

Stanford University

Design Thinking: A Competitive Advantage in a Difficult Economy

February 23 , 2010 via Webinar, Stanford





Meet the Speakers



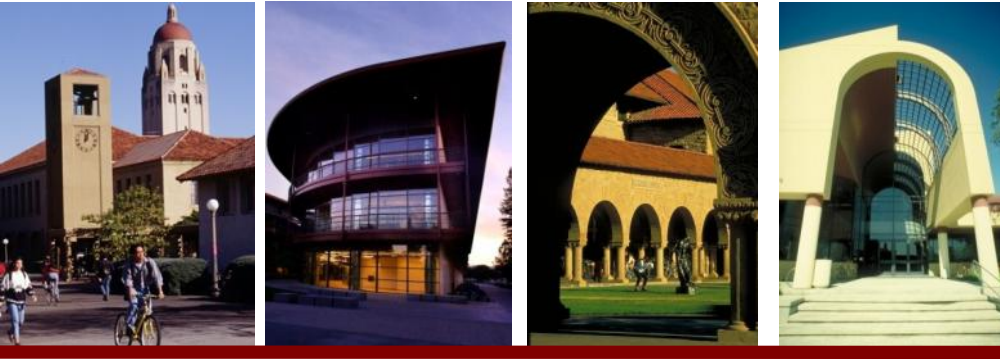
Bill Burnett

Executive Director of the Stanford Design Program
Consulting Asst. Professor Mechanical Engineering,
Design Group



Banny Banerjee

Academic Director of the Stanford Design Program
Associate Professor Mechanical Engineering
Design Group



Stanford University

Design Thinking: A Competitive Advantage in a Difficult Economy

February 23 , 2010 via Webinar, Stanford



After the Crisis: The Challenge

“The global economic crisis has fundamentally reset the way companies do business and capitalism itself.”



**Jeffrey Immelt, CEO
General Electric
2009 Annual Meeting**

Think about the following questions

- Do you find yourself with fewer resources now than before the crisis?
- In spite of this, are you being challenged to implement more to stay ahead?
- Are you running out of good ideas to address these challenges?
- Are you struggling to formulate a strategy in these uncertain times?

The answer to these questions is critical

We start with the premise that the state of the system today is the *new normal* and everyone needs to re-examine strategies and tactics for success in this resource-shy reality.



the *New Normal* isn't the same



"It's not what we don't know that hurts us, it's what we know for sure that just ain't so."

Mark Twain

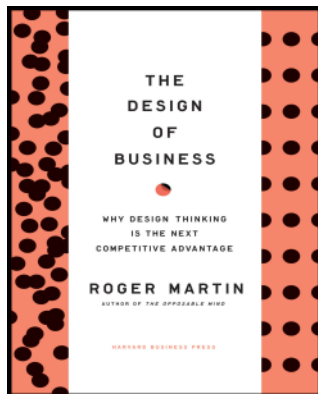
Could *Design Thinking* be one answer?



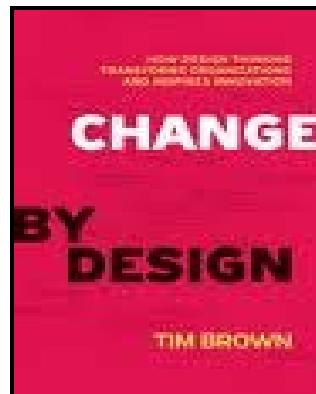
HBR
Jan/Feb 2010

Bruce Nussbaum of *BusinessWeek* is a leading media advocate for Design Thinking.

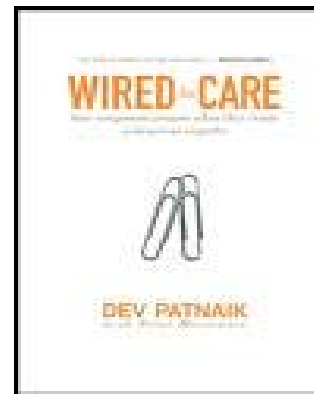
“THE CREATIVITY ECONOMY may sound like another over hyped catch-phrase, but companies that have embraced the concept are gaining a bottom-line edge over those who haven't.”



Rotman School of Management,
University of Toronto



Tim Brown
CEO/President IDEO



Dev Patnaik
CEO/President Jump



Fast Company,
October, 2009

Question?

Are the strategy processes in my organization innovative enough given the nature of current challenges?

- A) Yes - our processes are highly innovative**
- B) Sometimes, depending..**
- C) No, they could use being more innovative**



Design Thinking is being used to address a highly diverse set of questions...



What is the future of mobile technology?



Global Mining Company Expanding Operations in Africa

HOW MIGHT WE CREATE NEW MODELS FOR MINING THAT LEAVE COMMUNITIES IN BETTER CONDITION THAN BEFORE WE ENTERED?





Global Automobile Manufacturer, Japan

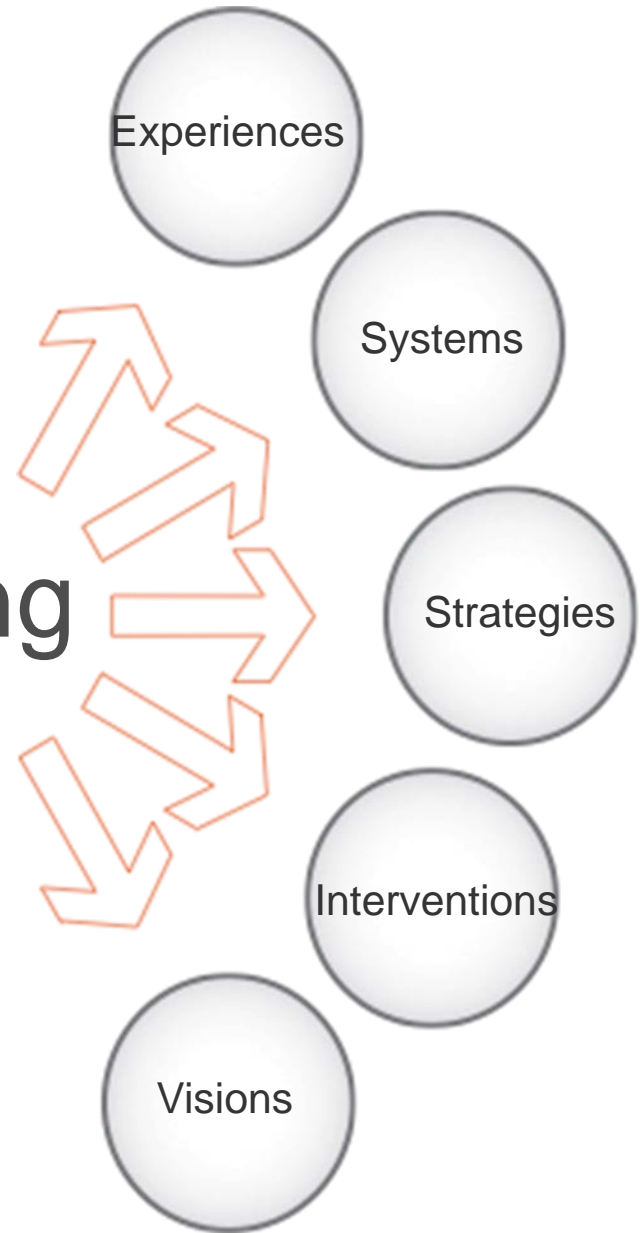
HOW MIGHT WE MAKE OUR PRODUCT DEVELOPMENT PROCESS (AND OUR CULTURE) MORE INNOVATIVE?





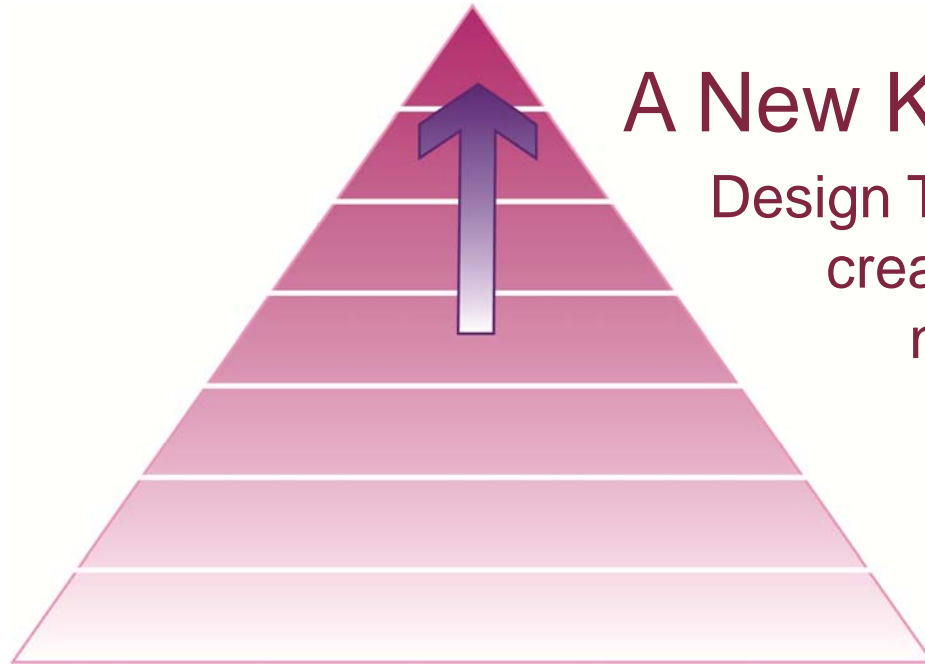
Design

Design thinking



Doing the right
things

Doing things right



A New Kind of Leadership

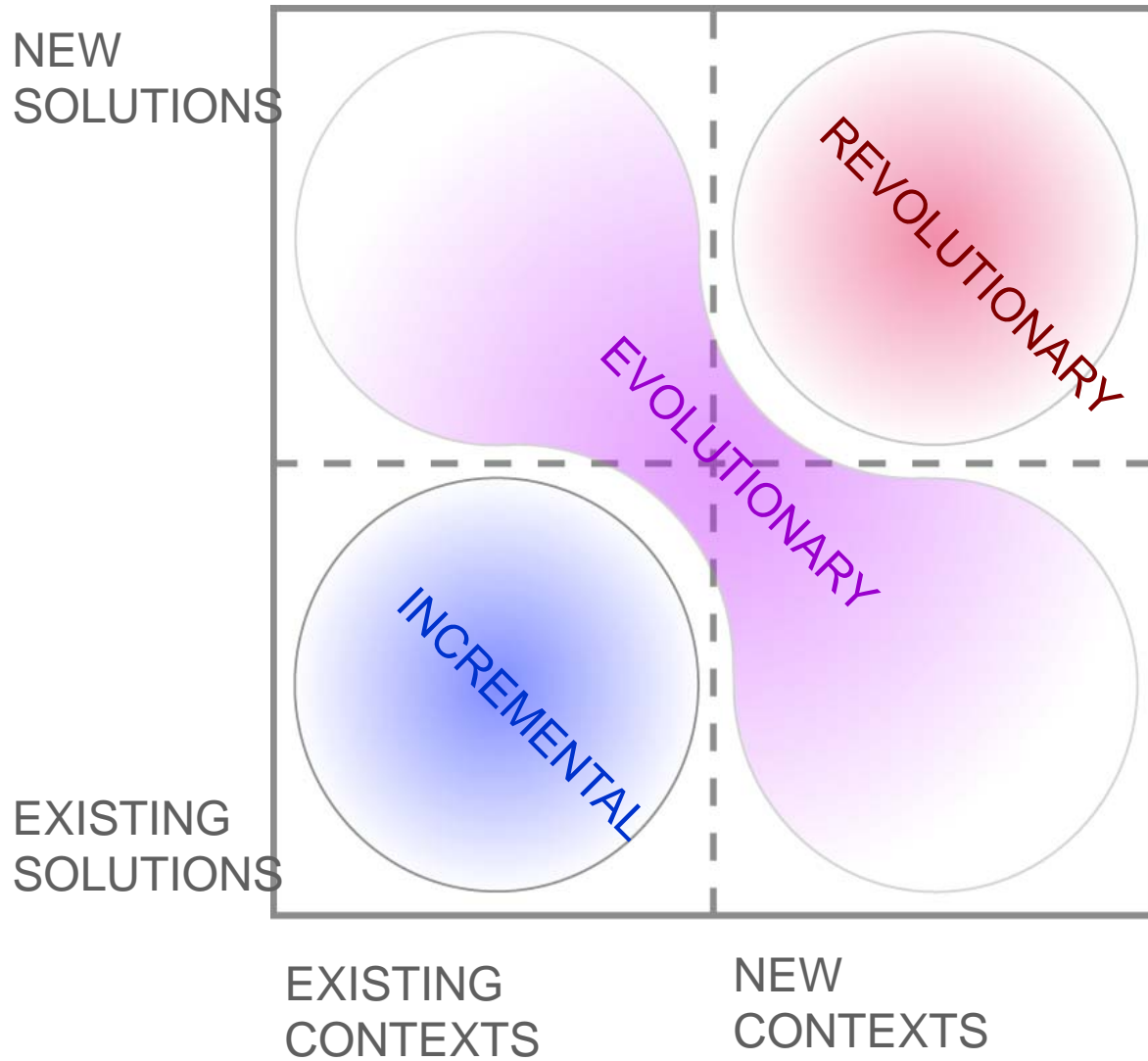
Design Thinking is being used to
create strategic visions,
new markets and
new customer
behavior

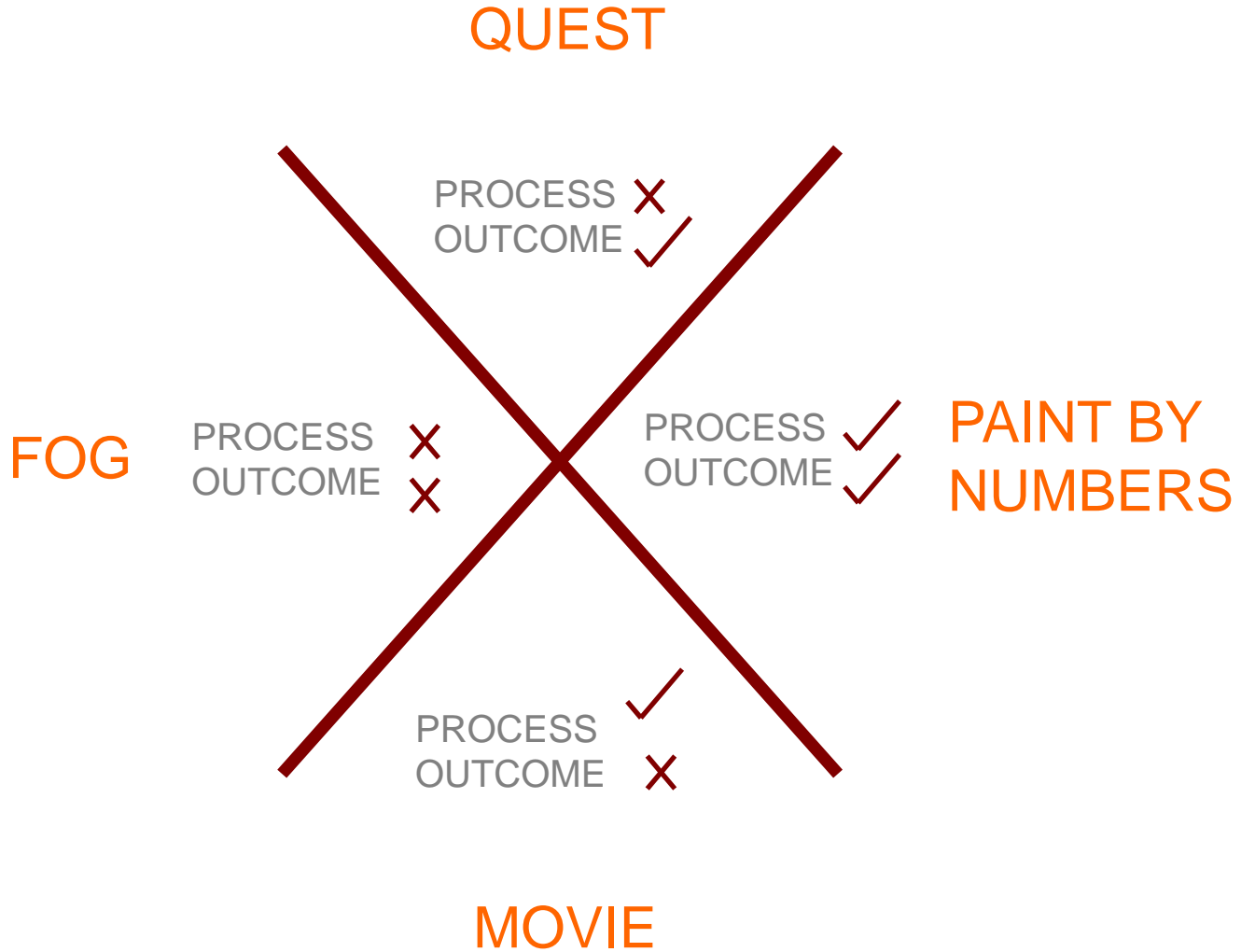
Value
Capture

Value
Creation

Managing the
Present

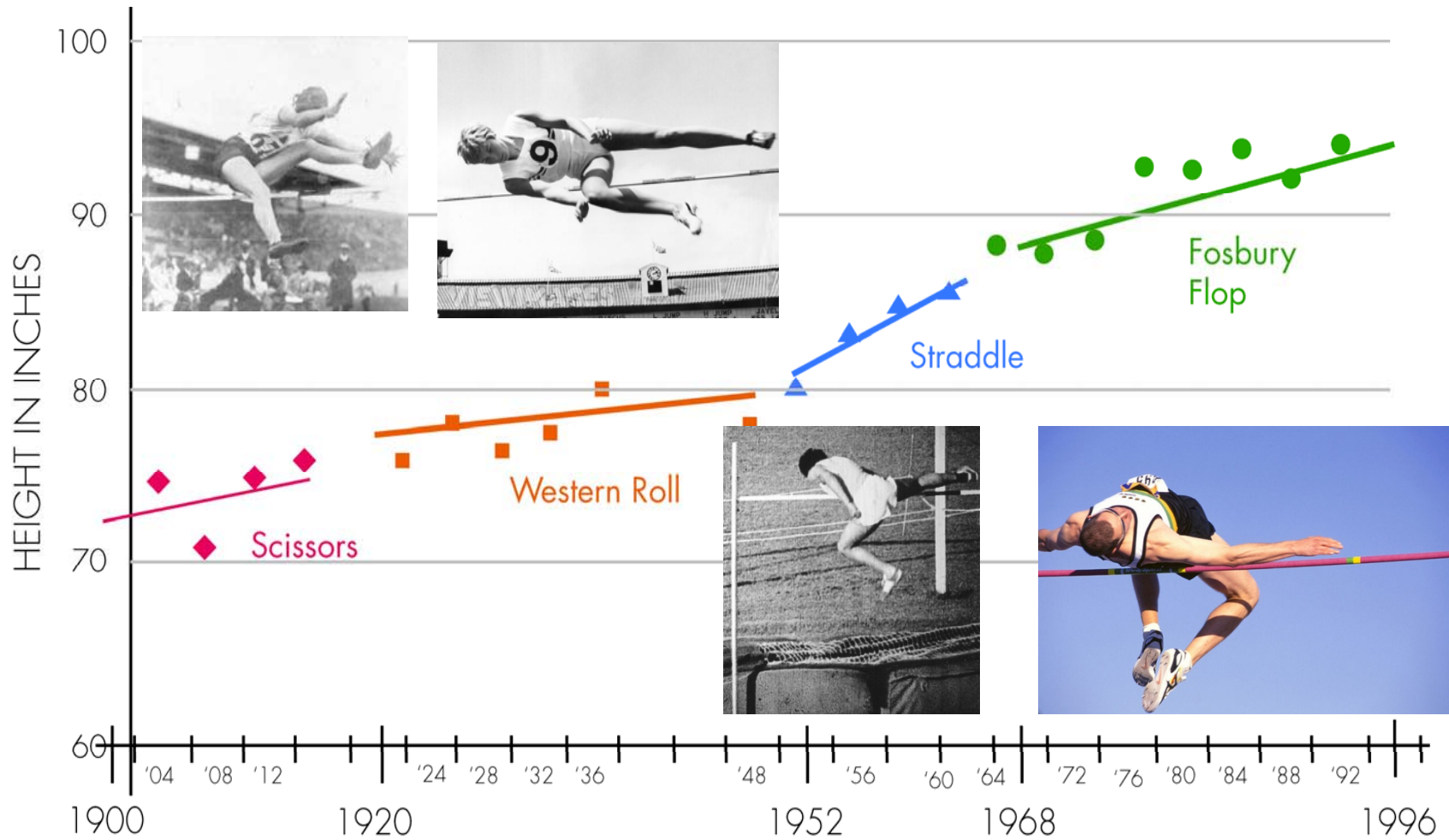
Creating
the Future



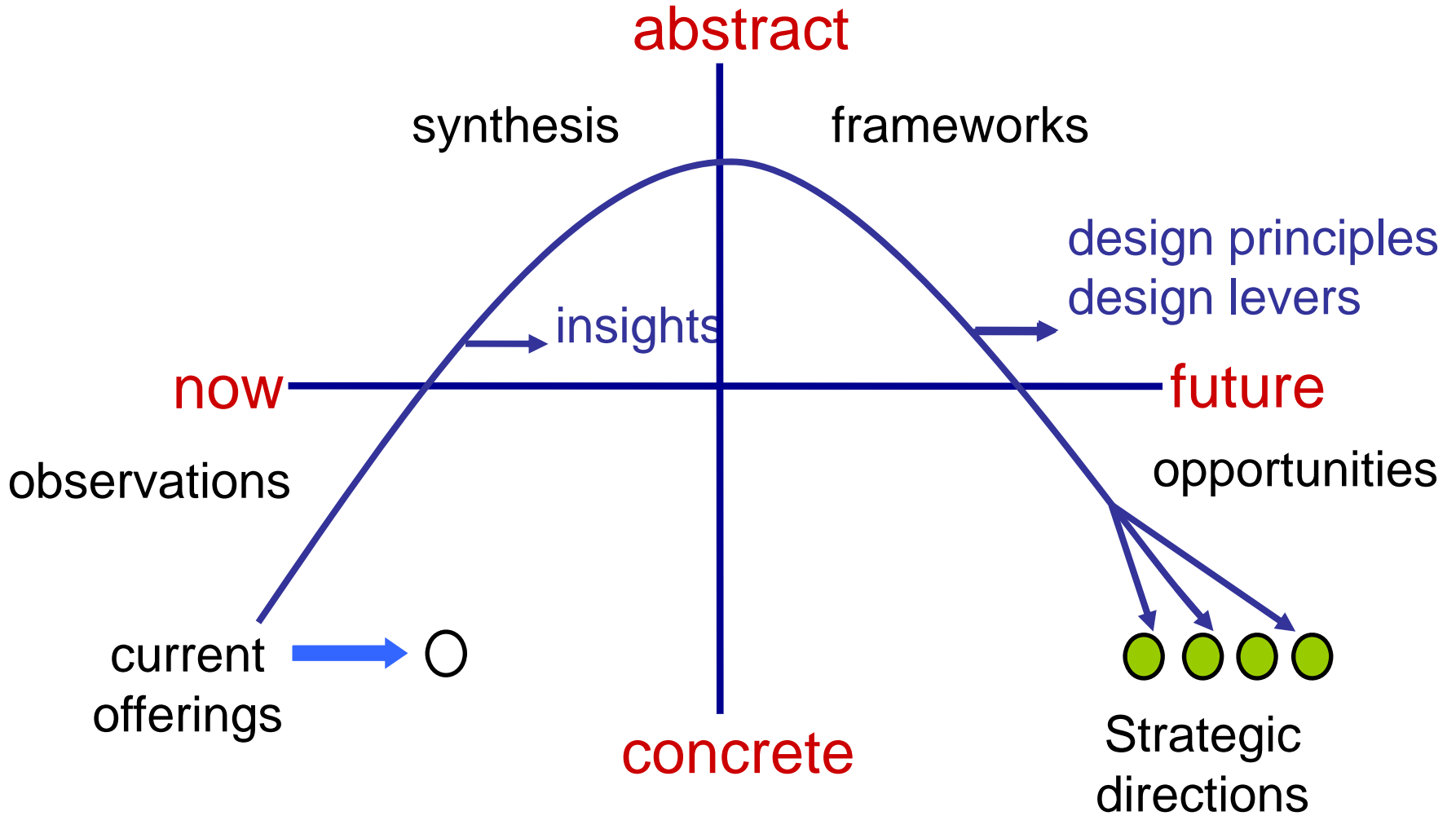




Paradigm Shifts:



SOURCE: RICHARD PASCALE, V. GOVNDRAJAN



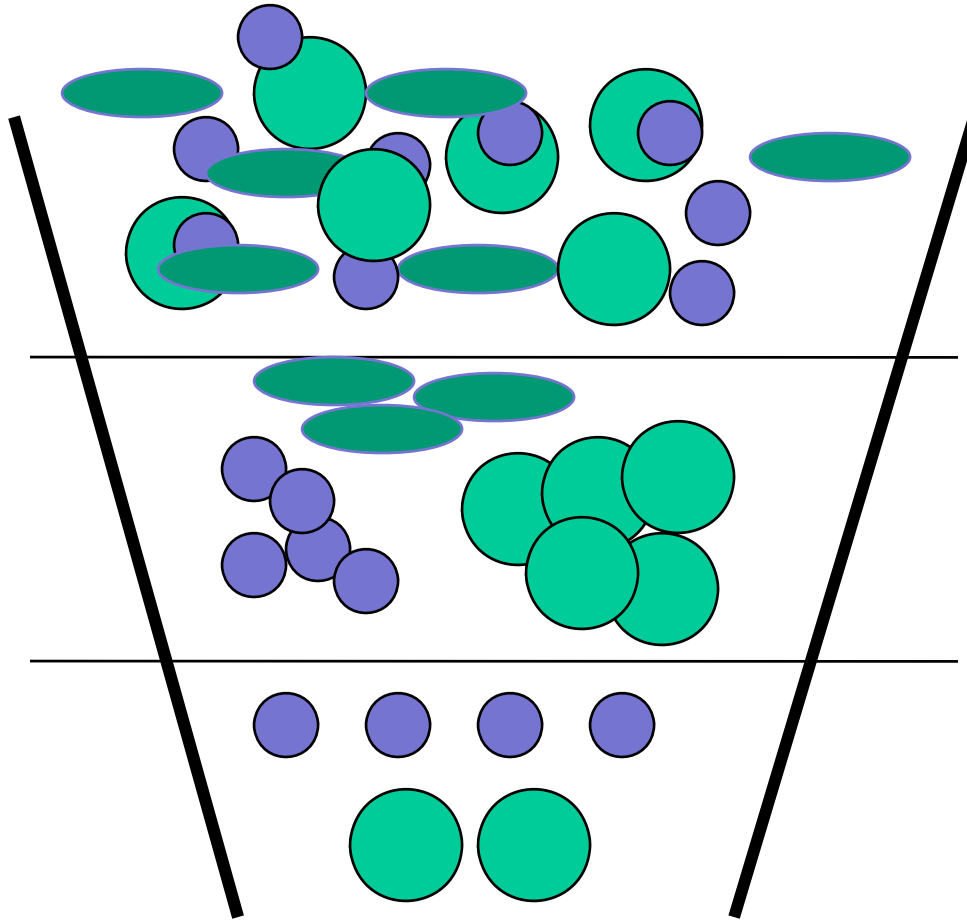


How do you use Design Thinking to create new business processes?



The Design of Business

The Knowledge Funnel

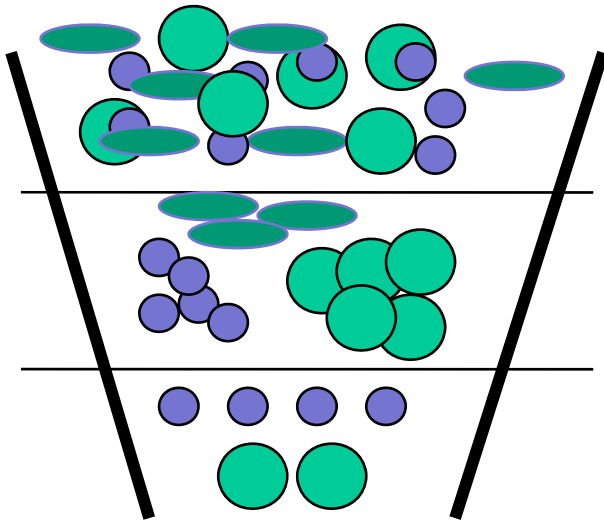


- **Mystery**
- **Heuristic**
- **Algorithm**



The Design of Business

The Knowledge Funnel



- **Mystery** - it starts with a question, intuition, curiosity
- **Heuristic** – open-ended rule of thumb, incomplete but helpful for organizing data
- **Algorithm**—full description of the observation, predictive and rational



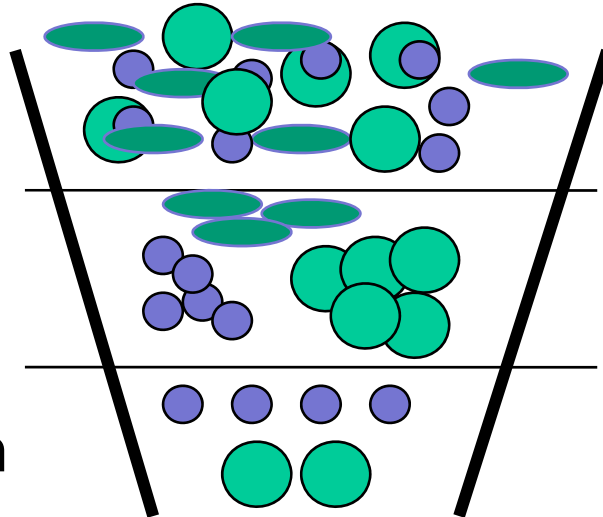
The Design of Business

The Knowledge Funnel

- **Exploration***
the invention of
business



- **Exploitation*** the
maximization of
business



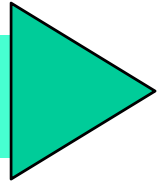
- **Mystery**
- **Heuristic**
- **Algorithm**

*James March – Stanford, Exploration and Exploitation in Organizational Learning
ORGANIZATION SCIENCE Vol. 2, No. 1, February 1991

In Design Thinking terms

problem finding

problem solving



The maximum leverage in innovation comes from redefining the problem. Therefore, design thinking organizations reallocate resources to problem finding.



STANFORD CENTER FOR PROFESSIONAL DEVELOPMENT

Graduate Programs



Professional Education

***bridging* Stanford and Industry**



Delivers lifelong education to increase productivity, support career growth and strengthen corporate competitiveness.



Innovation Masters Series:

Gaining a Competitive Advantage in an Uncertain Economy

Stanford University - June 16 - 18, 2010

Learn how to incorporate design thinking into your business from the leading school of innovation

- An executive forum on Design Thinking
- Three days of hands-on workshops
- 1:1 interaction with senior faculty from the Design Group & the d.school
- Problem-based learning

For more information, please contact:

Paul Marca, Deputy Director

pmarca@stanford.edu

650-444-4667

<http://scpd.stanford.edu/design>

Who should attend?

- Executives and senior leaders in charge of business units
- Decision-makers in R&D for product or service industries
- Innovation leaders responsible for value creation
- Leaders and their team embroiled in turn-around situations
- "Skunk works" and strategic project teams

Key Program Takeaways

- Learn a methodology that makes innovation routine
- Learn problem-finding and reframing techniques that enable innovation
- Learn how to build and nurture radical collaboration
- Develop the skills needed to leading brainstorming and innovation practices
- Unleash the power of prototyping to ask new questions and drive innovation
- Build connections with senior Stanford faculty and with fellow participants

Selected Faculty Presenters

Banny Banerjee

Associate Professor of Mechanical Engineering
Director of the Stanford Design Program

David Beach

Professor of Mechanical Engineering
Director of the Product Realization Laboratory
Design at Stanford

Bill Burnett

Consulting Assistant Professor of Mechanical Engineering
Executive Director of the Stanford Design Program

Mark Cutkosky

Professor of Mechanical Engineering
Co-Director of the Center for Design Research

Chris Gerdes

Associate Professor of Mechanical Engineering
Director of the Center for Automotive Research at Stanford

David Kelley

Donald W. Whittier Professor of ME
Co-Director of the Hasso Plattner Institute of
Design at Stanford

Bernie Roth

Professor of Mechanical Engineering
Co-Director of the Hasso Plattner Institute of

Sheri Sheppard

Professor of Mechanical Engineering
Co-Director of the Center for Design Research

Highlighted Sessions

- **David Kelley – David Kelley will speak on Design Thinking applications in business and strategy in the *Monday Keynote*.**
- **Dev Patnaik – Dev Patnaik will be the *Tuesday Keynote* speaker, talking about how successful and innovative companies use empathy as a strategic weapon.**

Question?

What is your interest level in the Design Thinking course?

- **Polling Slide**



Innovation Masters Series:

Gaining a Competitive Advantage in an Uncertain Economy

June 16 - 18, 2010



For more information, please contact:
Paul Marca, Deputy Director, SCPD
pmarca@stanford.edu
650-444-4667

<http://scpd.stanford.edu/design>