DESIGN; A BUSINESS CASE

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Epilogue & a story from real life

Having accepted that change is here to stay, one might still ask where all this is heading? Which role will design play, and what will be the most significant changes to design practice, design management and design thinking in the next decade or two…? In the absence of a crystal ball, the following cannot be any other than predictions and qualified guesses. The role of design has never evolved in isolation, but as a mirror of business model, organisational and technological innovation, of changes in social structures and behaviour, and of all other developments taking place alongside its own evolution. Hence, the perception of what design is and its place and role in business and society changes accordingly.

Design is increasingly recognized for creating value in the intersections of society and social challenges, sustainability (environment, social, economic), and the circular economy; the oncoming global challenges have an interdisciplinary nature, and design has the potential to create value in multiple intersections. At the same time, the very concept of value is changing. What was seen earlier as a simple profit/loss equation is now recognized as a complex construction where value is created and consumed in novel ways and where well-being co-exists happily with profit, and eco-footprint is increasingly linked to customer experience. [1]

The future role of design and designers has been a recurring theme of design thinkers and opinion leaders, and a bountiful basket of foresights have been published for decades already.

Design has moved out of the domain in which a delivery is most often a tangible answer to a brief and into a domain, where design is seen as a valid resource where large, complex challenges are at stake,

[1] Svengren Holm, Koria, Jevnaker and Rieple (2017): *Introduction: Design Creating Value at Intersections,* Proceedings from Design Management Academy Conferenc 2017, Hong Kong) pp 157-160

and where the designer works in close and equivalent collaboration with all kinds of other professional disciplines. Such challenges could be efficiency or profitability related – most probably on long term, or it could be related to local, regional or national identity or external relations, to loyalty issues and internal relations in large corporations, to competitiveness and innovation capacity, democratic processes and engagement, cross–sectorial dialogue and diversity issues. Not to forget the probably most urgent of all challenges: the need for a more sustainable corporate and political development and for a more responsible and balanced global order. [2]

There is no arguing about the increasing role and space that design has captured across sectors over the last couple of decades, and there is no immediate reason to believe that this role will be diminished in the years to come. Many of its key components, such as stakeholder engagement and collaborative creative processes – from workshops to hackatons, working with scenarios, prototyping and visual narratives, and striving for solutions that make the most possible sense, exploiting both technological and natural resources to its fullest, and leaving the least possible footprint; all these components will remain part of responsible development of products, services and systems. Who wins the battle for ownership of these components is an open question, but there is no doubt that the interest in design thinking and design management – though not always with the same degree of consciousness – shown by the management consulting community and business schools of this world indicates that these components may possibly be hard to hold on to for what we know today as the professional design community. What we might also see, though, is that some of the other and more subtle components of design as we know it; the quest for aesthetical resonance and wow-factor, the form-follows-function regime, user advocacy, user centeredness and usability, and the effect of celebrity and iconicity, may either suffer from a similar degree of domain rivalry as the one that we've seen for design methods and processes, or – adversely – stand more clear-cut and crisper than ever, thus re-inventing or re-invigorating design as a craft and professional practice, as a domain of intrinsic and indisputable value, as well as constantly of constantly expanding relevance.

One doesn't need to be a notorious dystopian to predict that the coming generations face some quite unnerving challenges, of which we already see the contours, whereof *extreme weather events, large-scale involuntary migration, major natural disasters, large-scale terrorist attacks, massive incidents of data fraud or theft, weapons of mass destruction, water crises and failure of climate change mitigation and adaption* [3] are some of the more frightening. In a corporate optic, there are the challenges discussed earlier in these articles, as identified by CEO's in a global PwC survey. How will we deal with these challenges in the future? A publication by Harvard Kennedy School, addressing how we face global challenges sums it up quite precisely;

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[2] Grønbech and Valade-Amland, ed. (2010): Manifesto; *The Role of Design in the 21st Century,* Danish Designers, Copenhagen

[3] World Economic Forum 20017-2017, *Global Risks Reports (Agglomeration of Top 5 Global Risks in terms of Likelihood / Impact)*

A special form of leadership, system leadership, is needed to tackle global challenges like food security, climate change, job creation, and gender parity. These challenges are complex and systemic, rooted in the actions and interactions of diverse yet interconnected, interdependent stakeholders. Leaders in business, government, and civil society increasingly recognize that they cannot be addressed in a top-down, pre-planned, linear fashion and that point solutions don't work. Instead, the solutions require stakeholders to change the way they operate at the global, national, and local levels. Over time, they must develop new technologies, products, services, business models, public service delivery models, policy and regulatory innovations, voluntary standards, and cultural norms and behaviours that together deliver new results. [4]

That's a reassuring end-note, if any. Yet, it emphasizes the need for a systemic approach also to design, engaging stakeholders and exploiting untapped potential – of designers, of managers and of business leaders, and of building bridges between, instead of silos around them.

A story from real life

To challenge our own thinking, we interviewed **Diana Arsovic Nielsen**, who is currently Director or Regional Development at the **Capital Region** of Denmark, taking as a point of departure the following questions;

- *How did you arrive at being convinced about the potential and powers of design as a strategic factor?*
- *How did you overcome the barriers of scepticism and resistance from your organisation?*
- *Which particular results would you bring out as examples of how design excellence made a measurable difference?*
- *Which role does design, design thinking and design management play in your constant strive for better performance and better results?*

Based on our conversation, the following story from real life emerged:

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[4] Nelson and Jenkins (2016): Tackling Global Challenges: *Lessons in System Leadership from the World Economic Forum's New Vision for Agriculture Initiative,* CSR Initiative at the Harvard Kennedy School

Design as conceptual framework for innovation in the public sector

On skills and competences

As an architect and designer, my own training revolved around methods, processes and projects – not on specific topics or on building a theoretical language, or on in-depth academic analysis. And, even though I always saw my own future role as a leader of a sort, I found it difficult to merge my own interest in management and leadership with what I experienced as design practice. Hence, I decided to supplement my Royal Academy of Arts studies with courses at the Copenhagen Business School, where I benefited from meeting and working closely with a wide range of students from various academic fields, who shared my interest and dilemma.

I realized that I was not truly conscious of what a designer does until I started applying my methods and processes on joint projects, which were not design projects as such. However, I turned them into design projects by focusing – not so much on the end result, but on how to differentiate good ideas from bad ones and how to find the right approaches and the best possible solutions to the rightest possible questions. That's where I started realizing how powerful design can be. While the others applied their theoretical knowledge within business intelligence, risk assessments, finance or marketing, my methodology was the only one capturing the situation as a whole and bridging all the others' expertise.

On the other hand, while they quite easily could articulate exactly what their expertise was, I had to demonstrate it through the way that I worked and by being much more hands-on in my approach to our joint projects than they were, and while they were absolutely content with a delivery consisting of a written report, I was much more focused on delivering tangible outcomes.

And all this was decades before the revival of design thinking as a commonplace term.

In the real world, designers work in teams with people and in projects, where a fundamental understanding of the underlying business case is crucial, which is not at all something, you learn at the academy of art. Often, I was at a loss for a language to qualify my solutions from a cost and benefit point of view – despite being brought up in a home of entrepreneurs, and understood quite early that whatever you do, there is always a "client" at the other end – someone, who is willing to pay for what I do. Hence, I soon realized that I had done the right thing by adding a business school degree in management and organizational theory to my design degree.

This combination of being trained at both design and management also explains why I've been on a somewhat organic journey from acting as a designer in a management dominated environment to being part of management myself. At the same time, it's pretty obvious that I bring something different to the board room then my colleagues – a different mindset, a different toolbox and basically just another approach to what we do, why we do it and how we go about it. When I meet with a management team, my creative outset means that I automatically look at the situation from a different angle and ask

different questions than my colleagues, often opening new avenues of exploration. At the same time, I also bring in a system for how to generate and process valuable ideas, and instead of just being duped by brilliant ideas, I pursue it with questions with regard to how it could possibly be realized, and which intermediary steps – opportunities as well as barriers – are needed to get to that point; all based on my hands-on experience with countless projects, as opposed to the others and their often confined and theoretical knowledge.

What I may not be as good as them at is foreseeing bureaucratic and external factors, which could influence on the project, as my starting point will always be to understand the users and which consequences any given development might have for them, and to extrapolate how other stakeholders than those, that we think of as core users might experience it. Simply as a result of my inability to relate to an idea without also envisaging it as a service, a transaction or a solution of a kind – digital or analogue. That's, I guess what I was actually trained to be able to do; to extrapolate and foresee; that, at the end of the day, is the core of design methodology.

My combination of design and management has also – quite naturally – attracted me to and made me an interesting candidate for managerial positions within the innovation and development domain. I don't think that I could ever have succeeded as a COO or CFO; I need to work with creative processes to deliver true value.

On embedding design in organizations

Has it been difficult? Yes and no. All people working with change and innovation face a certain degree of scepticism, thus building a language and arguments for what one does has to be part of the journey. I have always invested some of my creative energy in making sure that others could see what I was doing and that the change, I argued was a change for the better. And, also, that if the change is only incremental and marginal, we haven't exploited our own innovation potential.

I also learned that you need to understand the reality that you want to change. If you do not understand the tone of voice of an organization, and the way it functions, you cannot engage people in your project. If you don't – and sit there in a corner with all your fancy tools and your buzz-words and your multi-coloured post-its, it's like being the captain of a ship where no one wants to be passengers. So, learning the language, the processes and the name of the game – including financial and organizational factors – has been one of the most important preconditions for working with and understanding the context that I wanted to change, and as such there is no difference between the private and the public sector. What can also play an important role, is size. I have primarily worked in large organizations, with between 20.000 and 45.000 people, and I think that embedding design in such organizations depends on one's methods and achievements growing slowly from the inside, a little like a Trojan horse.

If you want to move people, you need to meet them on their own home turf, and if you want them to follow you, you need to understand what's at stake for them, and not for you as a designer.

For some creative people, the problem is that for them, the future stands crystal clear, something, which may come across as witchcraft or hot air to other people; sometimes as a little ridiculous and sometimes as an outright opportunity to dismiss the work and role of the designer. Hence, it might sometimes be a good idea for designers to turn down the volume of their vision for the future, and instead make sure that they create an atmosphere, where looking into the future is OK, and where the users can build a language and a vision together.

In one of the organizations I worked, as soon as I entered, I could see tons of opportunities for developments that would resonate globally. That, however, did not necessarily mean that all the others could see the same thing. They thought I were mad, even though now – less than a decade later, we see it happening. I'm not saying that designers are all clairvoyants, but even if they may have the ability to imagine the future, they have to respect that others might not be as visionary as they are. As such, it is also important to understand that communication is an essential element in design leadership, to make sure that design is firmly embedded in and adopted by an organization.

Design and design leadership

Another essential element is to understand that it is not enough to depend on one's own professional skills and tools, and to embrace one's dependence on other professionals. A good designer might have what it takes to engage others and facilitate processes, but he or she very rarely creates anything at all on his or her own. Good results – good design – come out of collaboration, and good design management is very much about making such processes as effective and as enjoyable as possible.

One factor, which plays a vital role to exploit an organization's creative potential is diversity. When I look at many management teams – perhaps in particular in the public sector, all members resemble each other and those, who recruited them. It is natural and often quite unconscious, but one often hires people with skills and tools that one understands. I, on the other hand, am extremely curious about other professional backgrounds than my own, and I rarely hire anyone that even remotely resembles myself. Admittedly, I sometimes miss to have a few more designers around the table, as they normally understand quite intuitively what it is that I mean. Now, I often feel a little alienated, surrounded by people who speak another language than my own, and whose references are different. But that's how one develops; by enlarging the circle of approaches and mindsets, thus also amplifying the creative power, around the table.

On the other hand, while always striving toward cross- and multidisciplinary teams, I also experienced that by hiring nurses and carpenters and process engineers, one not only gets a wide range of different angles on running a hospital. One also risks that the same people are so different that they are not able to lead a meaningful professional conversation. Gradually, I have found that cross- and multidisciplinary

individuals are equally valuable, but easier to work with. People with two different educational backgrounds, or cultural backgrounds, are much better at changing their mindsets, at understanding different languages and at seeing things from different angles. Hence, we need to encourage leaders to hire facetted people and to look at their entire career and background, not only to what kind of job they're in right now.

As a designer, one often discusses with oneself, while – as a design leader or design thinker – one accepts that the creative force does not lie within oneself, but in the team and in the interplay and in the joint journey. That's where value is created. The most difficult, though, might be to regard the ideas and input provided by others as just as genial as one's own. Not all designers are able to do so, hence they might be brilliant designers, but they will never make great design leaders.

On prototyping and bodily intelligence

Having worked at an architectural studio, I had already designed a ton of different rooms and furnished them with all that makes an environment. Moving to the public sector, I got my first real understanding of how design can be done in a more meaningful manner, orchestrating a user engagement process to design the hospital ward of the future, engaging patients, staff, family members and suppliers. We developed a 1:1 prototype, enabling fast build-up of complete environments by moving furniture and machinery and what have you, around. That was the first time that I realized how powerful prototyping is to understand different concerns and priorities, different work flows and different interests. What I saw with my own eyes with regard to how a room is conceived differently by different user groups was mind-blowing after years of studio work. The patients and families wanted comfortable and nice-looking rooms, reminding them of their homes. The medical staff prioritized ergonomics and convenience for them. The cleaning staff preferred no-fuzz, clinical environments without nooks and crannies, where dirt could pile. And the technical staff wanted something that was easy to build and elements that could easily be replaced. But, by everyone seeing and understanding the motives of the other groups, empathy between them was created, and a compromise that everyone could live with could actually be reached. Twenty per cent of the original floor and furnishing plans were redone after the process.

Prototyping is one of the keys to design thinking. In the board room and the executive offices, decisions are made on the basis of words on paper – sometimes graphs or drawings, but entirely based on our theoretical and intellectual understanding of the available information; entirely based upon what we have inside our heads. What is far too often forgotten is that the knowledge that really influences on people's lives is the knowledge that is embedded in our bodies. Prototyping is all about activating our bodily intelligence and an opportunity to see how decisions will affect people in real life, and not only expressed in data.

In many ways, my mission has been to activate and exploit the intelligence, which exists in the body and bodies of the organization; both the individual bodily intelligence and the knowledge represented by the organizational body – the operational parts of an organization, as opposed to the head – the management. And how does that bodily knowledge translate to something that the head will understand? Bodily experiences are not easily captured in words, so often, showing the management video captions of prototyping sessions can be much more convincing and contribute to creating a degree of professional empathy for citizens or customers or staff, or simply just a better understanding of the real-life consequences of any given decision made by the head. And, despite certain biases towards being "manipulated" by having to witness real-life prototypes, it works. I've seen how it has changed public sector managers' understanding of the complexity of situations, hence also of the nuances and understanding of the business case on which their decisions were made, and ultimately also the actual decision.

Designers have often a very tangible and physical understanding of the problem that they address and the solution that they work on. To embed the same degree of understanding in the rest of the value chain, design management is needed. Most needs and problems, services and transactions can be prototyped through simple props and roleplay, including decision making processes and contract negotiations. From the day we are born, we build our understanding of the word through our bodies, and to me, a fundamental assumption in and for design thinking is the recognition of the power of the knowledge and intelligence embedded in our bodies.

On user centricity

Starting with the user in itself does not necessarily solve all problems. User centricity also requires a certain shopping around for knowledge to complete the picture, and the wider the range of sources, the more complete your pool of available knowledge becomes. Moreover, the different ways of user engagement need to be properly dosed, depending on which knowledge you seek and how you intend to use it. If you want to understand someone's problem, observing might be more effective than asking, and if you want to know whether a certain solution will be accepted or not, asking user groups to test it might be more appropriate than asking what they think. It all depends on which output you need to improve on the solution. Often, user engagement is being used uncritically and by inviting a bunch of people on a field trip with roleplay and refreshments. Which can be fine, if it is also the most effective way of doing it, but on the other hand, it does not guarantee the quality of the information, one can gather. The key is to use professional facilitators to get the information one needs, engage the right people at the right time in the process and in the most effective way. Innovation is a craft, and so is facilitation – and the craft needs to be of the highest quality. Likewise, both innovation and facilitation take practice, and there is no rule saying that just because you're a good designer, you're also a good facilitator.

My own driving force is to develop services of such value to the citizens that they are willing to co-finance their existence, which requires that you start with and seriously and professionally engage them as appropriate throughout the process. If, however, an organization internalizes this fundamental assumption – that "we are here for them – not the other way around", it will influence on all our decision-making processes and on how we all perceive our role as service providers, including the fact that the day you do not any longer deliver value to your users, your "business" will slowly die.

What design can furthermore do is, not necessarily break down, but at least compensate for the existence of silos, by creating a common understanding of who – at the other end of the silos, it is that we work for. Design can visualize the value that needs to be created, hence also what the best possible solution could be. By starting a project upon a joint understanding of a project's objective, one also ensures that what takes place within each one of the silos supports the overall goal instead of super optimization the interests of the individual silo.

On design, design management and design thinking

One might ask which competences, we need to foster co-creation. Throughout the academic world, we nurture narrow and specialized knowledge – profound professional excellence. What we are getting more and more aware of is that to benefit from such excellence, we also need the facilities, tools and competences to reach out to and create value across all kinds of expertise. Unfortunately, as long as we continue building our academic excellence on a bachelor, where basic building blocks are laid down, and a master, where we specialize within a corner of our field, sometimes followed by a postgraduate degree with an even narrower focus, we actually miss out on building the competences needed to build academic bridges. Hence, those, who are in the best place to further develop their skills to do so are designers and architects, but they cannot do it all on their own. We also need people with other backgrounds, who are curious of and fascinated by the cross-disciplinary. Design can be narrow or open, but helps materialize and understand what can be, but which doesn't yet exist. It is about making ideas tangible by creating prototypes and visual representations to help people understand and relate to possible solutions, and a core value in design is still, and has to be, how to make solutions attractive and desirable. Design management – and innovation management – is all about building and organizing relations between different skills and expertise in an organization that can contribute to better solutions – and about aligning what we often refer to as design processes with strategic goals. And design thinking is all about how to create a common understanding of the tools, and to grant an organization the resources needed for design and design management to contribute to better results.

And the wonderful thing is that design and innovation – and all related terms and concepts – are and have to be subject to constant change. If they weren't, none of them would neither have nor deserve any credibility whatsoever.

A final reflection from the authors

Design, design management and design thinking form a value chain on its own in this landscape, regardless of whether the objective is to address systemic challenges and what the design theorist, Horst Rittel named ***wicked problems*** [5] as they occur -

The problem for designers is to conceive and plan what does not yet exist, and this occurs in the context of the indeterminacy of wicked problems, before the final result is known. [6]

- or, ideally beforehand.

Or, to successfully address the challenges faced by business leaders across the world; challenges such as innovation, human capital, digital and technological capabilities, competitive advantage and customer experience,[7] the entire value chain needs to work. And, at the same time, the value created on all three levels; operational, functional and strategic – they all need to be acknowledged in their own right. If they work in harmony, so that the organisation is empowered to work systemically and strategically with design through aspirational and inspirational leadership, so that the structures and resources available enable the inclusive and explorative processes needed through professional and capacitating management, and, so that the design competences available embody the most innovative, responsible and attractive solutions possible through their design practise, design is potentially of the most powerful instruments of change there is. Not instead of or to contest the invaluable legacy of management thinking that already exist, based on decades of studies by gurus like Kim & Mauborgne, Hamel & Pralahad, Christensen, Chesbrough, Pine & Gilmore, Porter, Argyris, Nonaka & Takeuchi, Mintzberg or Weick. Or any other of the highly respected scholars referred to in this series of articles But, as an extra layer and as a mechanism to unfold the full potential of their thinking in combination with the undisputable potential of design excellence.

[5] West Churchman (1967): Wicked problem - Management Science (Vol. 14, No. 4, December 1967).

[6] Buchanan (1990): *Wicked Problems in Design Thinking* - based on a paper presented at 'Colloque Recherches sur le Design: Incitations, Implications, Interactions', October 1990, (Design Issues, Vol. VIII, Number 2, Spring 1992 5).

[7] PwC (2017): *20th CEO Survey: 20 years inside the mind of the CEO... What's next?* – page 12

Call

We don't know how many of you actually read the whole series, but what we know is that the articles altogether have been viewed by close to 100.000 people from all over the world, and we have had direct feedback through LinkedIn or e-mails from well over than 300 people. To us, that just proves that there is a strong and wide-reaching interest in pursuing the discussion about how design, design management and design thinking – as a coherent whole – can be exploited in the context of real-life business, as well as societal challenges.

We want to hear about your experience, your worries and your victories at working with design, design management and design thinking. Based on what we get back from you and all our other peers and colleagues out there, we will post a "final" article when the time is right and in support of all the people around the world who have dedicated themselves to inspire and empower, to support and enable, or to embody and design better products or services, better ways or organisations, better relations between systems and individuals and who all – one way or another – all contribute to designing a better world.

Please send an e-mail to one of us – or both – and let the dialogue begin…

Thank you for staying with us to the end.

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