EPISODE 73: MICHAEL LUCHS – DESIGN THINKING

Ken White
From the College of William & Mary in Williamsburg, Virginia. This is Leadership & Business. The weekly podcast that brings you the latest and best thinking from today's business leaders from across the world. We share the strategies, tactics, and information that can make you a more effective leader, communicator, and professional. I'm your host Ken White. Thanks for listening. Well, regardless of your field or business, chances are it's being disrupted. Never before have we seen such a time of disruption and innovation. Companies, organizations, and leaders must be forward-thinking just to survive today. Well, over the last decade, new product design and innovation grew significantly, as did design thinking growing in popularity and visibility. The world's leading companies embraced design thinking. It's led to groundbreaking new products and services. Today's guest, William & Mary business professor Michael Luchs says design thinking is a highly effective approach for identifying and creatively solving business problems and opportunities. He joins us on the podcast today to discuss design thinking, the framework behind it, and how you and your organization can embrace it to succeed moving forward. Here's our conversation with Professor Michael Luchs.

Ken White
Michael, thank you for taking time to join us on a very interesting topic. We appreciate you being here.

Michael Luchs
Yeah. Thank you for having me.

Ken White
So for those who are unfamiliar with design thinking, how do you define it to those who don't get it?

Michael Luchs
Well, one of the first things I often do is sort of I reassure people it's not about being a designer because I think the name is a little misleading, but it means thinking like a designer and approaching problems the way a designer would. And so one of the first things that a designer often will do is spend time exploring a problem, and oftentimes as business people, I think we jump too quickly to trying to come up with solutions, and we haven't really explored the problem, so really at its heart design thinking is a creative

problem-solving methodology that begins first with sufficiently exploring and defining the problem you're trying to solve.

Ken White
So problem-centric.

Michael Luchs
That's absolutely right.

Ken White
How is that different from other approaches we use and have used?

Michael Luchs
Well, let me sort of, you know, walk you through a few ways in which design thinking is different from sort of conventional problem solving a business because there's some pretty fundamental differences. Well, first of all, design thinking isn't something you want to use all the time. And so it's important to sort of understand when you want to use design thinking. Conventional problem-solving approaches are fantastic when you have incremental change in mind. So, for example, let's say you're in the housing industry, and you want to develop housing that's specifically tailored to millennials. And so you're going to go out and sort of find out what are the latest housing trends you're gonna make it hip and convenient etc. So if you're looking for incremental innovation, conventional problem-solving approaches work well. Design thinking is really most relevant when you're trying to do something that's dramatically different or in a situation where you have a sense there's an opportunity, but it isn't really well-defined. So, for example, sticking with the housing context, let's say that you're thinking about new housing developments for millennials, and you're looking around you, and you're seeing all these different sort of experiments with the sharing economy, Airbnb, and you know Uber, and Lyft and so forth and you're saying huh I wonder how that might apply to housing what could I do differently. So I don't know exactly what it is I'm going to build yet. I need to spend some time really exploring and understanding, and so that's a good example of when design thinking would be more relevant.

Ken White
So more dramatically different.

Michael Luchs
More dramatically different, so if you're looking for radical innovation or if it's a new opportunity that nobody really has offered anything significant yet. So there's no real precedent you can just sort of emulate and improve upon, but you're looking to kind of be the first mover.

Ken White
And it seems like, and you interact with business professionals daily, it seems like everyone is being disrupted. Every field is in the midst of innovation. So am I correct in assuming that more and more people are implementing and embracing design thinking?

Michael Luchs
Absolutely. People are using it more and more, and it's, you know, they don't always know that they're using design thinking. This is becoming actually, I think, part of our business culture. And so you'll see organizations out there that say they have design thinking departments, they have facilitators. Google has their own methodology called the Google sprint. But I think if you if you dive into lots of organizations, they're using a lot of the tools and approaches of design thinking, but they maybe don't call it that per se.

Ken White
In your book, you talk about the framework, and you talk about discover, define, create, and evaluate. Can you walk us through that? Is discover first is this you also say it's not quite linear but at least to explain it that somewhat has to be.

Michael Luchs
Yeah. So to explain it, I'll do it in a linear fashion and then sort of explain how it's really much more of an iterative process. So oftentimes, it does begin with, as I mentioned before, trying to identify the problem to solve. And the first step in doing that is to discover, and discover can mean a lot of different things in different contexts, but it means learning about the market. But in particular, about the user, and that's one of the hallmarks of design thinking is it is very people-centric. It is not product or technology-centric. And so that once you're looking for solutions, you might have product or technology solutions, but we really start with discovering people and the context of usage. And so that's the Discover mode. The next mode is to define and defining the problems identifying the problems that you most want to solve. The ones that you think have the greatest potential intuitively you believe that they have the biggest opportunity for your business. The next mode is about creating. So now we're into solving the problem. But importantly, we've got a very specific problem that we've identified. And so you want to generate lots of different solutions and an experiment. And so it's not just a matter of brainstorming. It's also a matter of prototyping, and prototyping means something a little bit different in design thinking. But we try to create or simulate the experience of what the new product or service would be like for the user. And we don't develop prototypes to necessarily sell the idea to someone. Really we use these as prompts. They're probes so that we can learn more about people's needs. And that's where the final mode of design thinking comes in, and that's to evaluate, and that's really to use these initial ideas or these prototypes so that we can evaluate our solution and learn more. And that's where the iteration really continues on instead of

saying. Well, they that's, you know, the best solution possible, and it stopped there. You go back to the beginning in a sense, and you say, what if I learned new about the user? How does that change how I think about the problem? Do I want to define the problem differently?

Ken White
Right.

Michael Luchs
And so, you could iterate around defining the problem in a more specific useful way, or you could iterate around the solutions and say I got some initial feedback, I now know more, and I want to go back and generate some additional ideas and explore this a little bit more before I lock in on something just because it's feasible or just because it feels at the moment like a good idea.

Ken White
So it's very customer-centric. How much time A, how much time is involved, and B, how do you interact with the customers? How's that process take place?

Michael Luchs
Well, in terms of how you interact with people, it depends on the usage context. A lot of different qualitative techniques. But that's probably one of the other, you know, differences versus conventional problem-solving methods. With design thinking, you using qualitative techniques like observation using in-depth interviews but all sorts of ways to try to understand things that you don't know, you know, sort of a priori to look for. And so with quantitative research, we can, you know, develop a survey and send it out and quantify things.

Ken White
Right.

Michael Luchs
But really, what we're trying to do with design thinking is explore and understand, and so that's qualitative. How much time you devote to this really depends on how big the opportunity is, what your resources are, and how big the changes that you're looking for, which is why you only use design thinking in some situations because it does take time and it does take expertise to actually do qualitative research and do it well. And it's not just a matter of going out and doing an interview knowing how to synthesize or make sense of that interview data is a real skill. And that's something that we teach as well.

Ken White
Expertise, so I just can't grab a group and do this. So are, you mentioned some companies actually hire, I assume, and I know you work with a lot of companies you need somebody to lead the process.

Michael Luchs
Yes, but the good news is not everybody that contributes needs to understand the process. They need to understand maybe the framework in sort of the spirit of it, or so people refer to the mindset you absolutely need a skilled facilitator. And this is the sort of thing that companies that just try to do it. It's there's so many cultural norms that you're you're sort of bumping up against it's really hard to sort of stay on track and not fall back into conventional patterns. But in terms of the rest of the participants, really, what you're looking for is the maximum diversity possible in terms of perspectives. And so you want people from customer service, in particular people that are interfacing with the customer. You want people that are going to represent the technology side of the business, the finance side, but you're looking for a lot of different perspectives. And here's something that's a little kind of. It sounds crazy but can be really helpful sometimes. Bringing customers in to be part of brainstorming sessions can be really useful as well and give you insights and keep you honest in ways that you know you know, again we fall back into conventional modes of thinking when we're just surrounded by people that are familiar with what we're already doing and that's a recipe for incremental innovation.

Ken White
And we always say we know our customer. That's our field. We know these people.

Michael Luchs
And we do know the customer of yesterday.

Ken White
Yeah.

Michael Luchs
We don't necessarily understand where things are headed.

Ken White
Interesting.

Ken White
We'll continue our conversation with Professor Michael Luchs in just a minute. Our podcast is brought to you by the Center for Corporate Education at the College of

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Ken White
You mentioned discover, define, create, and evaluate. There are other frameworks, but yet they're somewhat very similar. Right.

Michael Luchs
Right. And anybody who's schooled in any of the sort of the major frameworks in design thinking will be able to map onto other frameworks. And so you know, whether it's sort of, you know, five modes or four modes, etc., at their heart, they really all share this idea of identifying the problems to solve and then solving them in an iterative fashion. Some of them tend to be more sort of oriented towards consumer products. Others are more sort of open to a lot of different contexts. But the frameworks are very similar.

Ken White
The role of failure is important in design thinking. Can you tell us a little bit about the role of failure?

Michael Luchs
It's really important, and I think it's often misunderstood, and it's even become popular to say that, yeah, we need to encourage failure. And I think there's an important sort of nuance to this, and I'm gonna borrow off of Amy Edmondson, who's at Harvard, and she talks about different types of failure, and so we'll start with kind of, you know, a conventional predictable type of failure in operations so predictable operational failures. These are not failures that are valuable. Right. So, for example, in the context of a flight and travel, if the maintenance processes broke down, parts weren't available because somebody didn't follow the rules and the regulations. That's a preventable failure. And there's no value derived from that. Right. Another type of failure she talks about are the unavoidable failures in complex systems, and so travel is complex when you have something like a major northeastern storm that disrupts travel as much as you planned for those situations, and you have contingencies each of those situations is somewhat unique, and you're going to end up with things you can't completely control. So you manage your best, and you acknowledge that that's going to happen. The type of failure,

though, that we're open to with design thinking are what she refers to as intelligent failures at the frontier. And so what that means is you're actually willing to conduct some small-scale experiments to learn more about the user so that you can really innovate. So again, sticking with the context of flight, let's say, for example, you're trying to think about how to compete in this hyper-competitive market driven by, you know, things other than the weather, like commodity prices for fuel, etc. Let's say that you wanted to experiment with the idea of a one-month travel pass for customers. Instead of a ticket that you buy, it's a one-month travel pass. It's all you can eat in a sense, with the distinction being that you're flying standby just as people with the airline get to right. So how would people feel about that? Well, that would be really risky to roll that out across the board, and you know, make a big bet, and you know, sort of hang your brand on that, but if you say, you know, we're going to run that in a single market for a month and see how it goes and learn from it that's the type of failure that we should encourage because it's manageable, it's controllable, it's in the interest of trying to do something really innovative.

Ken White
Interesting you talk about briefly the role of collaboration that's key in design thinking.

Michael Luchs
It's really important and collaboration. One of the things I mentioned before was the importance of diversity and having a lot of different perspectives. But the other thing that's interesting, and we teach this as well in sort of, you know, studio and other workshops that we run, is to think about how to get the most from the individual and do that in a group context. So, for example, with brainstorming, there's debate about whether it's best to brainstorm individually, should I do something like that on my own, or should I do that in a group. And our answer is that you want to get the best of both. And so, for example, one of the techniques that we teach is how you brainstorm within a group context in ways that all of your ideas and we use post-its and sharpies and whiteboards, but you want to make sure that all of your ideas are visible to everyone else so that you can inspire other people to think. But also, you have the opportunity to get your ideas out there, and then you have a group discussion to really talk about the ideas, what inspired them, what is useful about them, and how we can evolve those. The problem with getting groups together, particularly, you know, diverse groups, oftentimes is you have one person who's particularly smart or charismatic or just happens to be the de facto boss in that group.

Ken White
Right.

Michael Luchs
And that totally squelches the benefit of having that diverse group. So learning how to facilitate these meetings is an important skill, and that's, and that's, I think, somewhat unique to design thinking.

Ken White
How does design thinking and leadership how are they tied together? What does the leader need to know and do?

Michael Luchs
Well, I think you know what I just talked about actually is relevant to leadership. The first is making sure that you really understand all the different types of people that you can bring into a problem. You're not going to solve it yourself as a leader, but you can be really intentional about the different types of people that you pull in. Second is making sure that either you've got a facilitator there or, if you as the leader want to play this role, that you're very mindful of process in the sense that you're clear about whether you're at the particular moment working on generating ideas or instead debating what problem to solve in the first place. And sometimes, just making sure that the team is focused on the right thing at the right time and everyone's having the same conversation is really important as well. And then the other thing that's really critical too with leadership and design thinking. But I think leadership, in general, is knowing when to move forward. One of the dangers and risks with design thinking is it's very open-ended, which is very powerful, but it's also dangerous in the sense that that could become an infinity loop.

Ken White
Right.

Michael Luchs
And you know, every company has fixed resources and having an intuition about when you've learned enough and when you have enough of a defined solution that then you can move into a more sort of linear product development process. That, again, I think requires some leadership in knowing when to make that call or empowering other people to make that call is important as well.

Ken White
Do you have an example of who's doing this the right way? Who's embraced it, and it's led to some good things?

Michael Luchs

Sure. I think I mentioned Google before, and there are a lot of other organizations out there. Certainly, in the consumer products and technology worlds, and that wouldn't surprise most people. What's interesting, though, is you have organizations in other fields like insurance and finance. For example, this is something that Wall Street has incurred really increasingly embracing. Capital One, I know, has a big sort of innovation center and people that are trained as facilitators. A lot of the major consulting firms, Ernst and Young, Bain, IBM, are training people in these methods as well. And so you see a lot of companies that are talking about design thinking investing in design thinking spaces that enable the types of behaviors that we're talking about. But again, I think this is becoming part of our business culture, and a lot of companies that don't really necessarily think about design thinking explicitly are starting to recognize that there are systematic ways to explore problems. They're starting to recognize the value of qualitative research. They're starting to understand that brainstorming means a lot more than just generating lots of ideas and starting to rethink how you prototype and how you sort of place small bets in an intelligent way. And so I think a lot of companies are embracing this, whether or not they call it Design Thinking.

Ken White

That's our conversation with Michael Luchs, and that's our podcast for this week. Leadership & Business is brought to you by the Center for Corporate Education at the College of William & Mary's Raymond A. Mason School of Business. The Center for Corporate Education can help you, and your organization get to the next level with business and leadership development programs that specifically fit your needs and get results. If you're interested in learning more about the opportunities at the Center for Corporate Education for you or your organization, visit our website at wmleadership.com. Also, we'd love to hear from you regarding our podcast. Please share your comments, thoughts, or suggestions with us. Email us at podcast@wm.edu. That's podcast@wm.edu. Thanks to our guest this week Michael Luchs and thanks to you for joining us. I'm Ken White. Until next time have a safe, happy, and productive week.