

Design Thinking in Practice ¹

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We all have experienced technological changes. Sometimes as users of the new technical items, occasionally only as spectators amazed at what the future could look like. And other times, viewing the changes without even noticing them.

Everybody can relate a time when going to the local store was an adventure to buy small stuff or something that we run out as an emergency. When time passed, small stores transformed into big stores where everything was there for us. Looking at the showcases was delightful, trying one thing and another and of course the typical seasonal discounts! Back then, making the line to make the payment was something healthy, nowadays almost impossible! More than that, who shops in a store anymore when everything could be accessible from the internet!

Looking into the retail industry, we can be a witness to the current changes in shopping on-line instead of going to the store, among other probably not that evident changes. Things like that are the result of applying efficient thinking and shifting paradigms into design thinking. In this paper, we will refer to the challenges and changes the retail industry has faced in recent years; some of those changes came out as a result of design thinking.

1. Design Thinking or Efficient Thinking

Design thinking is a concept that is becoming in vogue in business and organizational environments. Hand to hand with innovation are tools used by organizations and teams to grow disruptive. Even when design thinking is not a new concept, its relevance has increased in the latest years.

Design thinking becomes a reality taking the designer's abilities to match human needs into available technical resources. This approach is more human-centered rather than process or efficiency-oriented aspects. Design thinking has appeared as opposition to efficient thinking, searching for ways of innovating. Efficient thinking was originated from the industrial revolution as a way of handle production, industrial efficiencies, work measurement, standardization, delineation, management of tasks, and the piecework concept; and organizational behavior. All these concepts are meant to improve productivity, business as usual but not for innovating.

Brown says that design thinking relies on the ability to be intuitive, recognize patterns, construct ideas, and have emotional meaning as well as functionality to express oneself using other media rather than words or symbols. By contrast to rational thinking or efficient

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thinking against the design thinking approach, the first two are more rationally analytic approaches that have developed out of the management, engineering, and marketing literature is what Beckman and Barry have said.

Being used more and more to find a middle point into total intuition and feelings or only analytical and numbers-based. Design thinking comes out as the central point to bring innovation into an organization focusing on the business needs and the customer's point of view into consideration and not only focusing on product or service focal points.

2. The balance between Analysis and Synthesis

Analysis and Synthesis are critical elements as part of the design thinking process as an approach in finding new solutions to old problems; the mental process is involved and must be balanced. Brown mentioned that convergent, divergent, analysis and Synthesis are required to be able to obtain the benefits of design thinking. This process could be seeing something like this. An organization phase lost of customers. In consequence, decreasing their income, the directors get together and start reviewing problems, numbers, figures, charts, or all sorts of reports and analytical elements to discover where the problem is.

All of these are part of the analytical phase, where the problem and its origin can be identified. Efficient thinking will drive direct to improve performance, work longer hours, establish goals, measures, and so on; however, the CEO is searching for an innovative approach, then is when design thinking with the use of Synthesis can be applied. Synthesis phase will be the opposite; now that all facts have been gathering together, then it can be looked with a different lens and direction to find new ways of increasing customer satisfaction, loyalty and in consequence, obtaining more income.

Convergent-Divergent

Convergent thinking is an internal process and a practical way of evaluating current options and alternatives and deciding among them. Convergent drives us toward solutions every time we phase a problem-solving analysis. However, this process is laborious to help to create new alternatives or possible futures.

A divergent way of thinking is, on the other extreme, is creating choices by multiplying options. Practicing only divergent thinking and creating that many options that become almost impossible to handle or to make a practical choice are not good at all. Finding a balance between restriction and maintaining the practical aspect after a day-dreaming and expanding phase where all sort of possibilities was permitted, becomes so important.

Analysis-Synthesis

Analysis and synthesis mental process becomes the complement of convergent-divergent thinking. Being analytical allows us to understand a problem and cutting into small pieces that can be handled much better. By using analytical reasoning, many operational aspects can be run inside corporations.

In the synthesis phase is the base of the creative process where collected data and putting all together to create a new whole idea take place. The synthesis process helps to identify meaningful patterns and gives it a sense of the creation of new possibilities.

3. What it takes

In his book, "Change by design," Brown mentions several essential aspects to consider for design thinking in the organizations. Let's explore some of these points.

Storyteller

Storytelling includes telling stories as part of everyday conversation, such as relating first- or second-hand life experiences, as well as telling prepared stories to audiences, a great deal of which is based on oral or written literature. Almost as long as there has been human language, people have engaged in storytelling. (Agosto, 2005).

Storyteller is critical in design thinking since it is intrinsically related to the human-centered approach to problem-solving. In general, we rely on stories to put our ideas into context and give them meaning. In general, humanity has learned to spread out ideas, expand social structures, create big cities and states, and large organizations based on the consciousness, language, and intimate relationship with the use of storytelling.

Culture of optimism

Innovation initiatives tend to create resistance inside the organizations; people tend to be skeptical of the change or either be afraid of their future and stability. When a new project related to innovation comes to the table, it will require the leaders to get on board all employees and buy the will to change.

To be effective, some amount of optimism is needed having the feeling that is going through these processes; things will be better from current status. Without this positive encouragement, the will of the experiment could result in the frustration of the team.

"The harvest the power of design thinking, individuals, teams, and whole organizations have to cultivate optimism." (Brown, 2009). It is vital to identify and neutralize the organizational antibodies, the ones that are against any innovation initiative, and any culture of optimism. (Oster, 2011).

Brainstorming

Brainstorming is 60 years old this year. The principle was straightforward, "gather 10 or 12 people in a room, a mix of experts and novices, and give them one question to answer. Osborn said that what he called the "ideative efficacy" of the session depended on its adherence to two core principles: suspend judgment, and go for quantity of ideas, not quality." (Gobble, 2014)

This is a well-known technique that is being used inside organizations to put teams together and express as many possible ideas to create solutions for a problem or alternate path. Brainstorming is considered as essential to creativity and a structured way to break out the structure. "The theory of brainstorming is that you turn off your left analytical brain, turn on your intuitive right brain, and creative ideas pop out." (Gobble, 2014)

Even when other techniques help to make choices, brainstorming is excellent in creating new ideas; it is instrumental in the opening to a different spectrum of views.

The value of prototyping

Prototyping is a helpful way to correlate abstract concepts into physical outlook and back; the intention is to model somehow an idea to help others have the same understanding and with that starting point unlock the imagination and open the mind into new possibilities.

In other words, prototyping is a willingness to go ahead and try something by building it, which is the best way of experimentation. Prototyping is somehow inspirational because it inspires new ideas. It should take place at the beginning of a project so it can help to increase new ideas that will be discarded as the project moves forward and keep only those that refines and improves the original plan.

4. A real-world case – digital transformation in retail

The following example is related to a well-known retail company in Mexico. It started in Chicago, USA, in January 1998. However, the concept was not that accepted in America as it was in Mexico, in January 1999, the first store opens up in Tijuana. The company has grown up to the point of having more than 400 stores in the country and other business units.

Part of current success is due to a strategy of importing products from China, beating costs, and making an offering of real cheap and useful products for the national market. However, due to several external and internal factors, growth seems to be harder than ever. The CEO has searched for opportunities to transform the company going through a digital transformation to be able to compete and succeed in the future.

IT strategies usually focus on the management of the IT infrastructure within a firm, with a somewhat limited impact on driving innovations in business development. To some degree, this restricts the product-centric and customer-centric opportunities that arise from new digital technologies, which often cross firms' borders. (Matt, 2015). The case of Waldo's has invested considerable amounts to leverage its strategy with the IT systems that could help them achieve the business strategies of expansion, improve benefits, buying on-line, among others.

Digital transformation strategies take on a different perspective and pursue different goals. Coming from a business-centric perspective, these strategies focus on the transformation of products, processes, and organizational aspects owing to new technologies. Their scope is more broadly designed and explicitly includes digital activities at the interface with or

wholly on the side of customers, such as digital technologies as part of end-user products. (Matt, 2015).

While it is unclear whether these relationships between technology, management, variety, and productivity are casual, the patterns do suggest possible channels through which productivity shapes the success and survival of retailers. It is also interesting to note that while many of these proposed productivity drivers involve digital and other information technologies. They are as likely to be operating in the back end (selection of offerings, distribution, inventory management, and so on) of retail as on the customer-facing "front-end" (websites, online advertising, and the like). In this specific case, the road map covers both the back end and front-end systems to improve operations.

In the following paragraphs, a real case will be explained as a digital transformation in retail that used described elements from design thinking and that even when it is an on-going process, there are several lessons to take from them.

Last year, CEO, in partnership with Oracle, IT software leader in the market of several software solutions, worked together. After several sessions, determined that design thinking workshops sessions were needed to understand business strategy and how the company sees itself in the future vs. how several software solutions could help and support arrive at that solution.

During these sessions, mainly brainstorming was used where the main actors of the company interact with their current problems and possible solutions. On the other hand, while Oracle technical resources were listening to different conceptual alternatives and solutions were presented. The use of prototypes helped to imagine the outcome. The general idea was to imagine a desired future where the back and front ends could improve the business experience.

Without a doubt, the storyteller was a vital part of the success of the technological project. It helped the technical people from Oracle to sell all solutions to refer to other successful cases but also assisting the customer in imagining the future. Stories about the ultimate user experience, imagining how the new shopping method could look like but also stories about the employees and their quality of life were essential to embrace innovation and change.

The final decision turned out into a two- or three-years road map of several digital systems to transform current business. The first and current stages focused on the back-end experience to improve existing business operations. Also, simulation decision-based methods were included and currently under implementation. It will take some time to see the results of this initiative. However, the use of these elements of design thinking in action is interesting enough to know how an organization can interact and evaluate.

5. In the end...

Thinking is human activity thanks to it, the world we live in is created and works with so many wonders that the man has created and making a different world. Efficiency thinking

and Design thinking are humans inherit, using one or another will benefit in different ways. Efficiency thinking, as described, is what analytical and logical aspects can prevail, metrics, objectives, plans, measures, and so on. In this way is how achieving becomes relevant.

Design thinking is related to the creative, exploring, dreaming comes with, as an activity, based or centered in the human being and its creative process; it is something that will result in positive aspects. Design thinking is somehow aspirational; it is what brings the balance between the measurable and the desirable. Design thinking helps to aspire, dream, think more significant, and so on.

Both thinkings are equally crucial for individuals, companies, organizations to balance between the creation and the action to go on to the next level. Design thinking is useful in several ways as it was described to help entities to reach other levels or fulfill aspects that would not be possible in another way.

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