

What is design thinking and why should the BPO industry care?



Sandra Subel

Sandra Subel is a design thinking coach and facilitator who helps organizations embrace human-centered design, a designer's mindset and empower their people for innovation. She has been active in the BPO industry since 2010. She believes that empathy, focus on users' needs and diversity will shape the future of the business.

In her work, Sandra focuses on building a culture of innovation and developing the design thinking capabilities within her organization. She designs and facilitates design thinking projects, workshops, and training programs.

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By 2017, IBM had trained 50 000 of its employees in design thinking. Big players across all industries are bringing the design mindset and design thinking tools into their ranks. They are motivated by the challenge of gaining competitive advantage and looking for sustainable models to innovate. Creative sales pitches from marketing wizards will make design thinking sound very easy, but that is one of the many misconceptions in this field. However, starting with the right expectations and following tested implementation tips can help bring very tangible benefits to BPO organizations.

Sandra Subel, Creative Change Maker

As more and more industries are getting disrupted, forward-looking executives are searching for ways to make their companies future-proof. Dennis Gabor once said, "We cannot predict the future, but we can invent it". That thought leads to the conclusion that possessing innovation capabilities should decrease the likelihood of becoming obsolete. In this pursuit, many companies are placing their hopes in design thinking. They are spending millions to teach their workforce to think like designers. Bigger businesses have already trained tens of thousands of people. [Tab 1.]

Table 1. Scaling design thinking through training.

Company	Number of Employees Trained in design thinking (as at 2017)
Intuit	8000 (all the employees)
IBM	50 000
SAP	20 000
Kaiser Permanente	15 000
GE Healthcare	8000
Deutsche Telecom	8000
Philips	5000

Source: „Innovation by Design“, Thomas Lockwood and Edgar Papke, 2018.

To accelerate the process of building design-driven organizations they are also acquiring design studios. By 2016, Accenture alone made 6 such acquisitions, Deloitte made 5, and McKinsey is not far behind. [Tab 2.]

Table 2. Examples of Design Studios acquisitions

Company	Design/Creative Agency Acquisitions
Accenture	Fjord, Altitude, Karmarama, Reactive, Chaotic Moon, Pacific Link, Designaffairs (2018)
Deloitte	Doblin, Uselab, Banyan Ranch, Mobiento, Heat
McKinsey	Lunar, Everyday, Carbon 12
Capgemini	Adaptive Labs, Idean

Source: „Innovation by Design“, Thomas Lockwood and Edgar Papke, 2018.

What is design thinking?

"Design thinking is a human-centered approach to innovation that draws from the designer's toolkit to integrate the needs of people, the possibilities of technology, and the requirements for business success." This comprehensive definition was proposed by Tim Brown, one of the biggest promoters of design thinking and CEO of IDEO. This explanation is often supported by a simple Venn diagram that shows where design innovation

origins. It sits at the intersection of human needs (desirability), technology (feasibility), and business (viability) overlap. It may seem easy and straightforward. However, it is a real challenge to incorporate these three ingredients always starting with human needs. Design is not only about making objects pretty. Design is the process of understanding human needs and then creating a product or service that addresses their unmet needs. It sounds simple, but it is actually a high bar. Design thinking provides a comprehensive approach to solving complex problems by applying a defined process.

Although innovation almost never follows a linear progression, it is still helpful to understand the approach by breaking it down into distinct phases (Illustration 1.).

1. Empathize is not only the first step but also

the core concept in human-centered design. It is a way to build a deep understanding of the people who are within the scope of the design challenge by analyzing their actions, needs, motivations, feelings, and mental concepts.

2. Define is aimed at bringing clarity and focus to the challenge by making sense of the information gathered during the previous phase and crafting a very specific and actionable problem statement.
3. Ideate marks the transition from the problem space to the solution space and focus-

es on generating the widest range of possible ideas by actively striving for quantity and variety.

4. Prototype & Test is a step in which risky assumptions of ideas are validated by running cheap and quick experiments.

Benefits of applying design thinking

Undeniably, applying the process and mindset outlined above is not the only way to solve complex problems. Companies have had successes in the past by relying on other methods. Training an organization on how to apply design thinking is definitely a significant investment, so what results can be expected? Looking at the value of practicing design thinking in a business environment, it is worth to consider two sources of insights – facts and practitioner's experience.

Facts

1. Design Value Index

The Design Management Institute and Motiv Strategies created the Design Value Index to measure the value of implementing best-in-class design management practices. The 2015 results show that over the previous 10 years, design-led organizations maintained a significant stock market advantage, outperforming the S&P 500 companies by an extraordinary 211%

2. IBM Report

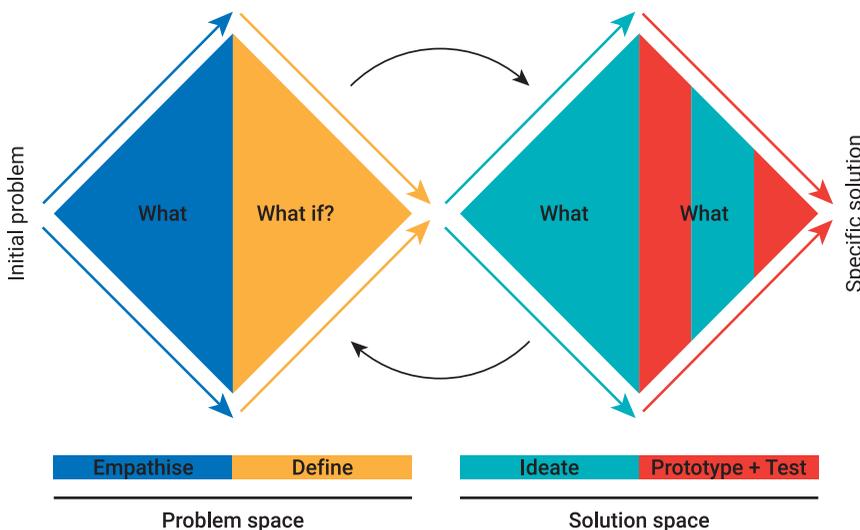
Forrester, in their study for IBM published in February 2018, interviewed 4 of IBM's design thinking clients and surveyed an additional 60 executives who employed design thinking in their organizations. The results suggest that organizations that are using design thinking to solve their and their clients' problems are achieving very tangible results. Some of them can have a direct impact on the company's top or bottom line (faster product/service development cycles, improved productivity), while others have a more indirect and long-term effect (increased customer engagement).

Experience

My experience confirms the findings mentioned above and I believe that when applied correctly and in the right context,



The Double Diamond model of Design Thinking



might have lost when growing up and going through the educational system.

Design thinking and BPO

The BPO industry is based on human capital. Although more and more tasks are shifted to machines through the use of RPA or AI, there is still a significant amount of work that requires human judgment. Together with the development of technology, people will work with software or machines more and more often. This might be a source of fear, stress, or unnecessary frustration. These issues can be addressed by applying design thinking. It can also help identify new opportunities for improvement and automation.

As mentioned already, design thinking is perfect to solve complex problems. They are often called wicked problems, which are particularly challenging for the following reasons: co-dependency on other problems, lack or contradictory information, number of people and point of views involved, and large financial impact. Every larger organization, including a BPO one, is facing this type of problems.

Building design thinking capabilities

There is a strong trend to focus on training employees to become more creative in problem-solving. For many, design thinking appears to be a great means to achieve this aspiration. However, scaling design thinking,

design thinking definitely brings tangible benefits. Forrester's study mentions those which seem to be a direct result of applying human-centered design. However, I have also observed side-effects which impact not just the products or services but the organization itself. Although they are much more difficult to measure, they are undoubtedly positive.

#1. Better Team Alignment, because everyone is clear about which problem is being solved and operates on the same amount of information accessible to each team member.

#2. Democracy, because innovative ideas are sourced from all levels of the hierarchy and not only from those with the highest salary.

#3. Promotion of diversity, because radical collaboration principle insists that the best performing teams leverage the diversity of backgrounds, ethnicity, education, age, experience, and of course gender.

#4. Creative Confidence, because the design thinking approach helps people unleash their creative confidence which they

like any other new way of working or mindset, is not easy and straightforward. Companies planning to bring design thinking into their ranks should consider these tips.

1. Small group > Scale

My suggestion is to find a group of people interested in design thinking, problem-solving, or innovation, and train them. When I was looking for people for my initial group, we used Gallup StrengthsFinder 2.0, an assessment that helps discover people's strengths. It consists of 34 themes/strengths in 4 domains. I was looking for people with the following strengths: restorative (problem-solving), communication, woo (ability to build new relations), empathy and/or ideation. Particular strengths of future team members should not be seen as requirements for entry, but just as initial signs of potential. This approach can pay off in large organizations, in which not all members have had the chance to work together in the past. What is most important, however, is to build a diverse group with complementary predispositions and perspectives.

2. Focus on Learning > Over Delivery

In the initial phase, learning is critical and therefore the focus should be on building the momentum by running a pilot project. It is important to give people a "sandbox". They will use it to play with the knowledge they have just recently gained. Encouraging the team to run creative experiments, test, fail, learn and iterate is essential. The sandbox will offer boundaries to fail in a safe way. From this perspective tackling an internal challenge may be better than a client-facing one.

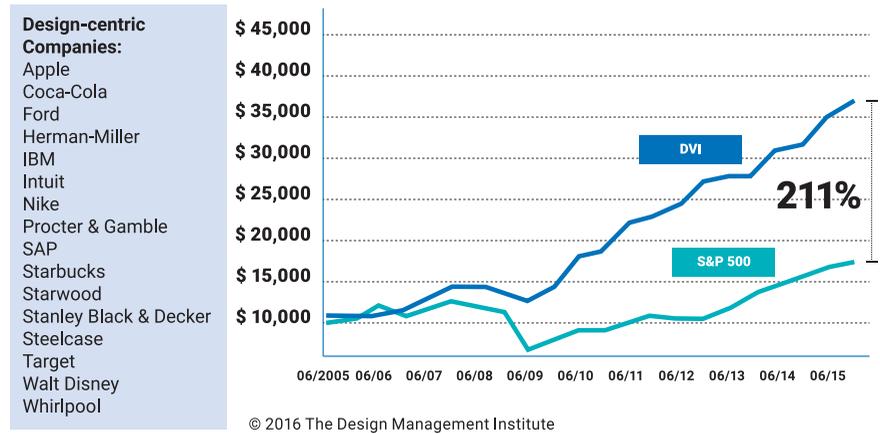
3. Empower > Control

To successfully build a design-driven organization, employees need to feel empowered to change. They need to feel the ownership and the responsibility. People need to have the willingness to change their mindset and stay open-minded. This can only happen in an environment which values trust over control.

4. Strategy > illusion of change

Initiating large-scale training programs just to quickly get to a high number of people with yet another skill/certificate might not be the investment which will bring expected returns. For some companies,

dmi: Design Value Index 2005-2015



a better strategy could be hiring talents from the market who will not only bring the know-how but also a fresh mindset. They could act as catalysts for change on a cultural level.

Design thinking myths

The pressure to maintain or gain competitive advantage makes some executives susceptible to sales pitches from imaginative marketing wizards praising wonderful methodologies or frameworks. Unrealistic promises lead to unrealistic expectations, which lead to frustration and disappointment. Some of the misconceptions are pretty common and surface again and again.

1. Design thinking is just a toolkit

Newcomers to design thinking often focus completely on specific tools, which are the most tangible and pragmatic elements of this approach. They are easy to understand and adopt, but when they are applied without regard for their purpose, the overall mindset, and the process, they lose the intended impact.

2. Design thinking is just a fun workshop

Workshops and other design thinking activities should be fun because it is proven that play activates the same areas of the human brain which are crucial for creativity. But the fun or even the workshop is not the ultimate goal. A workshop setting is a pragmatic way to facilitate collaboration and co-creation without the impediments

of working across different schedules or physical locations.

3. Design thinking is a "one size fits all" process

There is a common belief that design thinking is a plug and play approach. Unfortunately, there is no single set of tools or one process scenario that fit all the cases. Human-centered design offers a large selection of options, and many important and impactful decisions need to be taken when designing a process.

4. Using Post-It® notes is design thinking

Many people are convinced that to practice design thinking it is enough to have a set of colorful sticky notes and a marker. However, design thinkers are using sticky notes for very pragmatic reasons. They are easy to move and rearrange, they make ideas tangible and visible, and they force people to write with precision instead of just talking.

Summary

The rising popularity of design thinking correlates with the increasing demand for building sustainable problem-solving capabilities. That in itself is not an easy problem to solve. Design thinking is not a simple solution. But, if one is willing to look beneath the surface and understand the deeper philosophy behind it, embrace the mindset, and have the patience and perseverance to apply it in a conscious way, it can enhance customer/employee experience, efficiency, and culture.