

A Culture of Innovation: How Design Thinking Inspires Organizational Change

It's Time to Break the Status Quo

Executive Summary

The larger an enterprise gets, the harder it is to innovate with the speed of a startup. Design transformation holds the answers to creativity at scale.

Through deceptively simple exercises, design thinking can change the way your company operates — helping you uncover thousands of untapped ideas from the minds already within your organization. It then provides a clear process for vetting, validating, prototyping, and — finally — investing in execution.

With the right approach and team structures, your organization can invent groundbreaking solutions to your industry’s biggest challenges.

Design thinking has the power to change the way you approach problem-solving by always referencing the ‘why.’ Why are we doing this? You learn to question your assumptions every step of the way.”



Mike Joyce
Former Client Partner, TheoremOne



Great Ideas Don't Come Out of Silos

A traditional waterfall organization looks something like this:

20 designers on one floor, 100 developers on another floor, and a couple dozen product managers on the floor above that. These groups rarely work together face-to-face. Projects have a hard time getting off the ground, and communication is challenging. Context is missing, meaning people aren't aligned and the vision never makes its way into the product. It's silo city.

How does design thinking actually work?

When it comes to a hands-on, practical approach, design thinking involves a cross-disciplinary group of professionals gathered for a fixed period of time — often a week or two with no distractions — to discover the core of user problems through extreme empathy and first principals reasoning. This exercise leads to novel solutions that directly address customer needs, which translates to new opportunities for business growth.

Yes, design thinking is all the rage. But that's because it works.

Design thinking is more than a trendy buzzword—when implemented correctly, it's a toolset that helps you turn ideas into actual, impactful products and services faster than ever before. As practicing design thinkers, we use these principles to deliver high-performance digital platforms for

our clients all the time. It's a critical part of our process that we use regardless of whether it's specifically requested.

A customer will call us with an issue like, "We have this old system and we're using Excel and email to get things done, but that's just not cutting it anymore. We need a better way to keep things organized."

Whether the desired tool is for invoicing or payroll or complicated inventory management, we don't want to literally move Excel or a paper-based process onto a screen—the implemented software should optimize the system. It must be re-imagined for this new medium. So, we utilize design thinking to craft a vision of what's possible and then to ensure correct execution.

Design thinking exercises ultimately lead to an implementation and investment plan for next steps, so that your team can then develop and test prototypes.

Other key results include:

- Increased speed from idea to prototype
- Improved customer satisfaction
- Efficiency and cost savings
- A culture of innovation



Case Study: Saying Sayonara to Plastic, for Good

The goal of design thinking is to solve major challenges in an innovative way. For example, our client, a global food and beverage company, has a mandate that by 2025, single-use plastics will not be a part of any of their products—food packaging, cups, water bottles, and so on. It’s all going away.

Naturally, they’re asking, “How do we do this?” They know that no single silver bullet exists. There are thousands of problems that need to be solved. It’s not just how do you replace the plastic water bottle; it’s how do you get water to and from people. Do they

need bottles at all? Maybe the right thing to do is sell water filters instead of selling bottled water? Assumptions must be eliminated.

Our client has to vet thousands of ideas, curate the best of the bunch, and then decide which ones to prioritize and invest in. Design thinking workshops are a great mechanism for this. We built a program for them with an incubator funnel—starting with hackathons and a suggestion box that resulted in 15,000 ideas. We then workshopped a select number of these propositions over a day or two. The next steps after that are a week-long design sprint, followed by a possible prototype.

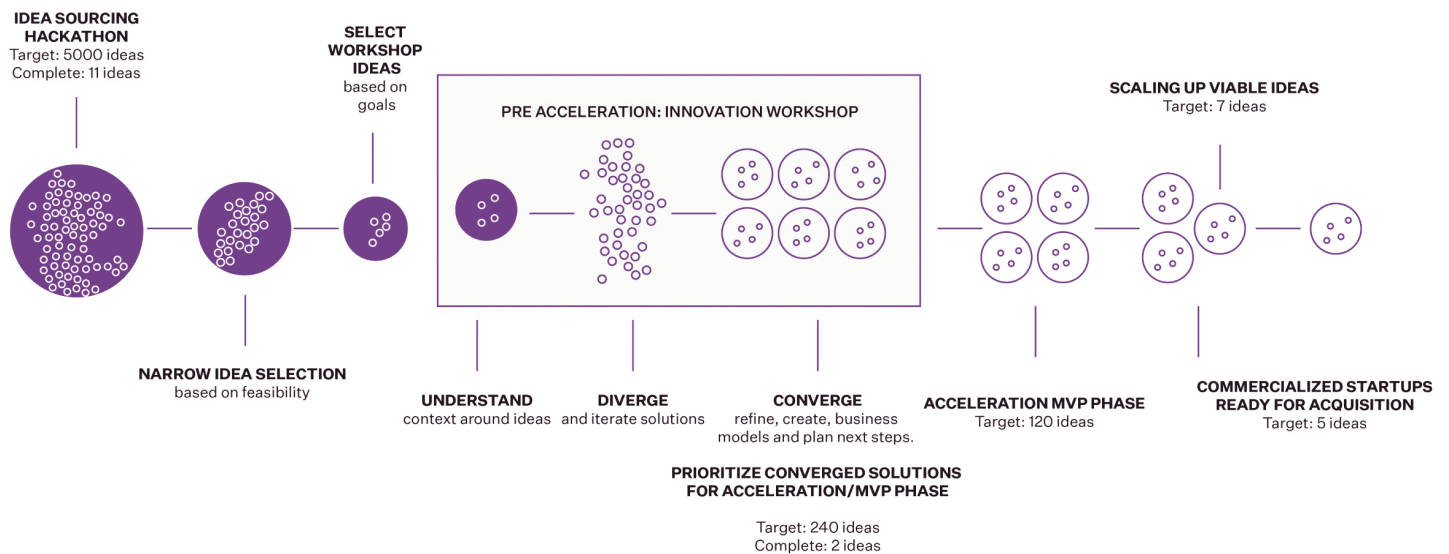
We call this a design thinking investment funnel. It allows organizations to test, validate, and incrementally invest—narrowing thousands of ideas down to the several dozen that will move the needle. It's a proven process for creativity at scale.

In the end, we expect our client to have five unique ideas that can justify entire independent companies focused on eliminating plastic. The food and beverage conglomerate will then be their chief investor and primary customer. With the right approach and team structures, your organization can invent groundbreaking solutions to your industry's biggest challenges.

Cross-Functional Squads are Key to Fast Execution

Unlike big, monolithic teams, smaller, fully-functioning squads can tackle individual initiatives efficiently. The incentives are aligned to produce a specific product or outcome, as opposed to writing a CYA requirements document and throwing it over the fence for someone else to implement.

Squads help break down the institutional barriers of individual departments by creating cross-functional teams. In our workshops, I'm always struck by the way everyone has unique value to add to the conversation. There's something to be learned and gained from all perspectives. Being a developer or designer or any other role doesn't make a difference—the playing field is leveled.



Visualization of TheoremOne's Design Thinking Process

It's the empathy part that matters and the rest is tactical execution. After you've decided what to do, the implementation is just mechanics. The challenge upfront for a cross-functional team is deciding what to do, and the workshops tear down any institutional barriers of, "We're the developers. We know best," or similar from other practice groups.

Creating a culture of innovation is simpler than people think.

A design thinking workshop is analogous to a Google design sprint, where—generally speaking—we're not prototyping. We diverge and brainstorm solutions and then converge to combine those ideas, eliminating the bad ones.

Deceptively simple exercises can force focus and collaboration. For example, we often take a stack of post-it notes and spend five minutes writing down what we're each thinking when we look at a product idea or solution. Then, everyone shares and it's really enlightening. When working in an enterprise environment, rarely do people create the time to focus for even those few minutes on such an easy but important exercise.

To transform the way a company works, everybody needs to take responsibility for having customer empathy. Workshops are just one good way to cultivate this cultural sensibility.

Our programs are very structured, with a beginning, a middle, and an end. And, usually, a very specific goal. Cultural change doesn't require this formal setting every time, however. The mindset should become pervasive so that people feel empowered to use simple tools to build empathy—and best-in-class solutions. You'll see boosts in productivity, innovation, and morale as a result.

After all, design thinking shouldn't be seen as an "initiative." It should be a byproduct of an ingrained culture of thoughtful empathy oriented towards real customer problems, and the mechanisms to implement them when justified. This culture is difficult to establish, but with the right team and practical expertise, you can jumpstart the change and turn your organization into a market-leading innovation machine.



Want to bring design thinking to your organization?
We're ready to discuss the possibilities whenever
you are. Here are a few of our offerings.

- ① Run a 1-day design thinking workshop to analyze a specific problem at a high level.
- ② Run a 2-week design thinking workshop to work out a problem at a detailed level.
- ③ Create a customized Design Transformation program for training and supporting your team with a new way of thinking.
- ④ Provide cross-functional teams to pair with your teams on the implementation of design thinking practices.

TheoremOne □

TheoremOne Delivers Lasting Results

TheoremOne is a global innovation and engineering firm that builds custom software and enables companies to make bold bets and stay ahead. Through research, lean design, and agile delivery, we make great user experiences accessible to the enterprise.

Founded in 2007, TheoremOne's cross-functional development teams drive technology, process, and cultural transformation.

Let's talk. Contact us today.

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