Design Research Society

DRS Digital Library

Jun 25th, 12:00 AM

Editorial: How Organisations Employ Design as Vehicle for Change

Chris Hammond
IBM

Joyce Yee

Sabine Junginger

Sarah B Brooks

Joni Saylor

See next page for additional authors

Authors

Chris Hammond, Joyce Yee, Sabine Junginger, Sarah B Brooks, Joni Saylor, and Kamil Michlewski

Editorial: How Organisations Employ Design as Vehicle for Change

HAMMOND Chris[a]; YEE Joyce[b]; JUNGINGER Sabine[c], BROOKS Sarah B, SAYLOR Joni, and MICHLEWSKi Kamil

[a]IBM
[b]Northumbria University
[c]University of Applied Sciences and Arts

Today an unprecedented number of organisations are investing in design to deliver better and more sustainable outcomes. Design as a function of an organisation is not new – in 1973 at the University of Pennsylvania, Thomas J. Watson Jr stated, "Good design is good business." This mantra has become even more important in an increasingly challenging and volatile global environment. Life spans of organisations have significantly reduced, halving over four decades, and almost one-tenth of all public companies fail yearly, a fourfold increase since 1965 (Reeves and Püschel, 2015). The necessity for companies to constantly adapt their strategic approach to ever-changing conditions is greater than ever.

The turn to design is borne out of the need to sustain value, profitability and longevity. Enterprises need to innovate (Chesbrough, 2013; Eisdorfer and Hsu, 2011) and one approach to kick-start innovation is to use design (Kolko, 2015). The Design Value Index Study (Rae, 2016) demonstrates that organisations embracing design perform better. However, it remains unclear how organisations use design to generate competitive advantages. No one 'right' model exists. The common narratives around success stories tend to focus on changes that are externally tangible, i.e. they discuss new products and services. Little insight is provided into how an organisation is transformed in relation to its established process, structure and values. The culture of an organisation often gets overlooked in these conversations. Organisations big and small are investing in design to better compete and to create greater value for the people they serve. To maintain relevancy, one must create new forms of value. But how is this done?

This collection begins to help us understand how organisations are adopting design to create more value. It features examples in both the public and the private sector. This track initiates dialogue around and understanding of how design enables and supports culture change. As practitioners and researchers already engaged in this practice, we are extremely excited to facilitate this discussion at DRS 2018. We have curated a rich sample from a variety of organisations, ranging from medium-sized multinational technology companies, through small businesses in Brazil and Ireland, to public-sector departments in Europe and Canada. The papers surfaced a number of themes that can inspire more organisations to adopt design to continuously innovate. We highlight and discuss some of these themes in the following sections.

Valuing culture change over ideas

It's important to consider how sustainable design and innovation culture develops throughout an organisation.   Jylkäs and Kuure's paper on '*Embodied design methods as a catalyst for industrial service design process' describes* embodied approaches to enable industrial service delivery teams to take a more human-centered approach. They discussed the potential for these approaches to yield improved outcomes and more respected positioning for the delivery team within the organisation. These two tactics can help catalyse the adoption of embodied approaches at the larger organisational scale. Additionally, the authors argue that embodied methods make the understanding of service context more experiential. This allows the project team and stakeholders to form a shared vision and goals for the service – crucial for culture change.

Using a design-driven innovation method impacts the way companies conceive, create, and capture value across the institution. It also changes the way people work and interact along with changing mindsets and culture. Transforming a company into a design thinking organisation is challenging, as pointed out by many of the authors in this track. Klitsie and colleagues in their paper *'Using dynamic capabilities in an actionable tool as a vehicle to initiate design-driven innovation'* focus on one difficult element in particular: innovation by design is both a strategic and a tactical capability. They suggest a theoretical framework to better understand this issue and to help organisations identify and leverage innovation capabilities.

Building design capability

Design capability is defined as an organisation's ability to apply design to strategically problem-solve, drive innovation, and create business success. This capability leads to better quality of life through innovative products, systems, services, and experiences (World Design Organisation, 2017). Many of the papers in this track share their approach to building and embedding design capability in organisations. These include using an innovation catalyst (Bastiaasen et al), flexible innovation frameworks (Stoimenova and De Lille), and process models (Iverson, Kunø and Vistisen).

Bastiaansen and colleagues' paper '*Design capability in a software SME: Report from an embedded design innovation catalyst'* addresses the challenge of integrating design capabilities into an engineering led organisation. They investigate the barriers to developing design capabilities and means of overcoming them. They present how design capability can be built quickly and become a catalyst for a software firm to move from a data-driven to a user-centered approach. Like other studies, they share barriers to adoption, such as an over-reliance on internal knowledge, low urgency to change, and the firm's existing low design capacity. A different approach to building an organisation's design capability is presented through Stoimenova and De Lille's paper *'Building the foundation for a design-led ambidexterity in a medium-sized tech company'*. It describes how small-to-medium enterprises (SME) can use design to improve their innovation outcomes. They present a new theoretical model tested with three SMEs – the Design-Led Ambidexterity (DLA). It creates decision making mechanisms and structures that enable a company to balance both types of innovation – incremental and radical. The paper highlights the interesting tension present in all design-led innovation initiatives: how to balance exploration and exploitation activities. Exploitation allows the firm to improve the efficiency of implementation and production of the existing capabilities of the firm. In contrast, exploration is characterized by search, experimentation, play, flexibility and investigation – and can result in new knowledge (Tabeau et al., 2016). Exploitation offers short-term success but exploitation is required to develop radically new solutions for longer-term success. Developing new solutions requires a guiding framework, methods and people; and a shared understanding of what needs to be achieved, conditions that Stoimenova and De Lille's framework attempts to address.

Iverson and Vistiesen's paper *'The role(s) of process models in design practice'* challenges our assumption regarding the use of design process models. They suggest that they are not merely used to guide and manage the design process, but also take on a more important communication role. Process models both create an internal design rationale and demystify design thinking to stakeholders. Developing flexible frameworks and models aids in the scalability of organisational design capability.

Design as a strategic tool

Botzepe highlights design's capacity to disrupt business as usual. This often means overcoming stiff resistance from the organisation (see Brown & Martin 2015). She raises the question that if this is the case, how does design get a seat at the table? Her paper addresses this issue by examining data from five design consulting firms (DCF) in Denmark which have strategy- or policy-level engagements with their clients. It examines the path to strategic work, and how DCFs have transformed to deal with the evolving nature of their businesses. Her findings support the value of design as a strategic tool. More importantly, they highlight the approach needed to convince organisations to invite external design firms to help inform their strategy. The paper proposes two main approaches. Firstly, repeated long-term client relationship building. Second, human-centered user research engagements to integrate design into the larger system. Similarly, Pandey's paper *'Entangling, oscilliating, frilux-ing: Branding the art of design'* explores the value of strategically framing and manifesting design as an approach to building design cultures. This case study illustrates the difficulties of building in-house design competencies for library staff. They observed how framing design activities with organisational language and values can drive adoption. The term 'friluxing' – derived from the Norwegian words meaning 'free playing' – is now used synonymously with designing in the organisation. Librarians have gained confidence using and teaching design methods to other colleagues. This change illustrates a shift in mindset and an increased understanding of design.

Gaynor and colleagues' paper *'How design thinking offers strategic value to micro-enterprises'* argues that design thinking can be a powerful instigator in re-invigorating the identity and purpose of a micro-enterprise that can often be diluted as the organisation grows. The paper explores the application of "Ecology Mapping" techniques to synthesize data from many perspectives to help focus an organisation's identity and actions. They argue that these understandings provide a platform that facilitates future strategies and actions. This engagement with design at a strategic level from the outset can enable cultural and behavioral change and support sustained adoption of a design-led approach.

Drivers and barriers

The final two papers focus on revealing different drivers and barriers to design adoption in different contexts. Braga and Zurlo's paper *'Introducing design-driven innovation into Brazilian MSMEs: Barriers and next challenges of design support'* provides a thorough and comprehensive account of design support systems in Brazil to foster a climate for sustainable economic growth. They particularly focus on challenges faced by various organisations attempting to integrate design at the project level. The authors recognized the limitation of a top-down approach to support design adoption and are keen to explore ways of supporting a bottom-up approach to design interventions through a process of collaboration. Lee and Person's paper, in contrast, looks at the barriers to the adoption of service design in a Finnish public sector context. Their paper *'Perspective: the gist of public tender for service design'* focuses on the important, yet often overlooked, subject of public procurement of creative services. They describe the challenges associated with procuring 'intangibles' such as service design consultancy. Case studies at different threshold points help reveal some of the challenges associated with poor transparency across the buyer and supplier relationship.

This paper track has been extremely popular as evidenced by its representation across two sessions. Our aim was to offer a portfolio of examples that show various ways organisations employ design to drive change. The range of papers illustrates the deepening interests in the field. It offers a platform for public and private sector organisations, researchers and practitioners. These themes only provide a glimpse into the range of varied research happening in this field. We hope that they act as prompts to help organisations adopt design to drive change and create more value.

References

Brown T., & Martin, R. (2015). Design for action. *Harvard Business Review*, *93* (9), 57-64.

Chesbrough, H. (2013). *Open business models: How to thrive in the new innovation landscape*. Cambridge, MA: Harvard Business Press.

Eisdorfer, A. & Hsu, P. H. (2011). Innovate to Survive: The Effect of Technology Competition on Corporate Bankruptcy. *Financial Management* 40 (4), Winter, 1087–1117.

Kolko, J. (2015). Design Thinking Comes of Age. *Harvard Business Review*, 93(9), 66–71.

Rae, J. (2016). Design Value Index Exemplars Outperform the S&P 500 Index (Again) and a New Crop of Design Leaders Emerge. *Design Management Review*, *27*(4), 4–11.

Reeves, M., & Püschel, L. (2015). Die Another Day: What Leaders Can Do About the Shrinking Life Expectancy of Corporations. Retrieved from BCG: https://www.bcg.com/publications/2015/strategy-die-another-day-what-leaders-can-do-about-the-shrinking-life-expectancy-of-corporations.aspx?lipi=urn%3Ali%3Apage%3Ad_flagship3_pulse_read%3BM%2BUJouGtTHWn1%2FxEr9%2B2iA%3D%3D

Tabeau, K., Gemser, G., Hultink, E. J., & Wijnberg, N. M. (2016). Exploration and exploitation activities for design innovation. *Journal of Marketing Management 33 (3-4)*, 203–225.