



Design IS Business

(Why the World Needs Leaders
with the Skills of Designers)

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The majority of day-to-day business planning tends to happen through a fairly predictable process. For established businesses, it usually starts with looking at the existing performance for the company's products and services, and projecting out performance based on traditional strategy frameworks and analytical tools like revenue forecasts, financial modeling, market share percentages, and competitive SWOT analysis. The focus is on what's known or can be known, relying on internal experts who are close to the data.

While the exact approach may differ from company to company, the process is a relatively familiar linear gathering of measurable numbers and quantifiable analytics to predict the future. Most strategic planning processes end up with a detailed plan that looks like a much more optimistic version of what exists today: Business plans, SWOT analysis, Porter's 5 Forces, financial analysis, market research, benchmarking and competitive analysis.

Once this projection of the future is established, we create plans that detail how to execute on that vision. In most established companies, it's what our performance gets measured on, isn't it?

While startups and early stage companies may not have historical data to draw from, the expected outcome is still often an ambitious straight line of exponential growth, accompanied by tantalizing stories of certain success. I've never met an entrepreneur who tried to raise money by promising anything less than performance numbers that grow up and to the right.

But in reality, we know strategy is far from linear, particularly in these uncertain times. As my coauthors and I wrote in my last book, *Moments of Impact: How to Design Strategic Conversations that Accelerate Change*:

“In our VUCA (volatility, uncertainty, complexity and ambiguity) world, organizations need to find new ways of responding to adaptive challenges. They need to get comfortable with ambiguity and seek insight from a broader range of places. They need to continuously frame and reframe, not only their answers but also the questions they post. They need, in short to approach strategy less like mechanics and more like designers.”

You Are a Designer...

You are a designer, or at least you need to be. Many people believe that design is a profession for artists and creative types.

In actuality, design is all around us—not just the beautiful things—it's done by all of us, and it affects all of us.

It's not just the things that you own or interact with—like your new favorite shirt or smartphone—that are designed. The process by which they came to exist was also designed. How the original ideas were conceived, the way those ideas were tested, the mechanics of how they were produced, distributed, sold, and delivered? Influenced by design. All of it.

Design is a disciplined approach to discovering, identifying, and capturing value.

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The good news? Design is a teachable discipline. It has its own process, its own tools, and its own way of working. It just hasn't been taught to most of us.

Design is way of approaching the world by meeting the needs of others. Design suggests that we have to be intentional about what we're trying to create, and the value that we're trying to deliver.

It allows us to discover value through the discovery skills of observation and questioning. It teaches us to ideate to trigger new insights and allow time for the development of "ah ha" hunches. It asks that we create a point of view before there's complete data to back it up. And it requires that we learn how to communicate that idea to others in ways that they'll understand.

Design demands that we rigorously gather evidence about our ideas through experiments and testing. And, design allows us to go back to the beginning to apply our learning to a new cycle of creation, if we were not successful.

In a world filled with increasing volatility, uncertainty, and complexity (VUCA), learning these skills are not just a nice to have—they are necessary to have. Traditional, more linear processes of business don't set us up to be successful in the future. We need more than historic data to project the future, more tools than spreadsheets and slide decks, more data than historic performance numbers and competitive analysis.

We need time and tools to explore value that hasn't yet been articulated or captured. We need to go to where our customers are and watch how they do their work and live their lives. We need time to refine our intuition and judgment about what we're seeing, and new models of effectively communicating our early hunches.

Even more worrisome is the time pressure and execution demands seem to increase every day. Not only do we not know how to be discoverers, we don't have time to learn. We get focused on delivering to our plans. To getting the known job done. We're not rewarded for taking risks, or trying something new that isn't a guaranteed success.

Our busy lives don't give us time to search for new ideas. We don't tend to question or observe outside of what we already know. We don't meet with our customers, or understand their lives from their perspective. We're not practiced at creating a point of view from new and disparate information. We don't know how to tell stories that capture the attention of skeptical listeners. We don't take time to build relationships outside of our function or geographic area. We value execution over experimentation.

And then we get surprised when we start to lose customers. Or when a new entrant pops up, seemingly out of nowhere.

We still expect our old strategy tools and processes to orient us to a common understanding of how we create value for our customers, and then predictably deliver and grow those customers over time. But those tools are outdated.

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There Is Another Approach

A designed approach to strategy is less like a linear process of gathering and analyzing known data, and more of a journey of search and discovery, utilizing creative skills and analytical tools along the way. Here's what it looks like:

Preparation: Preparing yourself, your team, your environment, and the tools you'll use is essential for your successful journey.

Point of view: Design is human. The journey you take will help to inform your point of view going forward.

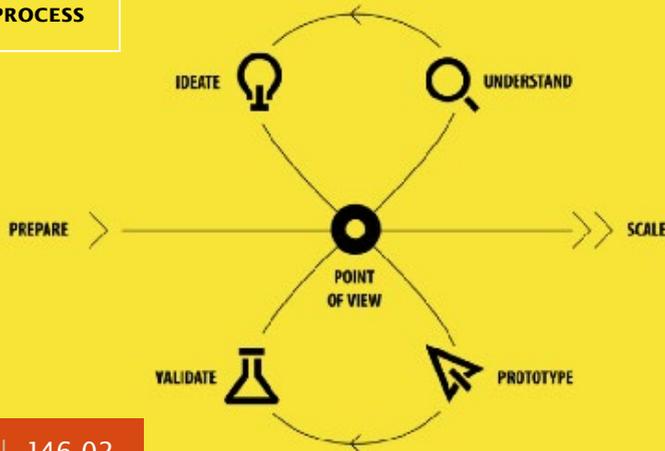
Understand: All design journeys start with the customer, context, and your business in mind. Understanding these is the key to design.

Ideate: There is no single right solution. Ideation will enable you and your team to unlock and build upon each other's ideas.

Prototype: At some point, your ideas must see the light of day. Prototyping is about bringing your ideas to life so that you can learn from them.

Validate: Ideas are just thoughts based on assumptions. To understand where true value lies, you must test your ideas and measure the results.

Scale: Design journeys are iterative, cyclical, and designed to scale from small projects to organization-wide cultural norms.



Far from being a groundless free-for-all, the double-loop design process takes into consideration that the most important driver of successful strategy is a deep understanding of the customer, of the context, and of the mechanics of the business model itself. It provides space for us to question the status quo and ideate to get to new territory. It provides disciplined but creative approaches to prototyping and testing, which helps validate the true potential.

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The Redesigned MBA: Training The Next Generation of Leaders

Around the world, MBA programs, the stalwarts of business management pedagogy, are embracing new approaches to prepare future leaders with new skills around design, innovation and entrepreneurship. In some cases, design has been completely and totally merged with business.

So what do future business leaders need to know and experience to lead successfully in today's dynamic, unpredictable, and yes, exciting environment?

In 2008, experience designer, entrepreneur, and author Nathan Shedroff launched the first MBA in Design Strategy (DMBA)—a pioneering interdisciplinary program focused on integrating the creative and analytical problem-solving skills that help create, capture, and scale value in sustainable and impact-driven ways. As one of 13 progressive graduate programs at the California College of the Arts, the DMBA curriculum is informed by the integrated, hands-on, critique-based pedagogy of the 109-year-old art and design school, and the entrepreneurial spirit of the Bay Area.

Practicing Solving Adaptive Problems: At the DMBA, each of the four semesters includes a studio-based course that weaves together theory, best practices, dynamic tools, and hands-on engagement with real clients or emerging world issues. Classes are designed to help students think beyond profits to consider the social, community, and environmental impacts of their work.

In “Innovation Studio,” a mandatory core class for first year students, students have tackled complex, adaptive problems such as The Future of Money, The Future of Work, and the Future of Voter Engagement. These challenges start on the first day of their graduate school experience, and serve as a primer of the divergent and convergent processes they’ll experience and practice throughout the program.

Becoming Team Builders: Not unlike any business challenge, this approach calls for courage and a willingness to take on problems that don’t have single, simple solutions. Students discover their way to possible solutions, applying the same tools and skills described above. In another mandatory class, Live Exchange, students learn generative skills such as visual and design thinking, perspective-taking and empathetic, open-ended questioning. They learn to facilitate collaborative and productive teams of diverse perspectives across nearly every kind of communication channel. They have the opportunity to work directly with a wide range

of industry experts and leaders who frequently come to the classes not just to lecture, but also to learn with the students as co-creators, mentors, and network builders.

Ideas in Action: Each semester, DMBA students have opportunities to create original solutions to unfolding issues while deepening their understanding and confidence with the design process and discipline. They use dynamic frameworks and tools to interrogate existing business models—and invent new ones. They have to be ruthlessly curious investigators and methodical researchers, while also honing their own intuition and strategic judgment. They have to find new and compelling ways to translate their insights into hypothesis-driven experiments to move ideas into action. They learn to share their ideas through compelling stories and experiential presentations that highlight emotional needs, not just the financial upside of an idea.

Students grow comfortable with uncertainty and ambiguity. They take risks and move outside of their comfort zones to build new competencies, even if it means early failure.

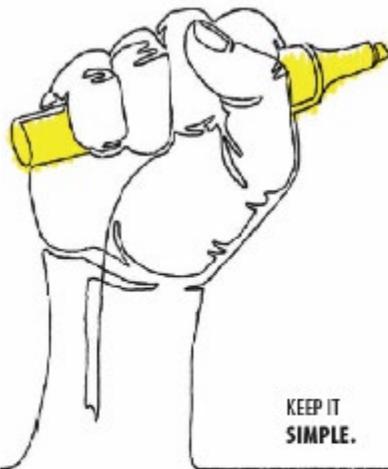
These Are Our New Leaders: Most importantly, DMBA students learn a mindset of possibility, optimism, and abundance—a confidence that their role as leaders is not to deliver a single, proven “right” solution, but to create the space, conditions, and team to bring to life something fundamentally new. They carry with them a new language, new tools, new skills, and the ability to continuously and repeatedly harness opportunities from change. If you want to make change in the future, this is the mindset you must have.

Not everyone can return to school to receive a DMBA. So what can you do in your company to build leaders as designers?

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7 Skills for Leaders Who Design Better Businesses

INTERACTION > DESIGN: A REBEL WITH A CAUSE



IT ALL STARTS WITH THE CUSTOMER.

THINK AND WORK VISUALLY!

DON'T FLY SOLO. YOU ARE NOT SMARTER THAN EVERYONE ELSE.

TELL STORIES AND SHARE THE EXPERIENCE.

KEEP IT SIMPLE.

SET UP SMALL EXPERIMENTS AND LEARN SHIT.

EMBRACE UNCERTAINTY. IT'S CANDY FOR THE BRAIN.

Observing customers to understand them will give you fresh insights into their needs. You must ask the right questions to get the answers you seek.

Working visually helps you to see the bigger picture, gain clarity on complex topics, create a visual anchor for your strategic conversations, and engage with your audience.

Gather different insights by working together. Connecting the brains in the room and in your market will enable you to discover hidden opportunities.

Stories have a clear beginning and end, and most likely they have themes your audience can connect with. Cool stories stick. Cool stories will be told by others. Cool stories spread.

Just start. Don't try to build the final product. Don't add features that don't solve real problems.

Every little iteration and trial will net you a host of useful new insights – things you couldn't have learned if you just started building. Reality is different than what you assume.

Except for change, there is no such thing as certainty in business. Accept this and harness opportunities from uncertainty.

CASE STUDY | Team4Tech: Building a Better World Through Design

Team4Tech, is a social impact startup dedicated to bettering the world by sending seasoned tech professionals to volunteer in developing countries to promote digital literacy and technology, and advance 21 century skills in local communities. Each project is deeply rooted in design thinking to empower adaptive problem solving and localized impact through practices of rapid iteration and extreme collaboration.

“Our dream in launching Team4Tech at the end of 2012 was to catalyze the vast talents and innovative solutions of the global tech industry to expand educational opportunities for underserved students in developing countries. We were motivated by our respective experiences working in schools in rural Guatemala and orphanages in Lebanon, as well as our 10+ years in the world of education technology, to see if we could make a real difference for students and teachers by bringing together the tech resources we knew with the enormous education needs in the developing world.”

—CoFounder and Executive Director Julie Clugage

Incubated in the Silicon Valley venture capital offices of Kleiner Perkins Cauffeild and Byers, Team4Tech is as ambitious about its impact as many of its for-profit counterparts. In just three years of operation, Team4Tech has supported 18 projects across 7 countries affecting nearly 30,000 and involving over 200 volunteers from technology companies such as Autodesk, Google, Box, Facebook, VMWare, and Intuit, among others.

What makes Team4Tech different is how it has designed a model of impact that goes far beyond the transactional flow of donating the technology or software to the schools in need. Built into Team4Tech's model of change is developing the leadership skills of the volunteers while they do the work, with the intention that they will apply this learning to foster more collaborative and globally aware practices back home. This “fly wheel” effect amplifies the value of the experience for everyone involved.

For participating technology companies, like Box and Facebook, this is one of the biggest appeals of the program. Design not only dictates the process of how the technology gets delivered, but the approach to developing the “four Cs” —creativity, collaboration, communication, and critical thinking—in its high potential leaders who sign up for the program. The intensity of the experience fosters empathy, global sensitivity, creative problem solving and extreme collaboration skills.

Here's how Team4Tech uses the Double Loop process to develop leaders and scale impact:

Prepare: Given how vital supportive teamwork is the success of the projects, Team4Tech is very intentional about how it prepares and sets the working conditions of its volunteers. After years of running the projects, it knows that the true value of the experience gets realized many years after the actual trip—it's about reshaping global mindsets and a willingness to learn.

“We know that just pointing to a map of the location and giving them stats about the project isn't enough to get them full invested in the project,” says Clugage. “We need to push them out of their comfort zones before they leave for the trip, so that they're prepared for the intensity and unfamiliar realities of a very different environment that is waiting for them. They've got to assess, adjust, and implement totally new technology solutions in a foreign, often chaotic conditions in less than two weeks. For many, it's a totally transformative experience.”

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POV | Your job is to learn, not to be right: Before they go on the trip, the most important thing is for them to adopt the right mindset—focused on user needs, comfort with uncertainty, primed to observe and learn, with an ability to remain solutions-oriented and continually pivot without getting frustrated or discouraged.

To get participants in the right frame of mind, Team4Tech teaches all volunteers the design thinking process upfront and sets expectations that they will continually iterate; creating a “yes and” mentality to make collaboration a positive experience.

They also inculcate a celebration of failure, using improv theater techniques to demonstrate that they will all make mistakes and need to celebrate the learning and try something new. They also learn how to rapidly test their ideas by quickly prototyping their draft lesson plan ideas and getting feedback from the NGO clients. Finally, they learn the value of setting their teammates up for success.

Understand: To help each volunteer fully embrace the experience, they receive a long list of background reading, leadership articles, and videos that are specific to the country and project they are working on. Included in the packet are detailed descriptions of the specific conditions and student needs of the area. For example, in a recent trip to Cambodia, participants were

asked to read articles entitle “A Brief History of the Khmer Rouge” and “Khmer Rouge History,” and watch Multimedia Timeline: Cambodia and the History of the Khmer Rouge on PBS, among other resources. The goal is not to make the participants experts in Cambodia, but to sensitize them to the local conditions and contextual realities that they’ll need to understand to be successful.

Additionally, each volunteer receives a preparation toolkit that lays out the arc of the full experience from the beginning to help build personal understanding of the requirements for the journey ahead. The guide is intended to relieve their anxiety by showing the volunteers that it is a journey of preparing, learning on the ground, and reflecting when they return home. The toolkit also serves as a living memoir/journal/scrapbook of their full experience that they can refer back to after they return and remember their lessons learned.

Ideate: Taking risks and learning new skills, particularly in a foreign place, doesn’t always come easy to highly focused, busy tech executives. To create meaningful engagement in advance of the trips, Team4Tech sets clear conditions for what the project is about, but not necessarily how the project will be implemented. The teams have to rapidly ideate on possibilities, knowing that they’ll likely have to quickly adopt and change their perspectives once they get onsite.

Prototype: Once on the ground, the participants need to assess the conditions and quickly get to work implementing the solutions they developed. In almost every project, what the volunteers expect before they get onsite and what they experience after are very different. They have to learn how to be both flexible and resilient in their approach, using the materials that are available and not ones they might have been counting on.

Validate: What matters most in a Team4Tech project is that the project adds value to the local community. Throughout their time on the project, the Team4Tech volunteers need to assess if what they are doing will have lasting impact for the students, teachers, and broader support group.

In one recent project in Kaumandi, South Africa, volunteers from Autodesk helped install a laptop center at the Makupula Secondary School, outfitted with the latest 3D cad software and design programs. In working closely with the school's teachers, the volunteers realized that they needed to provide as much coaching and training on teaching with an open mindset, such as being okay with experimentation and iterative failure, as they did on the technical skills on how to use the technology.

Scale: Team4Tech’s immersive service learning projects ultimately create better education for teachers, learners and nonprofits, better leaders in the technology industry, and better practice for technology companies. Team4Tech provides a real world immersive design challenge that helps build 21st century leadership skills needed by businesses today—expanded global mindset, creative problem solving, critical thinking, extreme collaboration, effective communication. It also has overarching benefits for company sponsors in terms of increased employee engagement, recruitment/retention, customer-driven innovation, and much more.

Looking ahead, Team4Tech’s goal is to reach 100,000 students from around the world, while helping leaders from technology companies impact the thousands of people they manage and serve through an expanded understanding of what it takes to be a compassionate, creative, and collaborative leader in today’s dynamic world.

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Summing It All Up

If strategy was like a high-stakes chess game a few decades ago, it's more like hockey today—fast, risky, and hard to follow. There's at least as much improvisation as there is planning involved. You must blend improvisation and planning into a new way of working that is as adaptive as the strategic challenges that we face. You must learn how to design to a better approach by embracing the skills and practices of a designer.

Whether you're an executive looking to change the way you create your strategy, an entrepreneur working on launching a venture, a business unit leader who is worried about falling revenue, a program manager looking for new growth opportunities, or a social impact leader who wants to better our world, **design thinking is critical to create, deliver, and grow value in new and sustainable ways.** 📌

Info



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ABOUT THE AUTHORS | A passionate design strategist and executive educator, **Lisa Kay Solomon** is the Managing Director of Transformational Practices at Singularity University, a global community of smart, passionate, action-oriented leaders who want to use exponential technologies to positively change the

world. A passionate educator, She is the coauthor of the bestseller *Moments of Impact: How to Design Strategic Conversations that Accelerate Change*. **Patrick van der Pijl** is CEO of Business Models Inc. and producer of the worldwide bestseller *Business Model Generation*. **Justin Lokitz** is an experienced strategy designer and Managing Director of Business Models Inc., an international strategy + design company that helps companies of all sizes design sustainable strategies for the future.

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