# Why Should Design Thinking Be at The Core of Your Business Strategy?

Max Leung Aug 2021

# Hello, I'm Max



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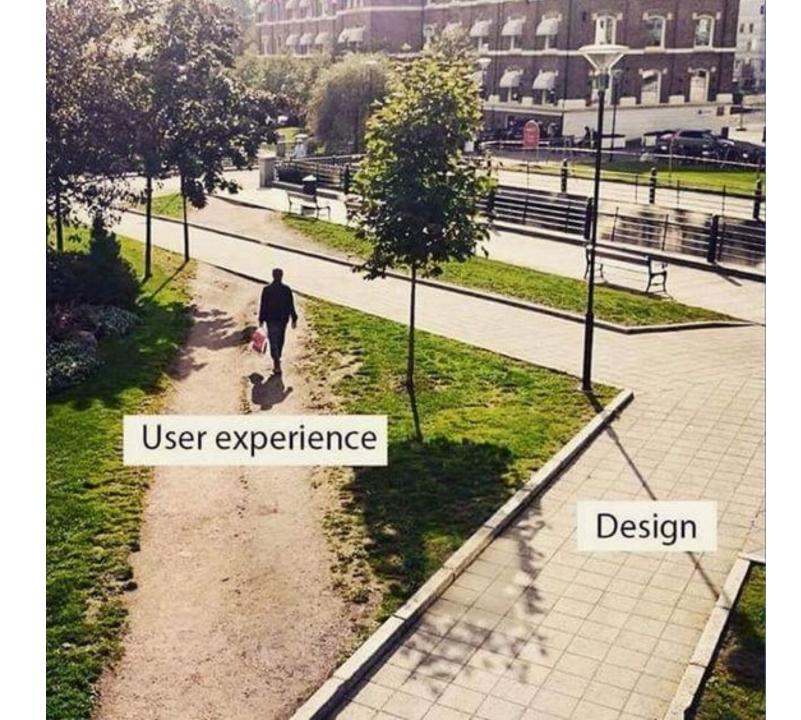








Products and services may not fit in every space or culture That's why we need empathic way to understand our customers.



### What is Design Thinking?

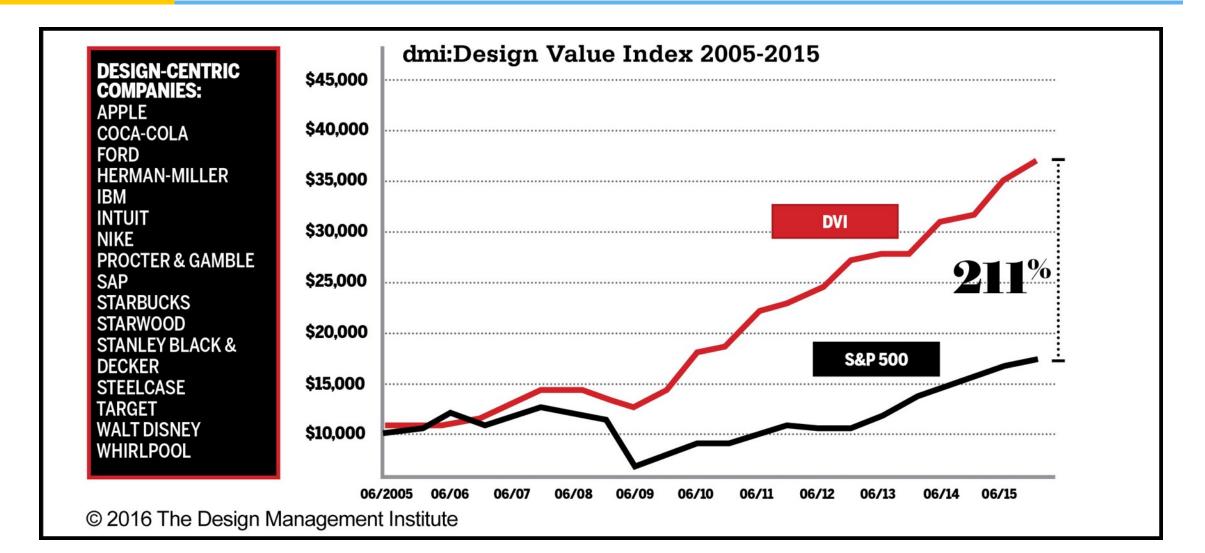
 The idea of design thinking was popularized by IDEO and the d.school at Stanford.
Widely used in the business, NGOs and even public sectors



"We are at a critical point where rapid change is forcing us to look not just to new ways of solving problems but to new problems to solve."

Tim Brown (CEO and president, IDEO)

## Design-centric companies VS S&P500 in 2005 -2015









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#### Top 12 reasons startups fail

Base on 111 startups failure post-mortems

#### **CBINSIGHTS**

#### Top reasons startups fail



[Source] https://www.cbinsights.com/research/startup-failure-reasons-top/

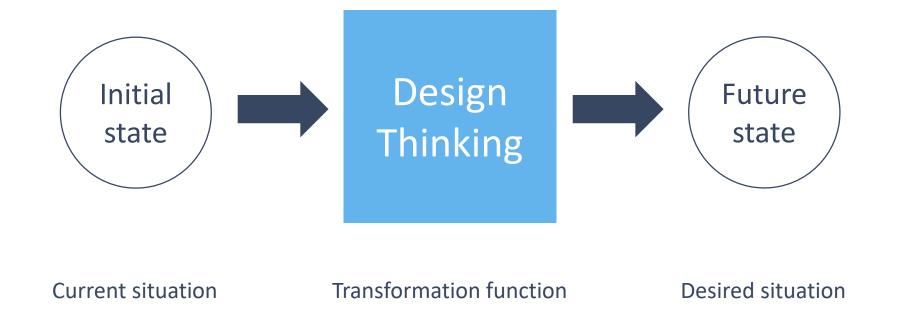
Note: Based on an analysis of 111 startup post-mortems since 2018.

## Why We Need Design Thinking?

- 1. The world is changing rapidly
- 2. The life cycle of knowledge becomes shorter and shorter
- 3. Experience is relatively not so important
- 4. Some new problems cannot be solved merely by our knowledge and experience
- 5. Design thinking allows us a new approach to deal with these complex and wicked problems



### What is Design Thinking?



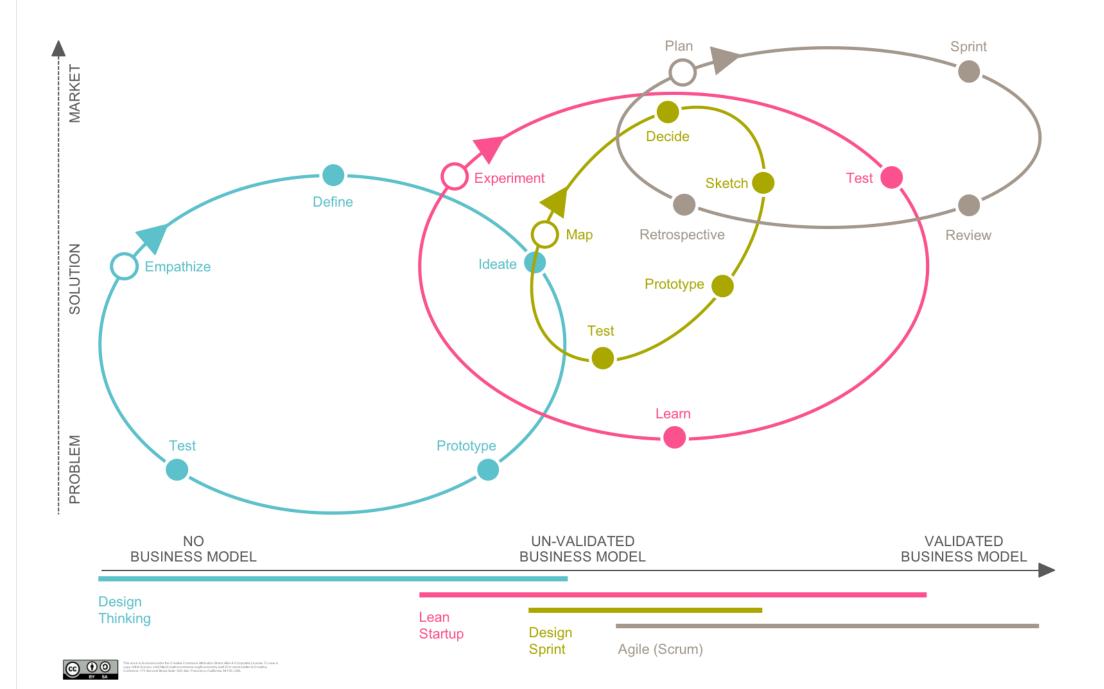
## It is the way designer think

## What is Design Thinking?

<b>Conventional Thinking Approach</b>	Design Thinking Approach		
Flawless planning	Enlightened trial & error		
Avoid failure	Fail fast		
Rigorous analysis	Rigorous testing		
Presentations	Lightweight experiments		
Arms length customer research	Deep customer immersion		
Periodic	Continuous		
Thinking	Doing		

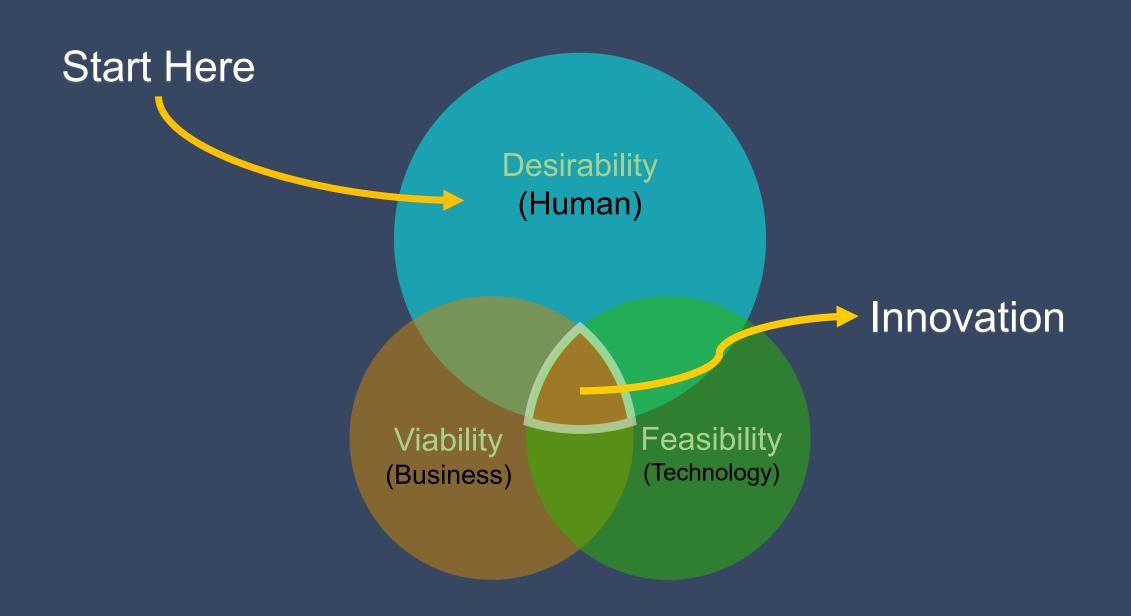
#### **Problem-solver**

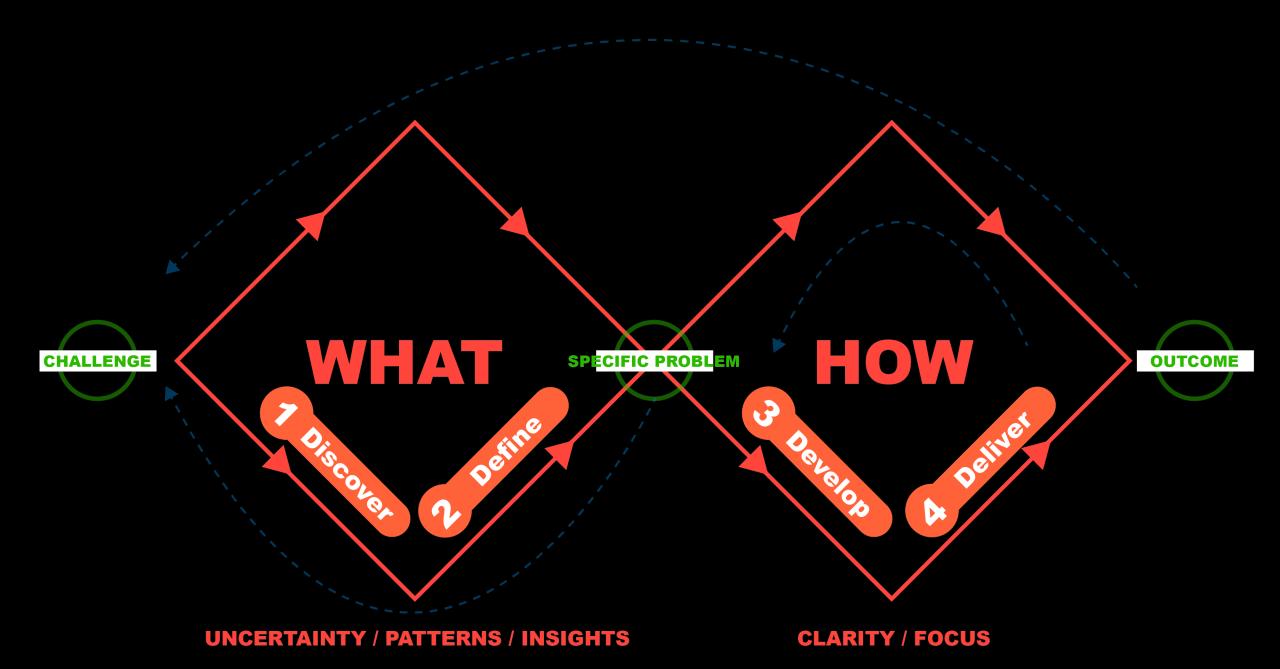
Opportunity-finder



# Why we need Design Thinking in Business?

- Reduces risk of product not meeting customer needs.
- Reduces dependency on individual knowledge, hunches, and opinions.
- Human-centered. Discovers customers' latent needs - "wows" and delighters.
- Establishes measurable criteria for product definition.
- Encourages cross-functional ownership of new product concepts.
- Transform research into outcome in shorter period





#### Discover



#### Empathize

#### Human Centered

Empathy is the ability to share someone else's feelings or experiences by imagining what it would be like to be in that person's situation (Cambridge Dictionary)

Find customers' needs and pain points



#### Define



#### Collect and analyze data

#### Define the problem

Design Thinking is not a linear process

Define and Redefine the problem



# **True Problem**



#### What's seen

**Events** 

What's happening?



Patterns of Behavior What conditions create / trigger the behavior? What are the trends / motivation? What changes have occurred?

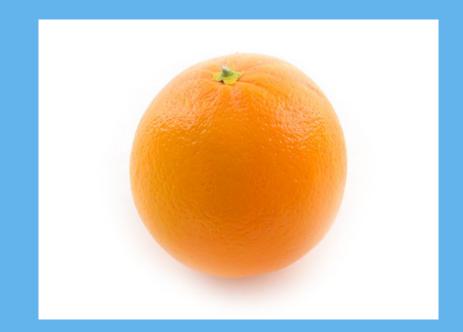
**Structures** 

What influences the patterns? What are the relationships among the parts?

Mental Models What values, benefits and assumptions do you have?

What's generally unseen

#### Develop



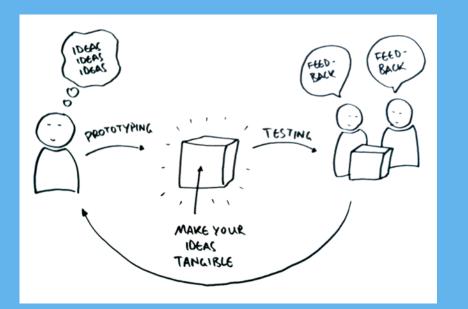
#### Ideate

#### Brainstorm ideas

#### Encourage cross-discipline collaboration

Encourage bad ideas, but unique and innovative

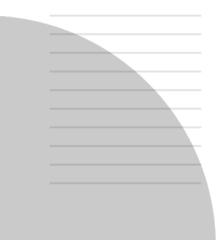
#### Deliver



#### Prototype & Test

Prototype: Turn ideas into an actual solution. To come out quickly with a concrete version of the idea and see how it is accepted by customer

Test: to observe how customer interact with your prototype, and collect feedback on your work.



#### Prototyping and Testing

#### Traditional prototyping A way to test functionality

# More now Empathy gaining Inspiration Testing

# **5217 failed prototype**

# dyson



# Case studies





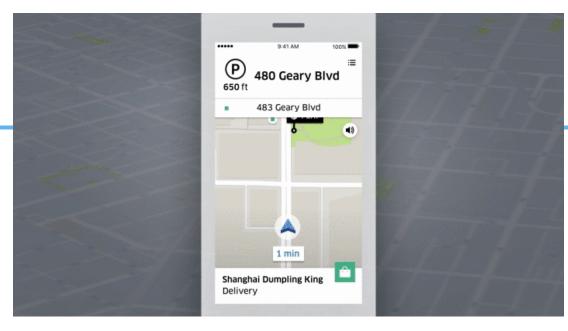
#### Empathize your stakeholders



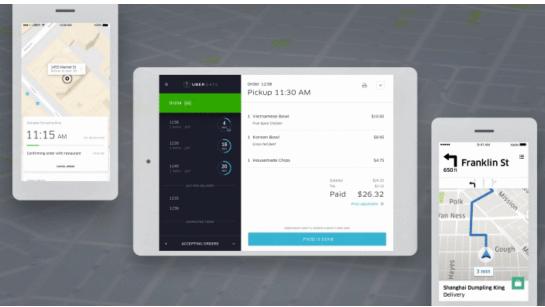
#### • The Walkabout Program

- Designers visit cities and dive deeply into the market to learn their food culture. Also study the transportation and logistical infrastructures
- Order shadowing
  - Better understand the needs of customers which designers cannot replicate in the office
- Fireside chats
  - Discussion with delivery partners, restaurant workers and customers on their experiences with UberEATS
- A/B Testing and Operations team experiments





UBER EATS Restaurant Manager	Log out
•	
Sales	7 Days 30 Days
11	
	Items sold
Net payout Previous week	Lanch (31834-20%) Dinner (10%-9%) Other times Historical average
Top selling menu items	(4) In the second se
25 Shanghai Steamed Dumpling	
21 Spicy Chives & Shrimp Dumpling 18 Snaw Pea with Prawns	25
18 Stir Fried Rice Cakes	
16 Spicy Wonton	8 Teordey Notivester Thursday Podey Saturday Society Witnessy 1019 3013 1510 3013 16.00 3021 1522



#### Alibaba

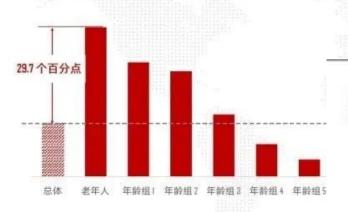
#### Challenge

Internet companies are focused on younger generations who have high online participation rates but lower spending power. Mobile apps that specifically target seniors are still rare, but the apps that are popular among elderly groups are focused on health care.





#### 疫情加速银发群体拥抱数字生活,第三季度老年人手淘月活用户 同比增速远高于其他年龄组,较总体水平高出 29.7 个百分点



第三季度老年人手淘月活用户同比增速(%)

数据来源: 手机淘宝,2020年第三季度,阿里研究院整理 老年人手淘月活用户:近30天使用手机淘宝的60岁以上用户数 年龄组:老年人:60岁以上用户;除00后用户单独一组,其他10岁一组 数据口径:\*\*盒马线上订单占比=线上订单数/总订单数×100%,2020年8月; \*\*\*新服务研究中心《从生活服务业数字化看"新"银发经济》 数据显示,盒马线下到店订单占比最高的老年人群体,疫 情前后消费习惯发生了改变。疫情过后,<del>00岁以上的老年 人盒马线上订单占比增速最快,同比增加10个百分点\*\*,</del> 老年人盒马线上购买习惯逐步养成,线上订单占比继续增

#### 🔜 银发群体画像: 操作复杂难倒老年人

老年人线上求助场景 42% (退) 退款问题 17% 商品相关问题 R 16% 物流问题 60 8% 支付问题 (¥) 账号及操作问题 5% R (...) 其他个性化问题 12% 遇到问题 50% 放弃占比高达 多数求助亲友或直接放弃,放弃的 主要原因是麻烦和不会操作。

银发群体互联网使用影响因素: 城乡生活差异、受教育程度、收入水平、心态因素等

AliResearch

爾里研究院

网络边缘人	初级网购者	网购多面手	数字生活达人
- 农村务农/打工。消费 需求低、心态保守。 - 生活日用品前往镇上 或县城购买,"平常没 什么要买的,孩子会弄 就行"。 - 使用老年机或淘汰的 智能手机。 - 疫情期间,开始刷抖 音、快手看短视频。	- 随子女迁居城市生 活,保留了原居地的生 活习惯。 - 使用社交拼购满足日 用品消费需求,简单手 机游戏玩家。 - <mark>识别要求较高的贵重</mark> 商品或是 <mark>保健品</mark> 由子女 代买。	- 二三线城市居民,照顾 孙辈,有固定退休金。 - 注重生活情趣,积极参 与社交活动,活到老学 到老的学习能手。 - 熟练使用智能手机进行 搜索、移动支付和网络 购物。 - <mark>复杂交互</mark> 需要协助。	- 高线城市居民, 受教育 程度较高, 品牌认知度 高, "年轻的老年人"。 - 除买菜到菜场, 是不同 服务类别APP的熟练使用 者和网购达人。数字生活 是老年生活的一部分。 - 消费需求个性化, 追求 丰富多彩的晚年生活。

AliResearch

同里研究院

来源: 阿里巴巴集团客户体验事业部, 阿里研究院整理

研究方法:定性研究与定量研究结合,深度访谈样本36组,老年人问卷调查1406份,原声抽样350条

#### Alibaba: The results

- Use bigger fonts
- Product image search
- Over 20M elderly account linked with their families
- To use facial recognition to authenticate identity and do away with passwords because many seniors have poorer memories;
- Elderly University: To teach elderly to use internet
- and feature a homepage that shows products and services (i.e. utilities payment and relevant to the elderly.



Design thinking is more than a

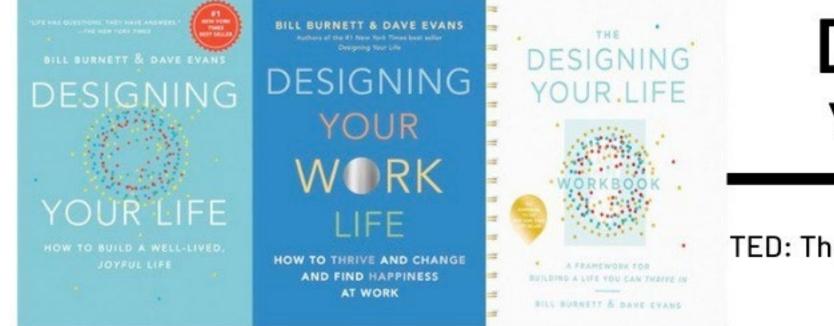
linear problem-solving process

but an ATTITUDE AND APPROACH in

addressing problems in your business

# Empathy + Imagination

= Business Opportunities



# DESIGNING Your 2021

TED: The Most Interesting Design Problem is Your Life & New Event Dates



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