Cris Beswick

You want game-changing innovation? Don't worry Mr B, I have a cunning plan…

Don't worry Mr B, I have a cunning plan…. Fans of the TV series will be familiar with that refrain as Blackadder's faithful servant Baldrick tries to find a way to extricate him from yet another predicament. The trouble is that whilst Baldrick's plans were certainly cunning they didn't usually take reality into account and therefore were always destined to fail. The same can be said in many organisations, where familiar, if undoubtedly cunning plans to deliver game-changing innovation, are instigated time after time.

Sound familiar? How many times have you seen the 'pressure to deliver' result in teams making a remarkable jump from problem straight to implementation, only for the project to fail? How many times has a *"don't bring me problems, bring me solutions"* approach forced teams to come up with a cunning plan, which was poorly scoped and even more poorly implemented?

The trouble is that in today's fast moving marketplace organisations are increasingly seeing innovation as a solution to growth/customer retention/prosperity/reputation/insert

any phrase you like here; but they simply aren't approaching it in the right way. Building a culture of innovation isn't the same as having lots of ideas. Ideas are cheap; any group of smart people can come up with ideas that look good on the surface, but how many of those ideas bear fruit?

The problem with ideas is their foundations are rarely built on genuine insight and understanding. They are usually created out of personal viewpoint, assumption or very basic observation; which in many cases only identifies isolated issues not systemic problems. In fact the majority of the time the problem isn't even a problem but a symptom or assumption or even simply a response to a company imperative to do lots of stuff.

I've seen this first hand on a number of occasions when I've either been asked to 'parachute' in and help structure an innovation process, solution design phase or even critique a solution which doesn't seem to solve the problem. Time and time again I see the same pattern; people working hard yet doomed to failure because the basic assumption of the challenge is wrong. Quite simply, not enough work has been done upfront to really identify and understand the problem.

Sustainable wins

This is why so many projects go wrong and so many innovation initiatives fail because they are founded on the shifting sands of 'quick wins' and a drive to deliver lots of ideas compounded by imaginary problems. And the problem is only going to get worse unless CEOs and leadership teams start to understand that innovation isn't simply about idea generation and that delivering solutions that stand a chance of being labelled as a 'game-changing innovation' requires structure and understanding.

So let's take a reality check here. PwC's 2017 global CEO survey revealed that innovation was the number one area which CEOs most wanted to strengthen in order to capitalise on new opportunities. Receiving nearly 25% of the vote it came in well ahead of human capital and technology capabilities, both at 15%.

But if you don't understand what those opportunities are, if you don't accurately define the problem before moving to the solution then the big story at the end of the year is going to be one of enormous expenditure of time, effort and cost with little reward as Dutch company MN, the asset manager for Dutch metal industry

pension schemes PMT and PME, has found out to its cost. At the time of writing MN has announced a scale back in scope alongside a write off of €15m of a €70m innovation project with the comment that the team "had tried too many things at once and hadn't worked efficiently."

Innovation doesn't start with ideas it starts with problems…

…and it starts with real problems which have been properly scoped, investigated and understood. That's one reason why design thinking has risen to prominence in recent times. Any designer will tell you that 99% of the solution is the brief. Design thinking forces us to follow a methodology that helps us to unearth true problems and to build a truly deep understanding as to why they exist. As such, design thinking is key to delivering innovation projects which deliver real solutions to genuine problems.

Even so, those looking to deliver a design thinking approach can be led astray. As with the confusion between ideas and innovation, in large organisations there is a real danger that design thinking can be seen as synonymous with brainstorming. So employees are 'sheep-dipped' through creative thinking courses in the hope that it will instantly deliver an organisation-wide design thinking capability.

The inconvenient truth for those looking for instant answers is that design thinking capability isn't developed by bringing in a couple of creativity gurus for a three-day workshop. Rather, in order to sustainably deliver game-changing innovation, design thinking is strategic, organisational and cultural. As with building a culture of innovation it's about a shift in mindset throughout the business rather than an epiphany in the minds of the few.

Designed to succeed
Is design thinking worth it? Well, the Design Management Institute recently released data demonstrating that design-led organisations outperformed the S&P by 228% over 10 years. Also, in December 2016, venture capital firm NEA released the results of a survey into the future of design in start-ups. The results revealed that

companies that have embraced design methodologies saw it as leading to higher sales, higher customer retention, higher customer engagement and faster product cycles. Furthermore, the more design-mature the organisation, the greater the impact of design. For example 88% of design-unicorns reported higher customer engagement against 67% of design-centric companies and 78% of design committed companies.

So, what sits at the heart of design thinking? In essence design thinking starts by looking to build a deep understanding of problems, who suffers from them, what their experience is and why. To be able to do that effectively, organisations need to become much better at delving into the what, why, who and how of problems and in turn that means becoming far more intelligent and widening the organisational focus to take a range of factors into consideration.

This ties directly in with, and is the reason why I developed, Next Generation Organisation thinking. To be a Next Generation Organisation companies need to focus on the core elements of, intelligence, collaboration and adaptability. As I mentioned above, without intelligence there is little or no understanding of the true nature of problems. Without collaboration any solution delivered will be inwardly focused and narrowly scoped. And without adaptability whatever solution is delivered is likely to be too little, too late.

Individually these three elements of intelligence, collaboration and adaptability arise from a deconstruction of the design thinking process; together they enable CEOs and senior leaders to structure an organisation around design thinking principles. So building design thinking capability is the foundation for building a culture that supports game-changing innovation but also benefits product and service delivery.

For example, design thinking encourages iterative development. This helps to work out the kinks before a company has to commit significant resources or changes its course in pursuit of a solution. Because of this, design thinking can even be used by an organisation that is

looking to redesign its culture, testing out scope and pathways to change to identify the ideal mix for the organisation.

So, is design thinking an end in itself; should organisations be looking to build a culture of design thinking rather than seeing it as a pathway to innovation? Well no, design thinking is a foundation but of itself it will not fully capitalise on an organisation's potential. It is true that at the moment the playing field is still somewhat level and organisations that embrace design thinking can gain some form of edge. However, as more organisations look at innovation, the balance will be tipped in their favour until we reach a point where everyone is innovating. Then those with the strongest design-led innovation culture will have true competitive advantage.

So, my challenge to you is simple. Are you happy to carry on coming up with lots of cunning plans, the majority of which run the risk of either delivering inadequate solutions to misunderstood problems or never even coming to fruition. Or are you going to deliver a design-thinking centred innovation culture which looks to deliver competitive advantage by providing real solutions to real problems?

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