, no innovation, no business.

So, where does value come from? Simple: people give value to things that mean something to them. And people search for meaning. Whenever they do something in life, there is a meaning behind it, there is a purpose, there is a 'why'. And they use products and services that support this search for meaning. For example, they switch on light bulbs because it makes sense to welcome home friends in a bright and shiny room. They use fast robots in order to improve the productivity of a process.

But the search for meaning is becoming the core of market dynamics. It is now a protagonist in the ordinary life of people, to the point of becoming the way we look at how people buy and use things. This is for two reasons. First, we live in a world full of opportunities where, according to sociologist Zygmunt Bauman, "The question mark has moved from the side of the means to that of the ends." And, second, this world keeps changing, so people are constantly in search of new meaning. Markets are driven by meaning.

No meaning, no value, no innovation, no business.

So, where does meaning come from? The meaning of things comes from design. Firms often assume that meaning exists 'out there' in the market – that people have a predefined purpose, a need. And they search for new solutions, a new 'how', to serve this existing purpose better and better – a brighter lamp, a faster robot.

But people are not only in search of new solutions to existing problems. They are also in search for new meanings, for new 'whys', because their life keeps changing and because they are delighted by the discovery of new directions, by an expansion of what they can do and feel.

Meaning can be designed and proposed. And when people are offered a new 'why' that makes more sense, they fall in love. Families nowadays invest more in candles lasting only 30 hours, rather than in long-lasting electric bulbs, not because they want to illuminate, but to dim the light and perfume a room when welcoming friends.

Hospitals buy slow robots like the da Vinci system, the leading prostatectomy device, not to replace doctors and increase productivity, but to help them during complex operations. What makes people really passionate is not a solution; it is the discovery of a new meaning.

And design is just about this: creating new meaningful experiences. As Klaus Krippendorff says, "The etymology of design goes back to the Latin designare and means 'marking something, distinguishing it by a sign, giving it significance, designating its relation to other things'. Based on this original meaning, one could say: design is making sense (of things)."

So: no design, no meaning, no value, no innovation, no business.
“CEOs identify creativity as the top leadership competency of the successful enterprise of the future” – Frank Kern, former senior vice president, IBM Global Business Services.

The Design Management Institute’s Design Value Index (DVI) tracked, for the first time, the value of select publicly held companies and benchmarked the impact that their investments in design and innovation had on stock value over time, relative to the S&P Index. The first DVI was completed in January 2013, built by Motiv Strategies, in partnership with DMI. (A new DVI became available in April 2015 at dmi.org/value.)

Over the last 10 years, design-led companies have maintained significant stock market advantage, outperforming the S&P by an extraordinary 228 percent.

Design management has traditionally used a ‘design thinking’ approach to develop compelling products and services that resonate with customers, consistently producing financial rewards, and building brand loyalty. But beyond customer-centric empathy, beyond creative iteration, beyond the bias to a maker mentality, design thinking has more to offer the modern organisation.

Design thinking is non-denominational

Some of its concepts – teamwork, visualisation and an emphasis on more creative research tools – are not the sole domain of the designer or design manager. Practised throughout the organisation, the collaborative pursuits between design and business create a powerful platform to both support incremental improvements (reduction in time to market, increased margin, better product/market mix) and drive innovation.

Design thinking aligns process, place and people

In stating the above, the inherent understanding is that business succeeds best by optimising the internal organisation, governance, communication, tools and technologies they employ in the service of aligning the internal brand with the external brand offer, thus designing the enterprise and its culture for agility and efficacy, by employing creative methods and practices.

Design thinking is a means to deliver creativity

The process of design thinking provides a common, customer-centric language to discuss the opportunities available to the organisation. Problem framing (and reframing), and the emergent thinking used during the exploration of the problem, allows design and business to develop a common understanding of both the challenge and possible solutions, together.

Design thinking is a predictive mechanism

With a deep understanding of the external competitive and cultural landscape that is the fundamental ‘starting point’ of design thinking, the process itself can be a ‘hedge’ against the interruptive nature of technology and new innovation, that fosters game-changing start-ups like Airbnb, Twitter and Zipcar.

Design thinking is experiential

The design thinking philosophy creates solutions from a user-need perspective rather than through the conventional approach of defining a potential market, and force-fitting solutions.

The potential value of design thinking is indisputable: it continues to be a useful tool to help understand and face complex challenges in which analytical approaches have proved insufficient.

Yet, design thinking can be viewed as a risky proposition for some commercial organisations. Ironically, the VUCA (volatile, uncertain, complex and ambiguous) nature of the 21st century is exactly the right time for organisations to embrace design thinking.
In recent decades, few consumers could fail to have been exposed to one of the most famous exponents of the process known as design thinking.

With not even the slightest hint of hyperbole, Apple, its guru Steve Jobs and head designer Jony Ive set the mood for a generation with the suite of ‘i’ products – instantly desirable items that made Apple the world’s biggest company (in terms of market capitalisation) and cementing it as an all-time great brand.

While design thinking may not be particularly new, it’s certainly hot. Australian organisations are increasingly looking to the process to drive improvements and innovations in their businesses. It’s led to a rise in strategic significance of the role of designers, whether in consultancy firms or in-house, and raised questions on whether it sits most naturally as part of the marketing function.

While Apple’s case study is often cited by design thinking leaders (if somewhat reluctantly), there’s no doubt it represents the most successful example yet of a company that has the process at its heart – and it’s hard to argue with the impact on the bottom line.

So what is design thinking, why is everyone talking about it and what are the takeaways for marketers?

RMIT University design professor Gerda Gemser says the definition can be ambiguous. “There are lots of interpretations, but to my mind it’s a set of practices that help companies see problems from a new perspective and solve them in an atypical way,” she says.

While design thinking essentially evolved from industrial and product design, the process is now being embraced across the corporate spectrum.

Gemser explains: “In Australia, we see financial institutions now using design thinking, which may, for example, help them discover gaps in the market for new services, or redesign existing services that are not working well.

“Having said that, it’s not suited to a program or desire for incremental improvement. Companies implementing design thinking should be looking at something that is radically different, something that hasn’t been thought about.”

Designworks strategy director Luke van O agrees. “Even at the exploration stage, design thinking offers an interesting way of approaching problems in a manner that invites trying something new. It’s a positive way of exploring the opportunity for change rather than a scary way of reacting to the need for change.

“In the current climate, it can be very difficult for leaders to find new ways of looking at things, or even the time to step back from the day-to-day running of their business to look at essential strategy such as evaluating immediate competitive threats.

“I see a boldness in the corporate world at the moment, a desire to seize opportunity. Design thinking, by definition, is a more positive way of looking at the future of an organisation. The focus is on a better future state; what point do we want to get to and what can we achieve, rather than what limitations do our problems impose. Basically, design thinking shouldn’t replace the processes an organisation has always used, but rather be embraced as a way of generating different solutions to problems.

“A lot of clients focus on trends, but I recently told a client that we needn’t consider them at all. Once a trend’s been identified, named and is being talked about, it’s no longer new. To be new, you must create the things that will become the trends followed by others. That’s where the design thinking process can add most value.

“It’s a key reason why Apple and Jobs are so often discussed in this context – that notion of the outsider,
the challenger, the rebel becoming this hugely successful corporate beast. What they came up with seemed like crazy ideas at the time. People often react now to new ideas with a desire to validate them through testing. How do you test the future?

Are you in, or out?

Big organisations are now actively recruiting designers. Companies such as UK banking giant Barclays, Asian telecommunications firm Singtel and computing behemoths IBM and Microsoft have ramped up their intake of designers in recent months. Some of these companies have products, some have services and others have combinations of the two. What they all have in common is customers.

With in-house capability rising, what are the implications for design consultancies? Gemser says a role remains for both. “Microsoft is a company that was always very engineering-based and still is. I read in The Sydney Morning Herald recently that they’ve tried to become more design driven, having doubled their number of designers over the last four years to around 1400 and giving designers – rather than the engineers – more influence in decision-making.

“That doesn’t mean, though, there is no role for the external consultancy. If you take Philips as an example, they have a lot of designers in-house, but maintain relationships with external consultancies because they get fresh perspectives and that’s an important part of the design thinking process.

“I would say, however, there’s a trend to greater professionalism in design consultancy firms. It’s not about just looking at service design or interaction design; the firms need to operate on a more strategic level. A firm may be engaged to look at a particular problem but, in design thinking, often they need to go beyond the initial brief to be able to identify something that will offer their client a competitive advantage.”

Gemser says there are two streams in design thinking research. “IDEO, for example is a proponent of going into the customer’s world, so you can really see what the issues are and then suggest the path to improve.

“Other researchers, like Roberto Verganti, say it’s important not to engage with the customer too much, so that you can’t see beyond their direct environment. Most customers aren’t trained to see possibilities in the far future – that’s a key thing that design thinking practitioners bring to the process.

“Steve Jobs said you shouldn’t ask customers what they want. His famous quote was that, until you show them, they don’t know.

“To have a successful design thinking process, we must get out of the ivory tower, to engage with stakeholders at all levels and particularly stand in the shoes of the actual customer to get a feel for what they experience and how it could be better.”

Luke van O says Australian companies generally have taken a consultative approach to design thinking, driven by partnerships with creative agencies. “Sometimes this starts with something small – a company will bring someone in or partner with a business that has design thinking capability.

“It’s extremely unlikely that a large-scale, established corporation will, on a whim, want to review their entire reason for being. They may snap off a bite-sized problem and see what impact the design thinking process may have. This can often have a snowball effect. Because design thinking is a method rather than a product in and of itself, companies may give it a go and, if it works, eventually progress to addressing bigger questions.”

FutureBrand director of strategy Doug Nash says that the process relies on the involvement of stakeholders at all levels and benefits from an external stimulus. “A traditional way that corporates have looked at issues, when they’re tasked with preparing their next magazine or internet banking website, is to treat it as piecemeal. They start some internal research to identify, say, their top 10 problems or questions, engage a creative agency to come up with ideas and a general manager (GM) sits at the top of the tree to pick which one they like.

Levels of design
ACCORDING TO CRAIG M VOGEL, UNIVERSITY OF CINCINNATI

- **Design strategy**
  Broad goals with social/cultural corporate implications.

- **Design management**
  Directing designers and interdisciplinary teams.

- **Design planning**
  Products, information, services.

- **Design execution**
  Converting strategy and insights into objects, images and action.

To be new, you must create the things that will become the trends followed by others. That’s where the design thinking process can add most value.
Companies need to innovate and differentiate to survive. In Western economies, it’s the only way to compete because they certainly can’t do that on costs.

“A design thinking process founded on creativity can be very challenging for businesses to implement and it sits uncomfortably with some executives because it means a shift in the way they allocate their resources to a problem. Some leaders need to accept that the best ideas may not come from the top. The GM’s idea on what would ‘fix the business’ can’t be privileged,” says Nash.

Can’t see the wood for the trees?

Given design thinking is not a product but a process, what are the factors that could derail its impact? Gemser says companies need to have a purpose in mind. “If you are not interested in innovation, new services, new products, new solutions to problems, then don’t look at design thinking.

“I’ve only been in Australia for two years and I would say we are in the initial phases of embracing design as a competitive force. In Europe, where I did my PhD, its benefits to business are much more established. It’s not yet ingrained here with companies that design can help them innovate and compete better and the upside is a lot here that can be done. Having said that, there are, for example, some large financial institutions here that are embracing design thinking and there are major consulting organisations like Deloitte that are doing a lot in this area.

“Design and innovation are closely linked and innovation is certainly not a fad. Companies need to innovate and differentiate to survive. In Western economies, it’s the only way to compete because they certainly can’t do that on costs.”

Luke van O says it’s important to communicate what the process does and what it can bring. “At lot of our engagements come from large, established clients that are not afraid to ask big questions of themselves or approach a potentially significant change in their corporate history. At the same time, there has to be a level of pragmatism involved. The moment you start talking about design thinking to some corporations, there’s an attitude that it’s chaotic, loose, ill defined or self-indulgent. The reality is that it’s an extremely high-level cognitive exercise that requires a lot of specific elements to be set so that it’s an achievable process.

“I would be surprised to find any situation in any business that couldn’t be served by a design thinking approach. It’s a method, a way of looking at things, an alternative process to finding a way through. It doesn’t mean that it’s the only process that would work, but I believe, given the strong possibility that it will create a benefit, it should be explored.”

Deloitte CMO David Redhill says it’s not a buzzword and it’s not a panacea. “We produced a paper on design thinking for our clients which was titled ‘Fad, fashion or fundamental’... I think of it as common sense marketing principles applied to one of the most ancient things: design.

“When you look at the eternal marketing versus sales conundrum, you need to address pushing a product or figuring out what your customer wants. Professional services, traditionally, tend to do the former, but the market is too savvy, too literate to just buy what they’re told. Good marketing always puts the customer at the centre of the product. If you can combine that with design, then you’re really motoring.

“Design is there to make things better, to make the product, the service more effective, more efficient or more enjoyable for the customer. This overarching marketing principle of customer centricity and design creates design thinking. It’s a graceful marriage of creative thinking and applied strategy.”

Redhill says he became indignant about comments made about design thinking when it first started arising in conversation. “It’s not flaky, it’s not radical. It’s a much more formalised process. In some businesses, and they’re not necessarily traditional or conservative ones, people may not intuitively get it, so we need to work a little

Definition: design management

ACCORDING TO THE DESIGN MANAGEMENT INSTITUTE

Design management encompasses the ongoing processes, business decisions and strategies that enable innovation and create effectively designed products, services, communications, environments and brands that enhance our quality of life and provide organisational success. On a deeper level, design management seeks to link design, innovation, technology, management and customers to provide competitive advantage across the triple bottom line: economic, social/cultural and environmental factors. It is the art and science of empowering design to enhance collaboration and synergy between ‘design’ and ‘business’ to improve design effectiveness.
Where does it sit and fit?

There is considerable debate on whether design thinking should sit within the marketing function in a typical corporate structure. Gemser says it depends on who is tasked with innovation.

“If it’s a market driven organisation, then there’s a natural fit with the marketers,” she says. “If it was an engineering driven company, where the marketers don’t necessarily have a lot of say in terms of product development, then perhaps design thinking shouldn’t sit there. Design should be core to innovation processes and sit where they are being initiated and developed.

“A lot of research suggests marketers and designers think differently and there can be tension between the two. There’s an element of truth to that. Some companies send their marketers to design courses and think after two weeks of training they have someone who knows it all and can become the design professional; that can be a common attitude with many creative pursuits. I think that’s an unnecessary devaluation of the design profession.

“Harder to explain and shape a process that coaches them through. There’s even value in doing that for those of us who believe in design thinking because we learn more about the process too.

“The most important outcome for a design thinking process is to solve the problem to which it’s applied; you need to understand a customer need, develop a great solution and then ensure you don’t do a lousy job on the follow-through, such as distribution.”

Futurist and digital strategist, Chris Riddell says while design thinking may still have a reputation as somewhat flaky in some quarters, there are a variety of models businesses should look at. “It’s important to look at what’s right for your business and for you when you’re considering a project management methodology. Design thinking will be right for some approaches and maybe not for others.

“Businesses are still using data to analyse what they do and where they should go, but some of it is from non-traditional areas, such as social media analytics. Data can tell you a story about your business and give you a platform to start thinking differently.

“There’s no doubt we’re seeing a tectonic plate shift in business; organisations are going about what they do in totally different ways. We’re seeing banks invest in start-up businesses rather than using the traditional model, which is just to give them a loan. The aim is to partner with them to help them succeed. It’s an evolution.”

A brief history of design thinking

• The first conference on design methods took place in London in 1962.
• In 1969, Nobel laureate Herbert A Simon described design as a ‘way of thinking’ in his book, The Sciences of the Artificial. It was also used in a design engineering context in the 1972 book, Experiences in Visual Thinking by Stanford professor of mechanical engineering, Robert McKim.
• In 1987, Harvard Graduate School of Design professor Peter Rowe publishes Design Thinking.
• A year later, Stanford director of the design program, Rolf Faste coins ‘ambidextrous thinking’ in a paper to the American Society of Mechanical Engineers that extends Robert McKim’s process of visual thinking to design as a ‘whole-body way of doing’.
• McKim and Faste’s Stanford colleague David M Kelley (among others) continued to expand on that work. Kelley is credited with adapting design thinking for business purposes and, with Bill Moggridge, founded the design agency IDEO in 1991.
• In 2005, Stanford’s d.school began teaching design thinking to engineering students as a formal method.
It’s logical for design thinking to sit within marketing, but if it transcends the marketing function, even better,” Deloitte CMO David Redhill.

However, helping marketers to understand the way designers think and to know some of the techniques can help them work together better.”

Nash adds that the process needs to be worked through in light of organisational politics. “The reality is there’s often an overlap between customer experience and what the marketing team would traditionally look after.”

Luke van O says it’s also a reflection that more organisations are bringing their marketing functions “closer to the centre of the spinning record”.

“I’ve seen the rise of the CMO and more senior marketers assuming CEO positions. It’s purely logical that we see design thinking processes and the elements generated as a result come under marketing. The marketer has gone from a communicator to someone who drives traction and competitive differentiation. I’d describe marketing as the easiest door for design thinking to walk through in order to enter the consciousness of the organisation.”

Redhill says it’s logical for design thinking to sit within marketing, but if it transcends the marketing function, even better. “Design thinking spans several areas of the corporate construct and this is true for a number of areas that we used to think of as separate. IT, for example, used to be in the basement before it became the liquid that connected our business.

“Design thinking has implications for corporate strategy, operations, productivity and product development. It has implications for training, learning, marketing and even finance.

“Ultimately, I believe it could be housed under the bigger construct of brand experience or customer/organisational experience. It goes to the heart and fundamentals of why you’re in business – essentially to find out what people are demanding and supplying it. But that’s where marketing should be too.

“I’ve seen design thinking start from an embryonic process to become a corporate-wide movement now. Our service client leaders four to five years ago were sceptical or ignorant of it, but now they’re clamouring for more visual storytelling, more ethnographic rigour because they’ve seen it play through their bottom line.”

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**The rules**

In Design Thinking: Understand, Improve, Apply (2011, Springer), Christoph Meinel and Larry Leifer write that there are four rules to design thinking:

1. **The Human Rule:** all design activity is ultimately social in nature
   “There are studies that substantiate the assertion that successful innovation through design thinking activities will always bring us back to the ‘human-centric point of view’. This is the imperative to solve technical problems in ways that satisfy human needs and acknowledge the human element in all technologists and managers.

2. **The Ambiguity Rule:** design thinkers must preserve ambiguity
   “There is no chance for ‘chance discovery’ if the box is closed tightly, the constraints enumerated excessively and the fear of failure is always at hand. Innovation demands experimentations at the limits of our knowledge, at the limits of our ability to control events and with freedom to see things differently.”

3. **The Redesign Rule:** all design is redesign
   “The human needs that we seek to satisfy have been with us for millennia. Through time and evolution there have been many successful solutions to these problems. Because technology and social circumstances change constantly, it is imperative to understand how these needs have been addressed in the past. Then we can apply ‘foresight tools and methods’ to better estimate social and technical conditions we will encounter five, 10 or even 20 years in the future.”

4. **The Tangibility Rule:** making ideas tangible always facilitates communication
   “Curiously, this is one of our most recent findings. While conceptual prototyping has been a central activity in design thinking during the entire period of our research, it is only in the past few years that we have come to realise that ‘prototypes are communication media’. Seen as media, we now have insights regarding their bandwidth, granularity, time constants and context dependencies.”
VISUALISING DESIGN THINKING: THE PROCESS


1. Be empathetic in defining the problem:
   - decide what issue you are trying to resolve
   - agree on who the audience is
   - prioritise the project in terms of urgency
   - determine what will make the project successful, and
   - establish a glossary of terms.

2. Be explorative in researching the problem:
   - review the history of the issue; remember any existing obstacles
   - collect examples of other attempts to solve the same issue
   - note the project supporters, investors and critics
   - talk to your end users; this brings you the most fruitful ideas for later design, and
   - take into account thought leaders’ opinions.

3. Be creative in generating ideas:
   - identify the needs and motivations of your end users
   - generate as many ideas as possible to serve these identified needs
   - log your brainstorming session
   - do not judge or debate ideas, and
   - during brainstorming, have one conversation at a time.

4. Be iterative in refining your ideas:
   - combine, expand, and refine ideas
   - create multiple drafts
   - seek feedback from a diverse group of people, include your end users
   - present a selection of ideas to the client
   - reserve judgement and maintain neutrality, and
   - create and present actual working prototype(s).

5. Be rational in choosing an idea:
   - review the objective
   - set aside emotion and ownership of ideas
   - avoid consensus thinking
   - remember: the most practical solution isn’t always the best, and
   - select the powerful ideas.

6. Be practical in delivering it to the client:
   - make task descriptions
   - plan tasks
   - determine resources
   - assign tasks
   - execute, and
   - deliver.

7. Be honest in evaluating performance:
   - gather feedback from the consumer
   - determine if the solution met its goals
   - discuss what could be improved
   - measure success: collect data, and
   - document.

8. Repeat.
VISUALISING DESIGN THINKING: DELOITTE’S METHOD

Design thinking is a fuel that flows down from the executive level of the business and cascades to strategy and corporate development. Many thanks to Deloitte for sharing, you can also read CMO David Redhill's article on the organisation's design thinking transformation on page 18.

Aesthetic modifications have been made to the original.
The debate
‘Design’s role in business is unquantifiable – at the tactical end it’s simply aesthetics, and as a strategic resource it’s too intangible.’

**DISAGREE**
My first thought is, that’s a seductive idea. We can’t measure the effectiveness of design in the same way we can’t measure love.

But that’s just lazy; design agencies traditionally haven’t been that good at measuring the impact of design outcomes, as it has often been outsourced to a research agency or been outside their remit with the client.

I believe the impact of design is quantifiable and there are several ways to do it, depending on the project. The basic concept is using a comparison between a number of alternatives to test and refine outcomes throughout the design process to see which are most effective. You can use this as an immediate feedback loop to refine strategic decision-making, or it can be taken to a grand scale, using prototypes, or running market trials to extrapolate findings and gain solid evidence to tell you why one way forward is better than another.

**DISAGREE**
There is design and then there is design with strategic purpose. Design is not the brand. It is not the product. It is the visual projection of what you stand for.

Even at the executional end, design makes a tangible difference to the cut-through you can achieve across multiple channels. Good design and tight brand messaging win you respect and more earned space in cluttered channels than visual cues that are undecipherable and inconsistent with your brand values.

Design, particularly of your logo, must be instantly recognisable and adaptable. Its execution must be so good that it can stand alone, without your name or other verbal clues as to your identity.

The application of your symbols must be capable of claiming your territory in a 100-pixel square of a social media stream, as well as on billboards. A powerful visual projection of your values and reputation communicates your right to attract and retain customers who share those aspirations.

These are absolutely tangible benefits in a world increasingly defined by images and what they mean.

But… what your design communicates about you ultimately depends on how well you have identified and articulated your core values both internally and externally.
Let’s not forget the role ‘design’ plays in enhancing the relationship, building emotional connection and in directly affecting sales. Colour, ability to catch the eye, aesthetics... all these relate to the comfort level of a customer, how they view the brand in their world, and whether or not they feel good when visiting. In addition colours, usability and attractiveness will have a direct impact on things like click-through rates, email open rates, hang time and frequency of visits. Therefore, I feel it is hardly intangible and, as a matter of fact, is very often measurable.

Ted Rubin, social marketing strategist, keynote speaker, brand evangelist and acting CMO at Brand Innovators

I believe design at its intrinsic level is to make something ‘better’. That may be an aesthetic choice that creates a natural attraction that can affect the bottom line, but more and more it becomes a decision to balance form, function and utility to communicate and solve problems with clarity. Complexity gives way to the simple pleasure of ease of use and understanding while retaining that intangible beauty that people connect with deeply.

Timm McVaigh, creative director, Brand Ideas

Some designs are classic and sales can be measured year on year. It becomes trustworthy, reliable and relatable in the mind of the consumer. Other designs are of the moment and marketers ride the wave until it becomes tired; then, reinvention invites the next wave of sales. Successful marketers read the numbers and plan for change and they’re already working with successful designers to create the next ‘better’ for them.
Opinion: Redesigning the bumblebee

Deloitte chief marketing officer David Redhill provides a case study on how design thinking is delivering tangible benefits across this 150-year-old professional services firm.

The bumblebee theory – that one proposing that, by the laws of physics, a bee shouldn’t be able to fly – is pseudoscientific claptrap.

Not that you need to be a physicist. You can see for yourself that a bee does fly. Very well, as it happens.

Just as Deloitte, the interesting and rather unusual business where I work, keeps flying – despite our penchant for bringing chaos to order, disrupting the conventions of accounting, tax and consulting, and musing on how to reinvent the professional services experience.

The stats tell a good story. In a decade, we doubled in size and tripled in revenue – south of $400 million to north of $1.1 billion, without passing Go. Growing at an average of 11.5 percent a year, five percent more than our nearest competitor.

So, how does a 150-year-old accounting firm do that? With over 6000 people across several time zones, serving federal ministries in Canberra and Australia’s biggest telcos, banks and miners, along with Top End property developers and Tasmanian truffle farmers?

How does this bumblebee fly? A good place to begin the story is in 2014, when we won an International Design Award for audit. Yes, a design award. For audit.

The ‘sick puppy’ recovers

In 2010, Deloitte was on a roll. We’d progressed from being labelled by BRW in 2004 as the ‘sick puppy’ of professional services, to the same publication describing us as the ‘crouching tiger poised to shake up the Big Four category’ just five years later.

Our transformation into a business known for innovation, culture, diversity, client service and a smart, granular growth strategy was giving our brand momentum as an interesting and different alternative. And an aggressive M&A (mergers and acquisitions) strategy had seen us merge with or acquire Access Economics, along with a constellation of digital agencies, design shops, forensic specialists and data houses. The diversity and quality of our value proposition was, by 2010, second to none.

So, when design thinking first came onto our radar, there was a balance of open mindedness about adding to an already successful, still evolving mix, along with slight mystification as to what it actually entailed.

The shift began with several things happening at once. Our then-CEO Giam Swiegers met leading design thinker and author Roger Martin in Sydney at a university event within weeks of our chief strategy officer (CSO), Gerhard Vorster, bumping into Roberto Verganti, another pioneer in design thinking, in London. And Sydney managing partner John Meacock, today Vorster’s successor as CSO, spotted an article on design by Sara Beckman and Michael Barry, professors from Stanford University’s d.school.

Before long, Verganti had introduced Deloitte’s Australian partners to the notion of how design, experience and client service co-exist. In an increasingly commoditised professional services market, it quickly became obvious that a more thoughtfully designed experience of audit, tax, risk advisory or consulting would be a powerful competitive asset.

The following year, Deloitte’s Australian executive team attended a course at Stanford, where Beckman and Barry challenged them to begin thinking in a nonlinear way, like designers. During these sessions Cindy Hook – then head of the firm’s audit practice, now Deloitte Australia’s CEO – became excited at the possibility of designing and delivering an entirely differentiated and richer audit experience.

Beckman and Barry were soon in Australia for the first of a series of visits, taking hundreds of Deloitte’s leaders through a design thinking program and launching a number of client- and internally-focused d.school projects. From there, things accelerated quickly.

The new approach blended easily into the workstreams of creative and digital projects that required deep
understanding of audience need. Crafting personas, iterating technology interfaces and developing marketing solutions were all tailor-made for design thinking.

But soon, the focus upon client centricity that it engendered also began penetrating the firm’s core compliance businesses in areas like product development, client account strategy and strategic planning.

**Design thinking or ‘designful’ thinking?**

Design thinking is frequently misunderstood as specifically requiring the creative, spatial or graphic skills of a trained designer. In fact, it’s about thinking like a designer, or ‘designful thinking’: a disposition, and a mindset.

Working like a designer is a discipline and a process that uses a set of tools and methodologies to make better things. Industrial, graphic and UX (user experience) designers aim to shape both better outputs and outcomes.

Thinking like a designer, on the other hand, is dedicated to making things better. It’s human-centric, explorative and focuses on ‘what if’ and ‘why not?’ It aims to look for patterns and connect the dots. At its heart, it’s optimistic and reframes problems as opportunities.

At Deloitte, we’re striving to embed both of these qualities in our people.

Adam Powick, previously head of consulting and now clients and industries lead, believes design thinking has played a key role in over 70 percent of our consulting team’s major wins over the past year.

Deloitte Private, the firm’s private wealth and SME-focused practice, has disrupted its sector with Deloitte Private Connect, a cloud-based accounting platform developed on user centric, design thinking principles.

In our tax practice, ‘Design Inside’ workshops have helped professionals use data, digital and design to transform Deloitte’s competitive position, while a revitalised risk advisory practice strategy has been architected using design thinking.

A good place to begin the story is in 2014, when we won an International Design Award for audit. Yes, a design award. For audit.

Most significantly, we won the International Design Award for Audit by recognising that while our responsibilities as independent auditors regulated by ASIC (Australian Securities and Investments Commission) are paramount, we still conduct audits for real people. Despite our research, we’ve failed to find any regulation stipulating that audits should be a boring or negative experience – so we’ve used design thinking to improve how our clients experience it while honouring their stakeholders’ interests. In parallel, we’ve seen a consistent improvement in our audit win rate.

Such large-scale transformation doesn’t happen of its own accord. Since 2012, the central character in Deloitte’s design thinking story has been our principal of design leverage, Maureen Thurston.

An industrial designer, entrepreneur, educator and adviser, Thurston has run several hundred design thinking sessions to date, ranging from small partner groups to large training sessions for graduates, managers and directors.
Thurston’s fingerprints are on the positioning strategies of Deloitte’s Queensland and Western Sydney offices, the enhancement of new products, and on approaches used for major pitches and client projects.

Today, design thinking is effectively one of four lenses – Deloitte’s ‘4D’ factor – through which we now consider client needs, blending design, data analytics, digital strategy and macroeconomic analysis from Deloitte Access Economics. Design thinking wraps the entire solution development process – through visual storytelling, divergent and convergent thinking, and persona development – around end-user needs.

Freeform, creative workspaces like ‘The Source’, where client and internal teams increasingly collaborate using visual storytelling and rapid prototyping techniques, are increasingly in demand.

According to Thurston: “Design is sometimes portrayed as a fad – a kind of fiendish plot to turn all self-respecting, steak-eating business suited professionals into granola infused t-shirt and jeans wearing dissentients.

“But there’s something more substantial about the current trend towards integrating left and right brain disciplines in business. Design is in fashion, and it’s here to stay.”

When design thinking first came onto our radar, there was a balance of open mindedness, along with slight mystification.

**Short fuse, big bang**

So, why design thinking? Because the power’s shifting. As our paper, 'Digital Disruption: Short Fuse, Big Bang' highlighted, the customer is now in charge and calling the shots. With viable alternatives just a click away, a business takes its customers for granted at its peril. We spend a lot of time at Deloitte teaching our people to ask good questions. Genuine curiosity – the most powerful, underrated talent in business – is the foundation of design thinking.

It’s having an impact on our talent profile, too. We’re an increasingly eclectic mix: scarily smart, rumple-suited consultants sitting opposite economists with the intellectual grunt and analytical firepower to envision new government possibilities, dyed-in-the-wool auditors reinventing their profession through design, curious devotees of tax regulation opening their minds to new vistas of client experience on smartphone interfaces, and digital natives learning from risk analysts and valuation experts.

What sort of business is design thinking making us? We’re a professional services firm; just not as our competitors know it.

Currently, we’re the Financial Review (AFR) CFO Awards’ Best Accounting Firm and Best Audit Firm simultaneously. But we’ve still a long way to go.

At our heart – and with immense responsibilities to safeguard sensitive client information and data – we’re still an inherently conservative organisation, often defaulting to the way we’ve always done things: by the book.

But we’re evolving. Challenging ourselves to go deeper. Diverging, before converging. And, increasingly, using design as a tool to make better decisions.

It’s working for us. Hugely. The bumblebee is flying high. ▲
Opinion: What cows can teach you about empathy

How can companies get ahead of their competitors by doing what customers want, but maybe haven’t asked for? It’s all about empathy, Felicity Mitchem explains.

Empathy is a social skill that has become a buzzword in the design world. The idea of using empathy as a design advantage is not new. Twenty years ago we began to see a shift from design having an objective perspective, where designers would work from their own assumptions, to a human-centred perspective, in which designers involved users in the process and put them at the heart and centre of the process.

Empathy is one of multiple ‘mindsets’ that form the human-centred design (HCD) methodology, that international innovation firm IDEO is famous for championing. Tim Brown of IDEO is often quoted saying, “Empathy is at the heart of design. Without understanding what others see, feel and experience, design is a pointless task.”

HCD works on the premise that acquiring a deep understanding of users’ unarticulated needs (through empathy) inspires creativity and innovation. By discovering simple human insights, we can identify needs that the user themselves may not recognise – thus allowing companies to get ahead of competitors by doing what customers haven’t asked for, enhancing their experiences, delighting and sometimes surprising them.

Today, this HCD philosophy and approach is beginning to gain momentum across industries, and corporations are adopting the tools and methodologies of the HCD process to help them develop more innovative solutions.

Successful email marketing company MailChimp considers empathy as core to its brand and product – a key differentiator. According to Aarron Walter of MailChimp, “When everyone can create very quickly, what is it that will distinguish your product or brand from the rest? Caring for your customers. In order to do that it requires you to think from their perspective.”

Marketing or anthropology?

The practice of empathetic design involves observation of users in their environments, in the course of everyday habits. It’s a method that is closer to anthropology than to market science. Author and professor at the Harvard Business School, Dorothy Leonard comments that the oft-repeated advice to ‘delight the customer’ acquires real meaning when products or services push beyond what their customers anticipate, to deliver the unexpected. Henry Ford famously said, “If I had asked people what they wanted, they would have said faster horses.”

The challenge for designers, marketers or brands, is adopting this empathetic mindset. What does this actually mean, this idea of putting yourself in someone else’s shoes for the benefit of innovation?

Psychology textbooks will give you two definitions of empathy: affective and cognitive.

Affective empathy describes a shared emotion response, or a mirrored response. So if you see someone sad, you too feel sad; you are mirroring their emotions.

Cognitive empathy is about perspective taking – stepping into someone else’s world and understanding their worldview, beliefs, fears, and experiences that shape how they see the world and how they look at themselves.

One particular case that illustrates the power and simplicity of using empathy is from Temple Grandin, a professor of animal science. Grandin is famous for innovating in the livestock industry.
Livestock facilities had been built in a way that caused livestock to experience anxiety, fear and pain when being transported. After noticing the way animals reacted to their environment, Grandin offered a simple solution to the way livestock are handled and slaughtered for meat production, so that the process is more humane, and animals would go to their deaths calmly and without fear.

Off the back of a simple insight that animals reacted adversely when being led in a straight line, she designed adapted curved corrals, which reduced the stress, panic and injury in animals being led to slaughter, making the process much more humane and safe, and apparently improving the quality of the meat.

What is interesting about this example of empathetic design (apart from its blatant simplicity) is that Grandin is also a famous autism affected advocate; the fundamental distinction of autism disorders is the inability to experience empathy.

So what was unique about Grandin’s approach?
By using her ability to see the world in a different way, Grandin developed a deeper understanding of animal behaviour. She observed and understood their behaviour with an unaffected standpoint, leading to the simple insight of changing a straight path to a curved path.

For the rest of us, our past experience, reasoning and knowledge of social and emotional behaviours may have led us to assume that, well, cows are just dumb animals and that’s just what they do.

Human-centred design works on the premise that acquiring a deep understanding of users’ unarticulated needs (through empathy) inspires creativity and innovation.

Identifying the roadblocks
To understand how to achieve this open, unprejudiced understanding of our users, we can look at what emotional intelligence author, Daniel Gilbert, describes as ‘roadblocks to empathy’ – or common mistakes that we make that lead to assumptions and judgements.

1. Idealism – people see things as they expect them to be. The lack of evidence to show other information beyond people’s expectations may lead them to underestimate or overestimate the situation.

2. Egoism – people see things as they want them to be. Egoism happens when observations are personally invested on specific beliefs, keeping them under any circumstance, and predicting others’ behaviour, feeling and experiences based only on that conviction.

3. Realism – people think they see things as they are. This is the misinterpretation of someone’s situation projected from the observer’s own perspective. It is very difficult for them to consider they have misinterpreted the information and, if they do so, they tend to believe their inferences were triggered by something in the scene, rather than accepting that they might reach a conclusion based on their own expectations and beliefs.

4. Circumstantialism – people think about only the things they see. This phenomenon refers to the inability to connect information related to others that is not present at that moment in the situation although obtainable. It also relates with failures connecting information we know, but for some reason we do not relate it to that specific condition.

So to approach a challenge with empathy is not only to understand the users’ circumstance and what their challenges are, but to do so with a completely open mind and a willingness to ask the stupid questions. To achieve true empathy, you need to set aside personal beliefs, expectations and values, and actively seek out further evidence in a non-judgemental or filtered manner.

Empathy is about experiencing something as they (the customer or user) do, not from your own perspective. Even if they are cows.
Opinion: The new experience paradigm

Simon Stacey argues brands need to ensure their customers experience the unexpected – joy and delight.

Design thinking as a customer-centred process, not only drives transformation for business, but also creates change for the better through the experiences brands provide their customers. To achieve this, brands need to look at their offer through the lens of their customers to ensure the experiences are relevant, purposeful and joyful.

I have been fortunate to spend most of the last two years consulting on the design of customer experiences with Amazon. During this time I have been continually impressed by the company’s unrelenting focus on creating only the very best in everything it does. The commitment to excellence is expressed, naturally, through the passion and purpose of the people I have worked with, but there is also a positive energy, a vibe if you like, everywhere you go on the Seattle campus.

Even when working back in the studio, we have been continually encouraged to go beyond the norm, to challenge the ways in which our design thinking could enhance the lives of Amazon’s primary focus: its customers.

Why is this so important to Amazon? Because great brands, both global and local, understand that the only way to achieve real differentiation is to challenge sector paradigms and deliver experiences that exceed the customer’s expectations.

Of course there is a commercial reason for this: the more exceptional and distinct the experience we receive from a brand, the more likely we are to recommend it to others as well as return. After all, as humans we will always respond more to how we feel, than we will to what we’re told.

But for truly great brands, making a positive difference to their customers’ lives is the primary purpose. They do this by gaining real insights that ensure the experiences they deliver respond to real needs and desires. Once their brand proposition is customer-centric, they then go further – they enrich their brand experience with moments of unexpected joy and delight. Great brands enhance people’s lives with emotional magic.

In today’s super-connected, super-competitive world, designing customer experiences that combine relevance (they’re user-focused), purpose (they work brilliantly) and joy (they connect emotionally) should be the focus for any brand that wants to differentiate and lead. I believe it is the sum total of these that delivers real value to customers’ lives, not price.

In Amazon’s case, the past 12 months have seen it deliver a range of distinct, ‘offline’ experiences that have allowed it to take control of a customer’s experience of its fast-growing family of devices, as well as communicate the benefits of the ecosystem that supports these devices.

Previously, the only places in which customers could touch and play with Kindles, Fire tablets, phones and home technology were third-partner retailers, where the experience was out of Amazon’s control and – as a result – neglectful of proper service, product information and engagement.

Most brands facing this challenge would have opted to open an expensive ‘flagship concept store’. In contrast, and in line with Amazon’s reputation for online innovation (the world’s largest online retailer created the first widely accessible ‘cloud’ infrastructure, as well as ground-breaking services such as Prime, 1-Click and Mayday), it has decided to take the experience to the customers instead.

Simon Stacey, creative director, customer experience at Designworks
Amazon's experiential 'Taco Truck' was launched at last year's Santa Monica Festival in Los Angeles. Parking next to real mobile food/drink vehicles, it featured an edited range of tech devices aimed at all entertainment lovers. Live products were presented out of the side of the truck (like tacos), with 'fresh daily deals' clearly communicated on traditional pegboard 'menus'.

Although it sold products, the truck experience had a greater purpose: to introduce people to how they can get more entertainment out of Amazon's ecosystem, regardless of whether they own an Amazon tablet or an iPad (or any other brand). Amazon's own friendly staff served visitors with product demos, set-ups and free download content for existing devices, as well as overseeing live play and choreographing interactive 'team games'.

Demonstrating its focus on relevant experiences for different customers, Amazon has also launched new mall 'kiosk experiences' in collaboration with Westfield US. Challenging the purely transactional 'pop-up kiosks' that are prevalent in US malls, the Amazon kiosk provides a fully integrated 'all-channel' experience that is disruptive in terms of scale, design and service.

Focusing on the primary mall audience of 'soccer mums and dads', the kiosk design presents devices at family tables, as well as providing content that is linked up between tablets, TVs and gaming consoles.

Building on Amazon's roots in books, the 'lending library' allows customers to borrow a Kindle tablet that they can try out over a coffee in the mall before making a purchase decision. It's an idea that has captured people's attention and imaginations, one that seamlessly connects the physical and digital environment in a holistic, immersive experience.

What connects these initiatives is user-focused innovation that brings Amazon's reputation for customer service to life through experience design.

What connects these initiatives is user-focused innovation that brings Amazon's reputation for customer service to life through experience design.

Launching in 2010 as an online brand, it required the best in disruptive design thinking to connect the most personal of wearable products to customers through a traditionally impersonal sales channel.

With an ambition to deliver on a promise of 'Good Eyewear, Good Outcomes', the Warby Parker experience is designed to challenge the paradigm that the best glasses have to be expensive (largely due to the global domination of one company). Creating innovative experiences across products, service, communications and environments has seen Warby Parker transform the way customers think about buying glasses, as well as inspiring a growing number of niche brands around the world.

As well as the ground-breaking 'home try-on' of five glass styles (with no delivery charges), the beautifully designed frames at low prices and the 'buy one, give one free' donations, Warby Parker continually innovates across every touch point of the customer experience. Colleagues willingly submit weekly '15Five' reports that capture what they feel they achieved that week, as well as offering innovation ideas for the future. Call centre workers are recruited from college, trained and encouraged to rise through the ranks.

With the opening of its latest physical store on Los Angeles' Abbot Kinney Boulevard, Warby Parker delivers an experience that is designed to combine great product engagement, exceptional service and community initiatives in a store of jaw-dropping aesthetic beauty. By carefully choreographing and integrating every aspect of the customer's experience, Warby Parker's retail spaces now deliver over US$3000 per square foot (929 square centimetres), putting it on a par with Tiffany's.

This combination of attention to detail and innovation highlights how successful experiences need to balance being both positively disruptive and rigorously considered if they're to build businesses that stand the test of time.

The goal is to use design thinking to drive seamless, meaningful experiences that connect brand and customer - experiences that provide relevance, purpose and joy.
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