



Why Design Thinking Is the Next Competitive Advantage

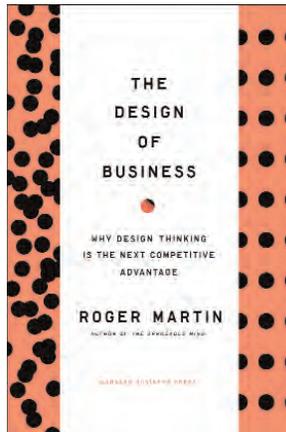
THE DESIGN OF BUSINESS

With *The Design of Business*, Roger Martin demonstrates how companies can successfully adopt the methodologies and perspectives that designers use to solve problems and run more efficient, effective and competitive businesses. In a world of increasing sameness with every business looking for an edge, Martin effectively argues for embracing design thinking as a business strategy.

Currently the dean of the Rotman School of Management in Toronto, Martin is also a well-known business consultant, having been a key figure in helping P&G change its business model from what he refers to as a *reliability*-oriented company to a *validity*-embracing organization. According to *The Design of Business*, an over-reliance on a reliability bias, which is what many business foundations are built on, is today often trumped by companies that recognize and employ the idea of validity in equal measure to reliability.

An easy and casual read, *The Design of Business* begins with a deep dive into the balance of *exploration* and *exploitation* within corporate culture. Martin introduces a construct called the “knowledge funnel.” This theory states that the business world consists of three levels—mystery, heuristics and algorithmic components—and that businesses are generally proficient at the mystery component (understanding opportunity) and the algorithm component (repeatable process) but are frightfully bad at understanding the heuristic part. Martin then renders soft criticism and sage advice through case studies.

Much of the book points out the steeply ingrained barriers that limit companies from true innovation. Martin uses storytelling and draws on theories of other writers, including Malcolm Gladwell and Daniel Pink, to support many of his



arguments. To be sure, some of the material is well-trodden ground, especially for the design community; examples of Apple, OXO and P&G are referenced in a dozen books of late. But for readers unfamiliar with design thinking, these case studies may still lead to the discovery of a new universe. In addition, the lineup includes RIM/Blackberry, Herman Miller and a few other new takes on this now-popular conversation. In the end, the difference is Martin himself, an accomplished storyteller who speaks from a voice of authority and a true business-leadership perspective.

The Design of Business concludes with the idea that individuals are responsible for

this necessary and somewhat urgent shift in thinking. Martin is particularly effective in the last few chapters where he introduces the idea of the hybrid leader, drawing on storytelling from personal experience. The Bank of Toronto story is a priceless and entertaining example that demonstrates how even the words used in presenting ideas can enable one to succeed or fail based on the listener’s ability to accept validity. Stories about world-class explorers, such as Guy Laliberte of Cirque Du Soleil, James Hackett of Steelcase and, of course, Apple CEO Steve Jobs, are simply inspiring.

For business leaders who are trying to understand this mysterious thing called *design thinking* and are trying to redesign their businesses in accordance, this book is especially ideal. For companies that find themselves in a holding pattern or worse, a slow decline, this book is an excellent coach into the often-intimidating and sometimes even fear-inducing risks required by design thinking. In *The Design of Business*, Roger Martin provocatively argues for businesses to embrace validity, design and, especially, design thinking.

—Mark Dziarski, FIDSA
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