

By Jessica Hubbard

Surviving the age of disruption with design thinking

A powerful new trend in the business world follows the idea that innovation isn't about technology, but about design. And it puts the needs of the customer first.

In a world in which ambitious new businesses come and go within months, and long-established corporate bigwigs are toppled by nimble start-ups within a year, the blueprint for business success no longer exists. Entrepreneurs cannot simply depend on a healthy dose of start-up capital and market research, and big corporates are discovering that a "business as usual" approach is likely to be fatal. As a result, new and somewhat "unconventional" approaches to business development and strategy are being pioneered and adopted around the world.

One of the most impactful of these ideas is the concept of design thinking, which has been made popular by companies, predominantly in the US, which have become synonymous with innovation. A favoured example is IDEO, an international design and consulting firm founded in Palo Alto, California. **Tim Brown, president and CEO of IDEO**, defines design thinking as follows: "Design thinking is a human-centred approach to innovation that draws from the designer's toolkit to integrate the needs of people, the possibilities of technology, and the requirements for business success."



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Feeling your pain

The proponents of design thinking argue that companies can no longer depend on staid and one-way strategies that fail to account for fast-changing consumer trends. Also, consumers are more empowered and knowledgeable than they were five years ago, so business leaders are being forced to depend on them for input and insights.

During a recent visit to South Africa, LC Singh, CEO of Nihilent Technologies, a consulting firm based in Pune, India, explained that empathy lies at the core of the design thinking approach.

"In the past, companies have simply assumed that they know and understand what customers want, and then designed products and services around that," Singh explains to *finweek*. "This no longer works. We first have to empathise with customers – feel their pain, so to speak – and bring them in during the design phase."

In his view, **companies have a short window of two to three years to adapt to the new playing field and implement design thinking.** Those that don't are likely to be overtaken by more nimble and forward-thinking rivals.

"Business models are changing fast, taking new developments in technology into account," adds Singh. "An example of this is in the banking and financial industry where payment technology and customer service has challenged traditional banking practices as customers demand more, faster."

He points to local examples such as Discovery, Nedbank and Capitec to underscore this point.

Innovation is about design

Simon Dingle, founder of consulting firm Phantom Design, says that local companies are indeed waking up to new approaches and strategies such as design thinking.

"As companies aspire to be more like disruptive start-ups, they are beginning to appreciate the counterintuitive processes employed at Google and Facebook, for example," he explains. "They're also realising that innovation isn't about technology. It's about design."

According to Dingle, popular culture is also driving adoption, with series such as *Abstract: The Art of Design* on Netflix and books like *Sprint* highlighting design as the ultimate differentiator within business.

Notably, he says that local adoption is primarily taking place within financial services and the fast-emerging realm of fintech.

"Our clients are predominantly banks where design thinking is the foundation for new products being developed," says Dingle. "SA has always had a very innovative banking sector, although this isn't saying much in the world's most antiquated industry."

When looking to incorporate this concept into business processes, he believes that ego is likely to be the biggest and most awkward stumbling block.

"Successful design requires humility and is incompatible with corporate environments where executives simply get their way because of what it says on their business cards," he cautions. "Design thinking businesses will always win because they focus on what they do, not who they are. As a result, it starts with an acknowledgement that the world does not accord with our intuition and that working at internet scale

requires a rigorous scientific mindset."

For local business leaders, the adoption of such a mindset may soon become as important – if not more – than the ability to manage existing processes and people. And for those who struggle to think creatively about the design of products and services, it might well be time to employ an army of those who can. ■

editorial@finweek.co.za

A reading list for design thinking

These are Simon Dingle's top three picks:

- *The Ten Faces of Innovation* by Tom Kelly
- *Sprint: How to Solve Big Problems and Test New Ideas in Just Five Days* by Braden Kowitz, Jake Knapp, and John Zeratsky
- *How Google Works* by Eric Schmidt and Jonathan Rosenberg