

# A BETTER ECONOMY 'BY DESIGN'

How design thinking can contribute human-centred economic solutions and shape common action.

*By Lawrence Chong*

The air was still, and I was going nowhere with the session until I asked the participants about their kids instead of talking more about the bank. The conversations soon turned chirpy as the mothers in the group spoke over one another, sharing their hearts out about their children and their hopes for them. I felt I had unlocked something new, even though this should have been obvious as this is a very family-oriented country. This experience was part of our transformation project for a Southeast Asian bank that would reshape its digital, brand and customer engagement strategy through a systemic design-thinking method, also known as 'business design'. We then changed the core driving strategy for the bank to, 'doing it with your heart to inspire the next generation'. The shift in approach helped to unite the different factions during the change process. Now the bank is an award-winning institution with an extensive social impact programme. This experience affirmed my belief in the value of empathy in the design-thinking process to shape common action.

Design thinking has been practised by professional designers for decades, though this approach is certainly not limited to designers. Great innovators, such as the Renaissance genius Leonardo Da Vinci, a pioneer in this approach, once wrote, "Experience is a truer guide than the words of others". In recent times, design thinking has been applied in social innovation and public policy. The Prime Minister of Singapore, Lee Hsien Loong, has even gone as far as to say that Singapore's social and economic success is by design.<sup>1</sup>

In training to be a designer, one of the most critical skills that you learn is the art of observation and dialogue. That means taking in every aspect of a situation without prejudice while engaging the user with empathy. Empathy, however, is not the same as sympathy, for it requires you to be in the condition of the user, to see and sense as he/she does. When I learned

this, I thought this should be common sense until I realised that empathy is not universal in the business world. There are still too many tone-deaf situations that kill the human connection.

Simon Kuper of the *Financial Times* said it well when he wrote that, for leavers in the Brexit debate, it was never about the economy but culture and sovereignty.<sup>2</sup> However, sadly, what is happening in Brexit is this ongoing dialogue of the deaf. This kind of ‘dialogue of the deaf’ described by Kuper seems to be happening in too many situations. For climate change activists, it is about saving the planet, while for businesses it is about surviving competition. For politicians on the left, it is about social mobility, for politicians on the right, it is about freedom of enterprise. I could go on, but you get the picture. There is value in each position, therefore it is not wise to just dismiss one side without listening to them. What is missing is the ability to bring different perspectives and integrate them for collective action.

After the recent World Economic Forum, its chairman Professor Schwab went as far as to say that the global system has spun out of control and shared his ideas on how we can balance it. He listed the usual headline global challenges about technology, inclusion, climate change, and economic growth. More importantly, he called for new ways to solve our common problems. He cited that we need to be better at respecting our diversity when we collaborate, get better at involving people at all levels of society, and be better at being inclusive, gender-balanced, ethical and human-centred.<sup>3</sup>

Schwab’s call highlighted an admission that the usual economic instruments of free trade, shared global standards, and the information highway have not made much headway in terms of inclusion. In a disruptive age, this calls for a new approach to the issues of our time.

What he described sounded very much like a Design Thinking approach, but on a global scale. Design Thinking is a creative problem-solving approach that seeks to understand users, challenge assumptions, redefine problems, and create innovative solutions to prototype and test. We need to imagine new solutions to reshape social and economic rules to enable participation and sustainability, and try them out in small ways to prototype them before scaling them up. Moreover, the key in any design-thinking process is to be stakeholder-driven, multidisciplinary in terms of perspectives, and respectful of each stakeholder. This last point is an urgent need of our times when so many people feel disenfranchised. Failure to do so will threaten the stable

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global order that has sustained peaceful development since the Cold War and usher in a new period of narrow interests and extremism.

So what are the characteristics of Design Thinking, and what is its relevance to reimagining new economic approaches?

Many of us are familiar with the characteristics of the design-thinking process: empathise, define, ideate, prototype and test. While these are true, this set of features seems to turn design thinking into a linear process, which is not accurate. In our experience, design thinking is a dynamic process. Whenever I am asked what is fundamentally different about Design Thinking from other methods of problem-solving, I say that Design Thinking’s advantage is that it is a three-dimensional approach versus linear approaches, which is why it is useful for the complex situations that we face today. Here are the 3Ds in Design Thinking: Dialogue, Divergent Thinking, and Dynamic Creation.

### Dialogue

What is apparent to every designer is that the relationship between the idea and the user is a constant state of dialogue. You cannot just do one session and assume you understand; you are always trying to create and shape encounters for dialogue to observe or to deepen your empathy with the user’s experiences. Without this commitment to constant dialogue, you will not be able to arrive at the heart of the issue to think differently.

In our project with the bank, we wanted to understand what the aspirations of the customers are, so other than reviewing the banking experience, we invited customers to an online competition where they wrote their personal stories on why they save and whom they are saving for—this gave us new ideas on where the bank can support good initiatives. Initially, quite a few of the senior management were sceptical and wondered who would submit such stories. However, in the end, so many presented their personal stories and aspirations that the bank had such a holistic and

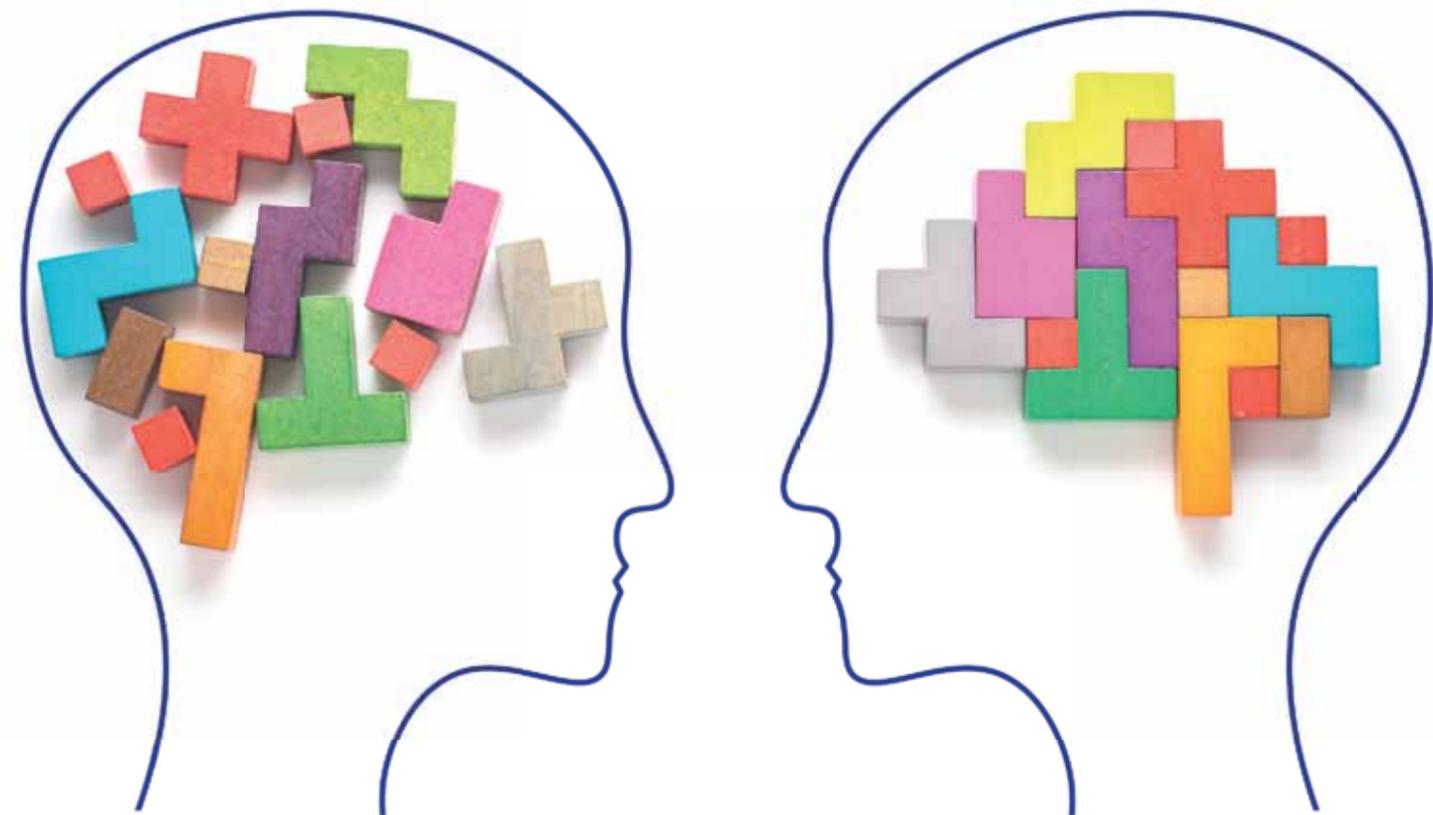
personal view of their relationships, it reshaped the thinking of the bank branch from being a place of transactions to becoming a hub of developing bonds with the community. This initiative also shaped the bank’s understanding of its unique role in social impact towards elderly participation and the role of women in entrepreneurship and sports.

### Divergent thinking

The beauty of the Design Thinking approach is its ability to include diverse disciplines and stakeholders, treating all as equally important. When I joined the management consulting industry, I often witnessed a class-system—if you are in finance, you are right at the top; but if you are in design, you are likely to be treated less seriously. Design Thinking is more egalitarian and tends to treat different disciplines equally and is inclusive of different stakeholders.

In our recent transformation project to review the education and operational model of a university in East Asia, having a diverse team that consisted of designers, artists,

academics, people with business majors, and senior marketing professionals meant that we could see things from a holistic perspective and shape a large canvas for co-creation with our partner. Design Thinking also meant that we must be willing to consider thought-provoking questions instead of a subtractive and incremental approach. For example, it was necessary to rethink the definition of students today when so many are entrepreneurs or part-time professionals pursuing an academic degree or course. What is the role of a campus in shaping a city’s identity where it belongs? How are teaching methods kept up-to-date in an era of disruption? How can universities become participants in change instead of merely supplying professionals for change? These thoughts helped the university realise its real value in shaping systemic solutions. Tim Brown and Jocelyn Wyatt, from the global innovation and design firm IDEO, opine that, as designers think systemically in terms of existential questions, they are then able to approach a problem in all of its complexity, which is where real innovation can arise.<sup>4</sup>



## Dynamic creation

The Design Thinking process is also an endless process of assumptions, imagination, prototyping, and then going back to the drawing board to design new instruments to make things work. This constant switch between ideation and the tangible, almost like a yin-yang dynamic, is characteristic of innovation by design process.

The garment industry has been accused of wasting large amounts of materials and of churning out more products than people need. One of the categories in the garment sector, where this is happening at an alarming scale, is the baby segment. Together with a client in the garment manufacturing business, the challenge, therefore, was how to create high-quality, multi-use baby rompers, baby garments that use lesser material than needed while reducing the need to buy more. The entire process required understanding the stress of parents changing diapers at night, how many rounds of change of clothes a typical baby needs, etc. The back and forth process of imagination and prototyping resulted in the less-is-more multi-use baby romper—something like the Swiss Army knife of rompers.

## Applying design thinking in government

Design Thinking has been highly valued by many of the best brands in the world for decades and has generated enormous business value. In the last decade, however, governments also have adopted it for engagement and socioeconomic transformation.

In New South Wales, the Australian government was able to improve efficiency to aid troubled families and achieve an unprecedented high return on public spending with a gain of AUD\$7 (US\$5) for every dollar spent due to Design Thinking. Family by Family, as the programme was called, started a sincere and open dialogue of putting families first by understanding their situation. Troubled families were connected with families who have overcome their circumstances. This human connection approach then created an environment of trust, and the families opened up to receive assistance, improving the effectiveness of government aid. This successful experience has now encouraged the government to apply a peer-to-peer approach to other issues such as resettling refugees and migrants; addressing domestic violence, social isolation, substance abuse, and disability; and tackling difficult behavioural problems in the criminal justice system.

In Singapore, Design Thinking is a part of policy innovation and driven internally throughout its 145,000-strong civil service through the Innovation Lab in the Public Service Division (PSD)'s Transformation Office, which is charged with building innovation capabilities and mindsets across the entire public service. When interviewed by *apolitical*, Alexander Lau, principal design lead at the PSD's innovation lab, shared that a new framework of innovation that incorporated design thinking, behavioural insights, and organisational development helps guide civil servants to think differently about challenges.<sup>5</sup> Not only does it provide training and frameworks, the transformation office also helps in coaching government agencies to imagine new ways to solve problems. A recent project involved working with the Monetary Authority of Singapore on how to improve its procurement process (which Lau termed as, "painful, bureaucratic") for both the agency and contractor, and how to collect data from financial institutions more efficiently.<sup>6</sup>

## The next wave: Imagining human-centred economic solutions

In 2017, IDEO partnered with the Ellen MacArthur Foundation with the goal of producing a road map for businesses to shape a circular economy. A practical guide—and it is a holistic and ambitious guide—that helps business leaders create business models that will generate economic value and save the environment. This trend is part of a significant shift in recent years to seek systemic solutions, and much of them are driven by design thinkers looking for human-centred solutions that are also sustainable. The shift towards a circular economy has now been declared a priority by the European Union and China. Major companies such as Philips, L'Oréal and Apple are experimenting with different ways to implement circular economy concepts. For instance, Apple's offices and store in Singapore are designed to be powered by solar energy.

In this era of rising complexity; it is time to think differently about our challenges. Greta Thunberg, the inspiring 16-year old Swedish activist, has bravely called on all of us to panic and act to save our planet. Panicking is a good start, but being empathetic in learning how to listen to those on the other side and being creative in bringing diverse groups together for common action is probably the sustainable response. To do that, wherever we are, be it the private sector, a non-profit or government, we will see that there are many opportunities to design solutions that will eventually result in a better economy defined as

a more circular and equitable economic system. The good news is you do not need to be a designer to do this, but you certainly need to go in-depth into what it means to be a human being. Because the core of being human is about the creative ability to imagine solutions that through the ages have overcome illiteracy, infant mortality, poor sanitation and so much more. The scale of our challenges may have increased, so let us match it with an Everest effort of imagination to bravely shape a better world.

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Design thinkers are looking for human-centred solutions that are also sustainable.

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