

From Design Thinking to Good Thinking



IT'S THE HOLY GRAIL OF DESIGN THINKING AND OF INNOVATION: JUST FOCUS ON THE USER AND YOUR CHANCES OF A BIG WIN ARE INCREASED

Between the frequent features in the business press and the sheer volume of postings on LinkedIn, you might think that every company far and wide is embracing design thinking as the new big promise. Read the headlines: any organization can be innovative if they just follow the design thinking process and, of course, have open-minded people with a positive attitude. Look at the photos: with a handful of people trained in one design discipline or another in a workshop, the evidence of that innovation is on every Post-It note adorning the whiteboard.

But most organizations will end up being disappointed with the outcome of their design thinking flirtation, experimentation or implementation. Not all. For some it will fit. For most, however, it will fall short across multiple metrics. It will produce little more than incremental innovations. It will offer the exact same competitive advantage available to every competitor. And because of our very human belief in and fascination with the power of process, it will undermine extraordinary thinking.

That's dangerous because extraordinary thinking is what propels great companies forward. Rather than a preference of methods – in design thinking's case the standard Empathize, Define, Ideate, Prototype, Test model – they have a preference for thoughts, theories, ideas and concepts. Their epistemology rests on a foundation much more substantial than centric-this or centric-that.

For organizations currently using design thinking in teams, all is not lost. It can play at least one important role. In the hectic world of the corporation, its step-by-step process can be a quick and efficient way to develop new ideas and create clarity around product or service concepts within existing categories. But when it comes to reimagining a business, what it provides consumers and how it contributes to their experience of the world, design thinking will be a disappointment. Here are just some of the challenges that will be faced by design thinking organizations that, in all those business press stories and LinkedIn posts, its champions fail to own up to.

Weak on empathy

For all you might expect from the first stage in such a process, design thinking falls short on the empathy quotient. Typically weak when it comes to the wider socio-cultural context in which people (as individuals and as part of a cultural system) live their lives, the research stage of design thinking demands little more than a surface skimming of so-called 'needs'. Rarely does it call for the kind of expertise and experience in human culture and behavior that one would think would be required to begin a process of true, sustainable or even disruptive innovation.

Simple interactions

Design thinking practitioners tend to assume that the value of a product or service lies in a consumer's interaction with it. Lacking a solid foundation in human research, most assume that all of the insights and a-ha moments will be based in the observable world of interactions. They won't. Interactions are not the only way that people, individually or collectively, ascribe value to products and services. There are histories, memories, socialities, signs, symbols, indexes and other shapers of the How and Why of human experience that are far more significant than the interactional.

Focus on the user

It's the holy grail of design thinking and of innovation: just focus on the user and your chances of a big win are increased. One of the appeals of design thinking lies in its promise to address the complex, even chaotic world of contemporary business through this simple focus. But this is a problem, because reducing human beings to users with tasks to complete or jobs to be done detaches innovation efforts from the larger socio-cultural reality within which people experience and ascribe meaning to products and services. User focus almost always leads to incremental improvements to value propositions that are already articulated.

Standard talk

Design thinking can generate tangible innovation results, but the value of them depends solely on the quality of conversations during the process. Or, design thinking can emerge as an obstacle to innovation for the simple fact that its standardized terminology becomes part and parcel of corporate lexicon in those conversations. Unless your company is tasked with chasing incremental innovation, the process of developing the truly new, unique or disruptive innovation requires new ways of speaking that allow us to redefine opportunities, situations, markets and realities. New language precedes ideas, not the other way around.

With all the current hype over design thinking – its second wave of hype in recent years – convincing business leaders to consider another way forward will be a challenge. But there is another way forward, one that seeks more than incremental moves in deteriorating markets. We'll call it Good Thinking.

Good Thinking (we'll capitalize it to make it seem important) tells business leaders that to first imagine and then begin activating a prosperous and sustainable future for their organizations they must understand the dynamics of value creation as they are occurring today and might occur tomorrow. To do that, they must abandon all market research and, instead, pursue a deep understanding of all of the private, public, personal, performative, social and cultural ways that people live their lives. You know, stuff you don't get in a focus group. And to identify and understand those and then locate ways to align your business objectives with them requires big thinking about history and humanity.

For example, many of today's dominant consumer businesses grew into giants, global or otherwise, in the post-war Western world. Needless to say, that was a time and place very different from the societal dynamics of today: women stayed at home and their household products saved them time, effort and mundanity. It's impossible to understand the original value propositions of those products without seeing the societal context in which their early value was born. Why would things be any different today? Often, what happens in large companies is that, over time, their understanding of the original value proposition disappears and all focus falls on act of category management, just like they're taught to do in business school. So how does one practice Good Thinking?

Put the right people on to the people

The key to successful innovation often lies in understanding the paradigm shift that is currently or could soon be occurring and how it is or might soon shape how people live their lives and make sense of the world. The winners understand history and know that most companies manage businesses with value propositions that were at their strongest many decades ago.

Because all innovation is about people who live in social worlds that means every project should begin by making sense of the society (and its

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history) where an offering will be situated. To do that, you need anthropologists, sociologists, social psychologists and others. MBAs and designers are not at fault, nor are they doing anything wrong. It's just that they weren't trained to study people, social systems, culture and all that complicated human stuff.

Companies that already have such people skills on staff already know and have seen the benefits of their contributions. Companies that do not make themselves vulnerable to disruptors because they lack an understanding of the human why or how of innovation. Meanwhile, the novel innovation lexicon of design thinking reinforces a separation between companies and the wider context in which value to consumers is born. It reinforces the tendency of corporation to develop fields of power with their own language, detached from the everyday life of people for whom they are innovating. To deal with that, you might want to hire a semiotician too!

Get HR to go divergent

As the social sciences increasingly become core competencies in forward-thinking businesses that want to learn more, know more, hear more, see more and consider more, so will other disciplines. Ultimately, Good Thinking requires divergent thinking. Creating a new school pool of employees means not just hiring a Brand Manager with the best business pedigree but – and here’s where we will certainly lose some of you – hiring a Brand Manager with an obviously value human pedigree like, maybe, a poetry passion that lived through hip hop, an advanced degree in rocket science, a cool but failed digital start-up stint or a former life lived in the culinary arts.

People like this already work in companies around the world – companies that have nothing to do with hip hop, rockets, computers or food. If Good Thinking was the latest business shtick, we’d make deliberately hiring people not only for their obvious smarts and skills but also for the value of their past, non-business experience part of the manifesto.

The trick to this, of course, is how do you communicate such an ephemeral ask to a department like HR which, kudos to them, requires a little bit more of a clear reality to make its decisions?

Try predictive cultural analytics

The underdeveloped understanding of demand-side dynamics is a real business problem for the simple reason that relying on existing models of analysis does not give investors a real first-mover advantage in the markets. Real edge over the competition requires knowing what peo-

ple – the people you might call consumers – almost already do. We’re talking about tomorrow.

Organizations that know how to apply human sciences in business have an edge over those that do not because they have a better lens on possible futures. They understand the real sources of value in human systems that allow companies to develop unique market offerings and definitions of ‘markets’ themselves. Interestingly, many of them also understand exactly what business they are in and, because of that, are able to evaluate and adopt new technologies in relation to their ability to generate more meaningful value.

Value is the issue. Current transactional models of thinking yield little to no predictive power, and this is particularly problematic for investors that seek either underappreciated assets or early opportunities. For them, knowing where to invest without an understanding of change is scary. To help those investors and your teams and organization, it is critical to begin paying very close attention to emergence. What is emerging as value? What actor or technology is best positioned to deliver that value? Together with a rigorous approach to studying possible futures and foresight, teams built on the social sciences have a much clearer way forward.

When teams force their thinking into boxes – and nobody loves boxes more than design thinkers – that operate within and serve to reinforce existing paradigms, business leaders miss their mark and metrics. They lose the opportunity to harness the power of the social sciences and, as a result, miss the most critical insights. They rely on goofy linguistic anchors that make them feel as if they are engaged in an important activity (Yay, we’re prototyping!). They force half-baked ideas into concrete forms too early in the pro-

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cess. And once the idea is supposedly fully-baked, they fail to consider or act on all the human politics and problems that will keep it ever from seeing the light of execution or activation.

Big ideas require new perspectives that can only emerge through open and critical conversation and contemplation that enables a new way of speaking about what could and should be. Ideas with transformative potential seldom relate to a strict process and identified pain points against which designers develop solutions.

Companies must create a space for critical conversations and a more meaningful process for translating good thinking into value propositions and offerings. The real innovators will dare to go against the tide and think better. They will hire smart people trained in human sciences and frame their business questions as existential ones. They will make sense of societal shifts and the new value creation logic. They will facilitate non-linear critical conversations that help teams step outside the paradigm that's become a prison to their competition. And they will be incredibly efficient at applying design competence to developing and refining solutions once they have their good thinking right.



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