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

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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?

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

Design thinking

Experiences

Systems

Strategies

Interventions

Visions
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
Managing the Present

Creating the Future
Paradigm Shifts:

- Scissors
- Western Roll
- Straddle
- Fosbury Flop

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

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

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

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

Bernie Roth  
Professor of Mechanical Engineering  
Co-Director of the Hasso Plattner Institute of Design at Stanford

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

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

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
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
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