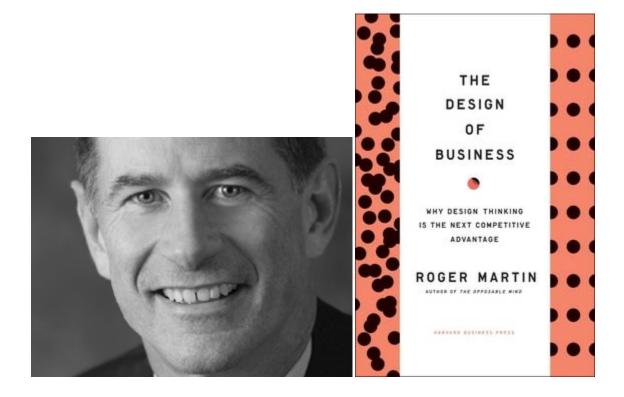


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Roger Martin

The idea: Design strategy for brands and businesses

The man: Roger Martin Words: M. Astella Saw

In this fast-moving world full of ever more knowledgeable consumers, business leaders need to balance analysis and intuition, exploration and exploitation, according to <u>Roger Martin</u>, author of The Design of Business: Why Design Thinking is the Next Competitive Advantage.

Martin is one of the most outspoken proponents of design thinking, which he calls 'a productive combination of analytical thinking and intuitive thinking'. It is a growing movement that

encourages both executives and employees to take risks and innovate, by steering away from the sweet, soft temptation of dull reliability.

'Design thinking is about innovating, about creating things that don't yet exist – new customer experiences, new products, new services,' Martin tells LS:N Global.

Conceived as a guiding philosophy for business, design thinking explores the contrast between exploration – defining a problem then finding the solution – and exploitation – what Martin calls 'doing what you're already doing'. This is the model companies used in the past, for as long as the cycles of competition lasted, which could be up to 20 or 30 years, according to Martin. Shorter cycles of competition and more global competitors today means that model won't work anymore.

'You don't have the time to explore now and exploit an idea for the rest of your life,' Martin says.

Further, as consumers become more knowledgeable about a product or industry over time, their expectations and demands are heightened, meaning brands can no longer rest on their laurels – or their grape vines, as the case may be. For instance, while the \$2.99-a-gallon Hearty Burgundy satisfied Americans in the 1970s, its maker, California winery Gallo, now competes with dozens of specialist producers.

The demanding consumer isn't such a bad thing, however.

'There's an inherent pressure from a more picky consumer,' Martin says. 'But also an inherent reward. These consumers are willing to reward you for innovation.'

Gallo now sells its premium wines for up to \$80 a bottle.

Design thinking is ideal for this <u>Fifth Scenario</u> era, where brands recognise the need for smart, consumer-oriented reinvention.

Plus, as companies increasingly aim for game-changing developments while maintaining a clear brand message, using design thinking can help them maintain their brand's DNA.

'Part of a brand's message could be reinvention,' Martin says. 'That's one of the things Apple has going for them. Part of its brand is, 'We do new stuff that you've never seen before.''

(Note that this week's <u>Innovate</u> case study is about a hotel group whose brand signature is that each hotel is different from all the others.)

Design thinking can be an effective strategy for various industries, from hotels and consumer electronics to automobiles, alcohol and healthcare. Proving this point, The Design of Business presents case studies that cover office furniture manufacturer Steelcase, FMCG giant Procter & Gamble and circus arts specialist Cirque du Soleil. Each example demonstrates how a healthy dose of <u>Dreamtelligent</u> imagination can help a brand move from status quo to breakout star.

Our top five take-outs

- 1: The business world needs to make more room for art. 'I think there is a super high appreciation for science, but artistry is being systematically driven out,' Martin says. A business that uses design thinking would encourage instinct and intuition.
- 2: Design thinking takes an optimistic approach to the world. 'A design thinker sees the world as a place that welcomes new ideas, rather than a hostile environment that punishes change,' Martin writes in The Design of Business. A design-thinking CEO does not have to be a designer, but she or he should inspire the 'logical leaps of the mind' that allow for new ideas, and create incentive systems that encourage imagination and innovation.
- 3: Design thinking calls for greater openness and collaboration. 'The design mindset is one that is more agglomerative,' Martin says. Integrating ideas and inspiration from other, seemingly unrelated sectors of industry nurtures originality.
- 4: Similarly, design thinking recognises that there may not be one true answer. When trying to solve a problem, conventional consultants come up with what they think is the best idea, whereas a designer will come up with five good ideas, Martin says. Design thinking values diversity of thought. As such, using it may well uncover brilliant insights.
- 5: Knowing what to do isn't the same as knowing how to do it. 'The Palm Pre was Palm's attempt to do a smartphone. Palm knew what they had to do that was the easy part but doing it was the hard part,' Martin says. 'After spending a lot of effort to design and refine it, it's kind of fallen flat.'

Roger Martin's The Design of Business (Harvard Business Press, 2009) is available now.