



BY MATTHEW BUDMAN
PHOTOGRAPHY BY JUSTIN SULLIVAN

Brand designs

Tim Brown explains
where ideas come from.

Few organizations, Tim Brown says, are set up to allow much creative collaboration, and even those are often afflicted by a culture that mishandles the results. “Too many ideas that get through to the market make it there because somebody senior is the one sponsoring them,” he says, “not because they’re necessarily the best ideas.”

Brown looks to “design thinking” as an answer: incorporating designers’ problem-solving and idea-generation methods into a traditional organization, working with—and occasionally against—traditional R&D. The idea is to broaden horizons and instill a more innovative orientation, especially in a period of economic crisis. “In times when we’re scared,” Brown remarks, “we tend to get tunnel vision, don’t we?” He elaborates on design-thinking concepts and practices in a new book, *Change by Design: How Design Thinking Transforms Organizations and Inspires Innovation* (HarperBusiness).

Born in Lancashire, England, Brown is president and CEO of Palo Alto-based IDEO, an innovation and design firm with a much higher profile than you’d expect, mostly due to its expanding mandate and successful input in a variety of fields. “It’s become part of what IDEO stands for: to ask unusual questions about things, about health care or energy or education,” he says. “We play a less reactive role than the design industry typically has—just doing whatever it was asked to do.”

Brown, 47, spoke during a recent visit to The Conference Board’s New York offices.

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DO YOU ENVISION DESIGN THINKING AS A WAY TO TURN US ALL INTO DESIGNERS, OR AS A WAY TO PUT DESIGNERS IN CHARGE OF EVERYTHING?

It's more the former than the latter. The last thing you want is to put designers in charge of everything.

Here's what design thinking is about, for me: In a world where we've got ever more rapid commoditization, the rapid transfer of knowledge means that new ideas and best practices will be available to everybody. And our existing approach to management—which tends to be based around, “How do I make the best of the choices available to me?”—is a tough furrow to plow. It's hard to compete when you're trying to make choices from the same set available to everybody else.

So design thinking—using some of the methods and approaches that designers use—is about creating new choices. Whether it's creating a new product, a new service, or a new environment, it's all about things that never existed before. And I believe that all organizations—whether businesses, governments, or social organizations—benefit from creating new choices. I'm trying to encourage people who don't think of themselves as being able to do that in their normal roles to use some of these methods.

ISN'T CREATING NEW CHOICES WHY GOD INVENTED THE R&D FUNCTION?

Well, traditionally, we think of R&D as being the place in organizations where new choices get created. But with R&D, there is only a very specific set of people that can do that—technically trained scientists and engineers. If I'm a marketing person or an HR person or a nurse, it's highly unlikely that I'll be able to go and invent some new technology. But I can use design techniques to create new ideas.

DON'T MOST PEOPLE THINK OF DESIGN AS LIMITED TO FASHION, FURNITURE, AND WHATEVER COMES OUT OF THE APPLE WORKSHOP?

Yes. The aesthetic element of design is easy to see and easy to talk about. But it's much more extensive than the beautiful things you buy at the shop of the Museum of Modern Art: If you step back and think about it, everything around us gets designed in every way. Software gets designed; our environment gets designed. And not just in terms of what kind of paint we use—we design how it gets created. We design the process that puts up a building. Every element of the world around us, the manmade world, has been designed.

CAN DESIGN REALLY FIND A HOME IN CORPORATE AMERICA?

Well, there's an assumption—among some designers too—that there's a sort of priesthood, and that unless you wear a black turtleneck and designer spectacles, you really can't design. I'm trying to disabuse the world of that notion. I mean, I do wear black occasionally, but I wear other colors too! Some of my best friends are brilliant designers who do beautiful things that get sold to the Museum of Modern Art. I've even done some of that myself; I'm not against it. But that's just a tiny percentage of the potential, and if we focus on that, we miss all this possibility.

IN CHANGE BY DESIGN, YOU REASSURE READERS THAT, “NOBODY WANTS TO RUN A BUSINESS BASED ON FEELING, INTUITION, AND INSPIRATION.” SO YOU'RE AIMING FOR A BALANCE BETWEEN THE SOFT SIDE AND “THE RATIONAL AND THE ANALYTICAL”?

We are used to being in a world where we rely largely on analytical forms of thinking in order to make decisions—particularly in business and leadership—and I'm arguing that that is necessary but not sufficient. We need to be divergent, not just convergent. We need to think about a world full of things we didn't have before, and then converge and decide which of these we are actually going to work on. Most organizations are not very comfortable with being divergent.

And we have to rely both on analysis and synthesis. Analysis—taking complex things and studying and understanding them—is very useful for knowing how well something is going to work and how you might improve it or make it more efficient. It's not very good for coming up with major new ideas. There we have to be able to synthesize many competing ideas or competing insights—even if those things are in tension—into something that is somehow a whole. What designers and design thinkers are always searching for is the alternative that's better than the initial starting points.

TO GET ORGANIZATIONS TO LOOK BEYOND THE OBVIOUS, YOU ALSO TALK ABOUT “THE CHALLENGE OF SHIFTING FROM A CULTURE OF HIERARCHY AND EFFICIENCY TO ONE OF RISK-TAKING AND EXPLORATION.” WHAT’S THE BIGGEST THING KEEPING THAT OLD CULTURE IN PLACE?

It’s that the guys at the top think they’re the smartest in the room and that they have the responsibility to decide what the big ideas should be. Fifty years ago, there was a big difference between the experiences and capabilities of the management leaders and those of most others in an organization, but that simply is not true today. In most organizations, there’s an incredible amount of talent everywhere, and often that talent is more connected to the marketplace and the world. There’s a clear and real role for senior leadership, but it’s not to have the ideas—it’s to create the framework for the ideas to exist. Leadership needs to be able to say, Here’s our brand strategy or, Here’s our overall mission or, Here’s our goal in the world. An organization that is well-integrated and uses technology effectively will be able to self-align around the sort of emergent innovation that will be going on within.

If there’s any upside to the current economic craziness, it will be that fewer organizations will keep their heads in the sand. There’s not a single category or industry that isn’t seeing major disruptions.

IN TERMS OF CORPORATE CULTURE, YOU WRITE THAT “CURIOSITY DOES NOT THRIVE IN ORGANIZATIONS THAT HAVE GROWN CYNICAL.” WHAT ARE PEOPLE CYNICAL ABOUT THAT’S HOLDING THEM BACK FROM BEING CURIOUS AND INNOVATIVE?

Some of it is the career risk in taking risks. If failure equals a setback in one’s career, then people won’t risk failure. So you can’t have an organization that says, “We must innovate” but punishes people every time they fail. This is an obvious point, but it happens in all organizations. And when it happens, skepticism about innovation becomes rife, and it doesn’t matter what the CEO is saying about taking risks.

And then there’s an arrogance that comes from not being connected to the market that you’re trying to serve: *We already know the market; we know how it works; the questions have answers we already know.*

If there’s any upside to the current economic craziness, it will be that fewer organizations will keep their heads in the sand. There’s not a single category or industry that isn’t seeing major disruptions, and sooner or later *everyone* is going to have to start thinking, “How am I going to have to change?”

I KNOW YOU FIND UNCERTAINTY EXCITING; YOU WRITE THAT “PREDICTABILITY LEADS TO BOREDOM.” SO UNPREDICTABILITY KEEPS THINGS INTERESTING—BUT DOESN’T IT MAKE PEOPLE IN CHARGE VERY, VERY NERVOUS?

It does, absolutely.

IS IT A GOOD NERVOUS?

We’ve got to have both predictability and unpredictability in organizations, where we’re measuring and tracking but where experimentation is still possible. Look at Google, where there’s chaotic experimentation going on but also incredibly rigorous measuring and science and technology. The great organizations learn how to do both those things.

One of the unintended but rather interesting outcomes of taking a design-thinking approach is that you get closer to the world that you're trying to serve.

YOU SAY THAT DESIGN THINKING IS “APPLICABLE TO A WIDE RANGE OF ORGANIZATIONS, NOT JUST TO COMPANIES IN SEARCH OF A NEW PRODUCT OFFERING,” AND THAT IT LEADS TO INNOVATION BEYOND NEW PRODUCTS, TO COVER “NEW SORTS OF PROCESSES, SERVICES, INTERACTIONS, ENTERTAINMENT FORUMS, AND WAYS OF COMMUNICATING AND COLLABORATING.” ARE YOU SEEING EXECUTIVES IN, SAY, THE SERVICE SECTOR CHANGE THEIR ATTITUDES TOWARD INNOVATION?

More and more service companies are recognizing the importance of innovation. Health care is a great example: On the product side, innovation has always been key, but on the service side there has been relatively little of it. A lot of the resistance that you hear—from physicians, for instance, whether around electronic medical records or something else—is based on the assumption that the service they deliver is not going to change. You sit down with your physician, and they talk to you, and you talk to them, and off you go, and they charge you 300 bucks for the privilege. But the disruptions of technology are forcing change even there. Organizations like Kaiser Permanente and the Mayo Clinic are investing significantly in service innovation, whether it's shift changes for nurses or, at Mayo, how the exam room functions in the doctor-patient relationship.

I'm pretty hopeful, actually. There is evidence of innovation beginning to emerge in the hotel industry, in transportation, and in the biggest service industry of them all: government. As ordinary citizens or consumers, we get pretty lousy services in a lot of areas, and I think we deserve better.

HAVE YOU BEEN ABLE TO APPLY DESIGN THINKING TO EVERY KIND OF BUSINESS?

So far, we haven't found one where we couldn't. Take an example like helping the nurses at Kaiser figure out how to design a more effective shift change: That's a long way away from the conventional notion of designing a product or even a service—they were designing a process, using design techniques.

And there's the “Keep the Change” campaign for Bank of America. If somebody asked me five years ago, “What's the area where you think you're least likely to be able to make a difference as a designer?”, I might have said designing financial products, because it seemed like a million miles away, done by mathematical geeks on Wall Street. But B of A asked us what they could do to better serve boomer adults with kids—it wasn't even specifically about savings—and we went out and asked the question and found all kinds of insights about what people were doing already, things like rounding up the amount on their utility bills and stuffing the change in the jar. The leap was to then convert that to a new service.

FINANCIAL SERVICES DOES SEEM A MILLION MILES AWAY. YOU TALK ABOUT HOW DESIGN THINKING “PULLS ‘DESIGN’ OUT OF THE STUDIO,” BUT DO MOST DESIGNERS WANT TO GET QUITE THAT FAR OUT OF THE STUDIO?

Well, there's a community of designers who probably don't feel that great about it. I went through many years of design school before I discovered that the place to get ideas was not in front of your drawing board but out in the world. Without new insights, you are simply not going to have new ideas.

Great designers are wonderful observers of the world. They have an ability to observe the world and notice things, and from that come these leaps of imagination. Now, many of us don't do that naturally or intuitively, and when we're trying to tackle more complex problems than what the next chair should look like, we need to develop slightly more formal processes for doing it. But the evolution

that's happened is from the idea of ethnography as an academic exercise to ethnography as something you do within an organization. It's happened in places like Nokia and Intel. We have people on our design teams with ethnography backgrounds, anthropology backgrounds, and psychology backgrounds, as well as people with engineering and design training. Everybody is going out and trying to understand the world, and they all bring different insights back to the creative process.

And we're dragging our clients out there. One of the unintended but rather interesting outcomes of taking a design-thinking approach is that you get closer to the world that you're trying to serve. You get to understand your customers or your potential customers better than you do through the mediation of consumer focus-group reports—which is, unfortunately, still the way a lot of organizations know their customers.

DO COMPANIES REALLY NEED DESIGN THINKING TO GET THEM MOVING IN THAT DIRECTION? ISN'T EVERYONE ALREADY GOING OUT AND ACTUALLY STUDYING HOW PEOPLE ARE USING THEIR PRODUCTS?

There's still a lot of resistance. Organizations say they want to be rational and analytical, and since they can't visit a thousand people, why bother with ten or twenty? How can that be scientifically or statistically significant? That misses the point: We go out to get ideas, and we can get an idea from one observation or from a hundred observations. There are other ways of figuring out whether you have a good idea, but this is about having ideas in the first place.

And there's another thing that organizations often miss: They assume that the things you go out and study should be the things that are right in the middle of the market, so they talk to customers who are in the middle of the bell curve about the products that the company already makes. That's usually the least useful form of observation. The most useful is to go and visit with people who are at the *ends* of the bell curve. "Extreme users" are doing weird and wonderful things that you've never imagined, and that's where you will get interesting ideas. Plus, you shouldn't just talk to people who are using your product or competing products—talk to people who *aren't*. If you ask somebody who already *is*, the best you're going to get is incremental improvements of the thing you've already got.

WHAT'S WRONG WITH INCREMENTAL IMPROVEMENTS? IN TIMES OF CRISIS, WITH EVERYONE CONCERNED ABOUT TAKING TOO MANY RISKS, AREN'T CORPORATE LEADERS LOOKING FOR QUICK, EASY SOLUTIONS AND SMALL STEPS?

We're going through a time when a lot of the optimism and experimentation needed to reach breakthrough ideas have been sloughed off and attention has been put elsewhere. But eventually we need to start thinking long-term. Some of the most interesting and disruptive innovations have come out



of recessions, which isn't surprising: In a recession, the rules get changed, the number of competitors goes down, and the way to be successful is to really understand what's happening in the market rather than getting on a bandwagon. In the Depression, *Fortune* emerged as an innovator in business publishing; Google's advertising-based search model came out of the last recession; low-cost airlines came out of the recession in the late 1980s. So there's a real opportunity to gain an advantage when others aren't focusing on innovation. It ultimately depends on the quality of leadership as to whether a company is going to focus on it or not.

BUT YOU NOTE THAT COMPANIES IN TOUGH TIMES ALWAYS NARROW THEIR "EFFORTS TO IDEAS THAT HAVE . . . NEAR-TERM BUSINESS POTENTIAL." IS IT REASONABLE TO EXPECT THEM TO LOOK FURTHER AHEAD WHEN THEY'RE JUST BARELY SCRAPING BY?

A company with a good innovation process should be capable of thinking both short-term and long-term. A few years ago, Procter & Gamble—an organization that has been committed to design and design thinking for some time—came and said they wanted to reinvent bathroom cleaning. It seemed like a very prosaic thing, but it was a good question. The project lasted a couple of months and generated sixty new ideas for new products and services. Some of those were almost instantaneously implementable; some required long R&D programs. So by thinking about a problem in the right way, you capture the short term and the long term. There's nothing about innovation and design thinking that says we're only going to have long-term ideas.

And in design thinking, you start by looking at people and then integrate thoughts about technology and business to support the ideas; that way, you can often find opportunities for innovation that have no new technology in them at all and therefore can be executed relatively quickly. Bank of America's "Keep the Change" was a good example: It's about recognizing behavior, not new technology.

LIKE A LOT OF BUSINESS THINKERS, YOU URGE COMPANIES TO CREATE AN ATMOSPHERE OF CREATIVITY. AS A DESIGNER, DO YOU FEEL THE PHYSICAL SPACE IS TRULY IMPORTANT TO WORKERS?

Today, it's not about whether you have expensive European furniture everywhere—it's about how people collaborate, share, and immerse themselves in new ideas.

SO, AS YOU WRITE, "A PLACE DOES NOT HAVE TO BE CRAZY, KOOKY, AND LOCATED IN NORTHERN CALIFORNIA"?

Oh, no. I mean, you want spaces designed to process information rather than spaces designed for hierarchy, with closed-off offices, which are not very helpful when it comes to innovation. What you need are project rooms, places where people can get the material up on the wall and synthesize it and process it, visually and collaboratively. Plus, in most of the corporate world today, everyone sits in office chairs, at tables that are eating height. But if you look at the way we act as human beings, we should be standing up for certain kinds of activity.

And exactly the same is true in the virtual world. A lot of our knowledge-sharing systems have been designed as the virtual equivalent of office chairs at meeting tables, and that doesn't create the opportunity for collaboration that you need. We're seeing an explosion of wikis and blogs, and it will be really interesting over the next five to ten years to see how they impact our ability to collaborate and innovate. So I think space is really important in the classic architectural sense, but it's more about thinking about how space works and how we work within it as social beings.

THAT SOUNDS ONLY A TINY BIT CRAZY, KOOKY, AND LOCATED IN NORTHERN CALIFORNIA.

Sorry about that.

AND YOU WANT EVERYONE IN THE ORGANIZATION—NOT JUST SO-CALLED CREATIVE TYPES—TO WORK IN THIS TYPE OF ENVIRONMENT?

Companies should not fence off a bunch of people and have them be the creative people. And creating a cultural change requires a significant commitment from leadership to create space for it. Companies can't take a culture that is extremely analytical, extremely skeptical, extremely rational, and extremely near-term focused, and expect a culture of innovation to exist within it.



Think of the number of ideas that die because they're presented using some **crummy PowerPoint presentation.**

AT ONE POINT, YOU WRITE THAT “DESIGN THINKING NEEDS TO MOVE ‘UPSTREAM,’ CLOSER TO THE EXECUTIVE SUITES WHERE STRATEGIC DECISIONS ARE MADE.” DOES THAT MEAN THAT YOU’D LIKE TO SEE DESIGNERS IN THOSE EXECUTIVE SUITES?

There are only one or two—like Mark Parker, CEO of Nike. But I don’t mean necessarily up the hierarchy—it’s where it is in the *process*. Design thinking has a role to play wherever strategic thinking is going on in the organization. One of the roles of strategy in an organization is to create new choices for that organization, and design thinking should be in the toolbox. It’s potentially a very valuable tool.

AND THEN IDEAS NEED TO MAKE IT “UPSTREAM” FROM WHEREVER THEY ORIGINATE?

Until not long ago, I believed—we all believed—that when we did the big ta-da! and pulled the black sheet off whatever the thing was, we were done. The trouble is that you have a thousand people behind you that have to be excited about it. And while it’s tempting when you’re creating new ideas to think the ideas speak for themselves, they don’t. You’ve got to tell a story about your idea, not just *have* the idea. I remember years ago visiting Nike, and the-then head of design, Tinker Hatfield, showed me how every time they came up with a new concept, they made an ad—a grungy ad; they didn’t go to Madison Avenue for them. And when they showed the idea to senior executives, they would show the ad, not the shoe.

Think of the number of ideas that die because they’re presented using some crummy PowerPoint presentation. That’s why I pay so much attention to the idea of storytelling. We have writers and filmmakers at IDEO, and companies that get very good at innovation will have lots of those kinds of people inside them too. It’s a whole new opportunity for writers.

PLEASE, PLEASE, MORE OPPORTUNITIES FOR WRITERS. EDITORS TOO, I HOPE.

Absolutely. ■