



DECISIONS BY DESIGN: STOP DECIDING, START DESIGNING

When tackling the most abstract and ambiguous challenges, ‘design thinking’ can lead to more effective decisions.

by Colin Raney and Ryan Jacoby

AS A LEADER, YOU ARE LIKELY FACING a set of unprecedented challenges. You might find yourself in markets that are increasingly competitive, comprised of customers who are highly discerning or downright fickle. You’re also likely leading a fast-moving workplace, where the ground rules seem to shift beneath your feet. The world is changing so rapidly, you may be wondering how you’ll be able to find new ways to grow and sustain your business. Which new products and services should you offer? How to decide?

We believe that when you find yourself in such a situation, you may be better served to approach your problems less as a manager and more as a designer. In other words, stop *deciding* and start *designing*. In recent years, designers have been applying their skills to a host of problems that have been traditionally associated with business strategy and approached through analysis. With this shift

has come the realization that a design-based approach, or ‘design thinking’, is well suited to tackle some of the most complex challenges out there.

A first step is for managers to understand the differences in the ways they and designers go about solving problems. Managers tend to follow a very analytical process. Usually, they make decisions by understanding all of the available options and rigorously determining the best path forward. In contrast, designers tend to prototype and iterate ideas, learning as they go and often developing new ideas along the way. [Rotman Dean] **Roger Martin** has contrasted ‘business as usual’ and ‘business-by-design’, and **Richard Boland** and **Fred Collopy** have contrasted a ‘decision attitude’ and a ‘design attitude’. The net result of these investigations is that the more ambiguous and uncertain the problem, the more suitable

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design thinking seems to be. The foundational reason is that in a creative process, there aren't automatically a handful of constrained options to analyze and choose among. Instead, the playing field is often broader and the possibilities may appear endless. To make sense of all the options, designers *design their way through the problem*.

Design thinking is showing up in businesses everywhere. Leaders of entrepreneurial online services have built companies that 'live in beta', constantly allowing them to evolve their offerings. Meanwhile leaders of established companies are reshaping their organizations to create flexible, adaptable businesses capable of fluidly changing with the market. In a sense, these leaders are developing organic, breathing decision-making machines that balance exploration and execution.

If you're not learning how to do this, you may be missing out. In this article we will share stories about where the value of this approach has revealed itself and explore how a designer's approach can help any business leader enhance the decision-making process in their organization.

How Designers Think

To understand the designer's mindset, it is important to examine how they approach problems. Imagine a furniture designer tasked with creating a chair. The designer would begin with a brief that details what they are to create. The brief could have an extremely tight focus: it might call for an office chair that supports 300 pounds, offers comfortable seating for long durations, includes adjustable arm and chair height with breathable fabrics. Oh, and a weight less than 20 pounds and a manufacturing cost no more than \$50. Briefs of this nature can run pages and pages in detail. However, even with all these details, it is impossible to visualize from the beginning

what this chair might look like, or how it might operate. Within this one challenge lie literally thousands of interlocking decisions.

Collectively, all of these questions together are too big to digest, so the designer leaps headlong into the process and begins creating. First, she looks for inspiration, collecting ideas and expressions that help her think. Designers use art, metaphors, analogies and other elements to provoke inspiration around form, function, feel, and experience. Through this process they are breaking the decision down while simultaneously giving themselves new options. Very soon, the designer will begin to create prototypes to understand how certain parts of the chair will work, what it will feel like, and how it will look. Through experimentation and iteration, designers formulate a deeper understanding of their options. Over and over, they refine their ideas; building and rebuilding, they winnow small decisions down until they arrive at the final object. This is design thinking in action.

For designers, the process of building, prototyping and trying things *is* the decision-making process. Instead of boiling down a problem to one large decision, designers make lots of *little* decisions, learning as they go. As they build and learn, something interesting happens: through the iterations, the best option often reveals itself and other less-appropriate options fall by the wayside. By trying things, designers navigate large decisions through smaller trials. Constraints and prototypes help reduce risk and convert decision-making meetings from consensus-building slogs to collaborative, invigorating critique and build sessions. This subtle but significant change in the decision-making process can lead to new avenues that didn't exist at the beginning of the process.

Taking this process and applying it in a business context can yield amazing impact. While the situation for most managers will no doubt be quite different from our chair example, design thinking

can help crack all sorts of tough problems. In our own work we've prototyped services that combat teen pregnancy, airport security checkpoints to help TSA improve security, and medical devices that help carry organ donations. Instead of chairs, you might envision teams of people creating all sorts of prototypes to understand the problems they're facing and making decisions they hadn't originally conceived. They could be designing products, services, brands or even organizations.

Building to Decide

Designers are known for their prototypes. Automobile designers' clay models and architects' blueprints and scale models are products of their decision process. Our colleague **Diego Rodriguez** put it perfectly when he said, "A prototype is nothing other than a single question, embodied." By building rough and rapid prototypes we can ask the questions that ultimately inform our larger decisions.

Prototyping doesn't always mean creating something physical. Almost anything can be prototyped, and many of today's most successful organizations make it a habit to prototype all the time. You've likely noticed this behaviour in online services. **Amazon**, **Google** and others routinely experiment with parts of their offering to evolve the whole experience. Amazon, for instance, tests new page layouts and interactions with a subset of their users and gauges their response. This style of 'in-market prototyping' is how Google became synonymous with the idea of 'living in beta.' Google is constantly experimenting and trying new things. These days, most start-up web services embrace this approach, but all manner of organizations can apply this type of thinking to their own challenges. For example, **Trader Joe's**, the grocery chain, is constantly adding to and removing from its private label product lines. Nothing is sacred, and the experience is always evolving.

We often refer to a prototype in the context of an unproven theory or technology, but the act of prototyping can also be helpful when making larger, more complicated decisions. Many times with complex decisions, people fall victim to the *availability bias* and other decision biases. They think they understand potential options and outcomes, when in reality, the impacts are far too complex to conceptualize. Prototyping in these instances can actually help reduce risk. The act itself invites you to begin with what you can try, breaking down big decisions into smaller, more manageable ones. By prototyping, you're no longer judging from the sidelines; you're 'in the game' understanding how individual moves will affect the larger outcome.

Recently, an IDEO design team travelled to Ghana to introduce a new product to a new market. While the new offering was pretty common in the U.S., it was uncommon in Sub-Saharan Africa, so the team was trying to understand how people would

react to it. Was it desirable? What price might they pay? How might they buy it? In this situation, they had no consumer reports to analyze and no comparable products to benchmark. The team's leader, **Jocelyn Wyatt**, had to start *building* before she could start *deciding*, so she and the team started designing. They set up a stand in a local market and began offering the product. Over the course of the day, they tried all types of experiments – different sizes, prices, messaging and packaging. By day's end, they had a much better understanding of the space and how to move forward. By approaching the problem with a design mindset, the team grasped how the various components of an offering would work together and how the product could be sold. In effect, they had prototyped a business.

Upon returning from her trip, Jocelyn and her team were refining the different components of the service when they realized that the investment required for the micro-franchisees to start the business was more than most people could afford. The money could be gathered over time, but saving just wasn't common for the potential franchisees. Using what they had learned about the local environment, Jocelyn began to prototype a complementary credit system. She knew it couldn't be anything fancy, so she designed a system that could be run almost entirely through text messaging, a note pad and a pencil. Realizing that the service alone wasn't enough is a key insight that she might not have had if she had designed from her desk. By building things to gain deeper understanding, she and her team got farther, faster and discovered some major landmines that could have spelled disaster down the road.

Embracing Constraints

In a business-as-usual environment, there is a common refrain around 'enough': not enough time, not enough resources, not enough data. However, designers know that additional time, money and resources often cause even more problems than they solve. Things look different in a design-thinking context. Designers are inspired by constraints: what they aren't afforded actually gives them something to work with. If a product can only cost a certain amount of money, the designer must make different choices of what materials to use; if a website must service millions of users, that will influence how it is designed. Constraints are a critically-important stake in the ground, as they create an agreement around what exactly is being designed.

Utilizing design thinking, leaders can use constraints as a challenge to run small, contained experiments to gain a better understanding of 'what could be'. Prototyping is a powerful exercise, but you must have constraints; if you try too many things at once, you won't learn as much. Culturally, this keeps the costs of failure low and encourages more experiments. The more prototypes

you build, the more you will learn; and the more you learn, the more the answer to the problem at hand will begin to reveal itself.

Turner Interactive might not seem like a likely candidate for embracing constraints. For the past ten years, most media companies have invested heavily to establish online offerings; few however have managed to earn any direct returns. In 2006, a team within Turner, led by an executive named **David Rudolph**, took a different tack when exploring potential web offerings and businesses. Instead of assembling a grand strategy and pouring millions of dollars into execution, Rudolph's team stayed small and experimented. According to the *Wall Street Journal*, he challenged his team to conceive and implement a new business concept in just 30 days. Rudolph told the journal: "The goal was to say within the company that it doesn't take years to go from idea to launch."

One of the concepts Rudolph's team developed involved broadcasting college sports directly over the Web to loyal fans. With college sports, big teams and big games get regular coverage on television, but fans of smaller teams often have to follow their favorites by listening to the game online or by following post-game reports. Turner developed an offering that filmed these games and broadcast them over the web to paid subscribers. To start, they chose the Atlantic Coast Conference (ACC). To understand if the project could be profitable, Turner established a tight production budget; each game had to be filmed and broadcast for around \$1,000 (an order of magnitude less than a normal broadcast) with only four cameras (representing a \$35,000 initial investment). If the service couldn't be profitable, they'd kill the project. Amazingly, it took just 40 days to not only conceptualize the service, but also launch it, just missing their deadline.

After a few iterations, the experiment showed signs of success. By September of 2006, Turner launched an offering that allowed subscribers to watch any game in the ACC conference online. According to the *Wall Street Journal*, "Turner would not disclose how many subscribers it had, but executives said that the service is averaging a couple of hundred viewers per event with popular basketball games drawing a couple of thousand viewers." By creating real constraints, the team arrived at an outcome that wouldn't initially have seemed viable or possible. The idea of filming and broadcasting a sports event for \$1,000 seems really

When *designing* makes more sense than *deciding*

- You have a goal, but many possible ways to achieve it (i.e. many 'right answers')
- Conversely, you have a goal, but no clue how to get there (a 'foggy problem')
- You know very little about the people or situation you hope to serve (distance from the problem)
- You have a finite set of options/choices and many moving variables (moving target and 'shifting sands')
- You're designing a new-to-the-world offering that doesn't compare to anything else (high uncertainty)
- Your personal reputation or job is on the line (high stakes)
- The right person to make the decision knows the least about the issue (hierarchy challenges)

Ways to start *deciding* by *designing*

- Test your early scenarios quickly, with real users in their environment
- Challenge yourself to design a solution under extreme constraints
- Use concrete, provocative prototypes to uncover new learnings
- Strive to create two or three new options beyond those you considered previously
- Make sure you are eliminating options as you create them

difficult, and even more so is the prospect of getting enough viewers pay for event. Figuring out if there was a real business to be had in less than two months was downright audacious.

Compare the cost and timing of Rudolph's approach with a typical product development process. If you design more and strategize less, you too can actually learn faster, invest less and make more informed decisions.

Evolution Through Design

Arriving at decisions through design thinking has implications beyond the working team. By urging teams to prototype and

experiment frequently, traditionally-hierarchical organizations start to behave in new ways. Because decisions are made through action, meetings start to look more like ‘build sessions’. Decisions can become more evidence-based rather than political or argumentative. Team members often spend more time with customers because they have prototypes that help them solicit feedback. In this sense, people begin to build things in order to have conversations, instead of having conversations to build things.

The very act of prototyping an idea creates empathy for users and a conversation in the organization. Leaders can experience what it’s like to be a salesperson; marketers might begin to understand the challenges of developing a product. This process engages stakeholders in a completely new capacity, making them part of the conversation.

From our experience, such involvement can create transformational moments for an organization. We recently worked with a large company to help design a loyalty strategy for the organization and offerings for their customers. On the surface, the concept of ‘loyalty’ might seem straightforward, but there are myriad strategies that companies can pursue. For example, some use strategies that are weighted to appeal to customers’ sensible sides, like frequent-purchasing programs, while others create loyalty through deep emotional connections, like **Apple** and **Whole Foods**. For our client to be successful, they would need to agree on how to approach and deliver on a very abstract concept. To actually get a product and service launched, they’d have to have alignment across all the functional groups responsible for delivering the service on the right strategy. In their culture, buy-in was critical.

To design an appropriate strategy, we spent time understanding what loyalty meant and what it could mean to the company’s customers, the competitive environment and the organization. However, we didn’t wait to start designing. We began to prototype very tangible elements of a loyalty offering right away, creating examples of rewards programs, customer experiences and even sample communications/advertising that represented potential ways ‘loyalty’ could manifest itself for the company and its customers. We used these prototypes as discussion prompts with customers to test the boundaries of what was desirable, possible and probable. We didn’t set out to decide on the absolute right answer; rather, we *started designing* to better understand the space.

This approach wasn’t just useful for customer research and

offering design. Our goal was to make an extremely abstract notion concrete right away for the organization, too. Because we started designing, we were able to engage a broad set of stakeholders in a concrete conversation about ‘what was wrong’ and ‘what was right’ with each concept. Normally, the organization would have discussed the abstract notion of a ‘loyalty strategy’ – and this was certainly occurring as we started the program; but with concrete prototypes in hand, the nature of the conversation accelerated and shifted from *opinions* to *building*.

There is no quicker way to get somebody talking than to throw out a bunch of prototypes and say, ‘tell me what you like’ or ‘what would have to be true for this concept to work?’ Do it with just one option and you’ve got a bloodbath on your hands, but do it with many options and we guarantee you’ll have a really amazing discussion. The prototypes and options create a platform for group understanding, enabling you to refine your options, identify new ones, understand risks, and find a shared understanding of what a ‘good’ solution would look like. If we had solely attempted to come to a consensus or decide on an agreed-upon definition of loyalty, we would not have been able to navigate such an abstract space as quickly. By designing our way through the problem, we were able to get there faster and move quickly to more refined programs and services.

In closing

There will always be a place for robust analysis in business; but by seeking constraints, creating options, engaging people in the decision-making process with prototypes and iterating, leaders can design their way through some of their most vexing problems. Given the complexity of the situations facing today’s leaders, we believe it’s the best option you’ve got. **R**



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