

Part 3 An Idea Firm's Way of Thinking: IDEO

“The Most Powerful Idea Firm” Talks about What Japan is Lacking Today



IDEO is a company renowned for innovations and creative ideas. What can the Japanese learn from this company that created the technique of design thinking?

*Pictured Left - Tom Kelley
Vice President of IDEO in charge of business development, human resources, and operations. David Kelley, his brother, is the founder of IDEO. Tom Kelley is photographed at his desk in his office decorated with posters for the San Francisco Olympics that did not come to reality.*

As you walk out of the train station at Palo Alto, known as the birthplace of Silicon Valley, you come up on University Avenue, the main street of town. A few minutes off of this busy street that connects to Stanford University is IDEO's headquarters.

"A design firm" does not sufficiently describe IDEO, a generator of countless innovations that practices "design thinking." IDEO is also famously known as the company whose predecessor developed the first generation mouse for Apple at the request of Steve Jobs.

IDEO's Vice President Tom Kelley boasts, "Design thinking is our corporate culture. We've been thinking about how we can generate innovation throughout the globe for the past thirty years." As an example of successful design thinking, Kelley points to a phone in front of him and starts to talk about the secrets of its development.

"This was developed when our long-time client Cisco Systems asked us if we could develop an IP phone business. At the time, not only were there no competitors, but the IP phone market didn't even exist. We had to create the market and the products from nothing. Cisco wanted to put a lamp in the receiver of the phone. They wanted a system that flashed a lamp to indicate that there was a message in voicemail."

THINKING STARTS WITH THE NEEDS OF THE USER

Kelley slowly grabs a pen and draws circles on the whiteboard behind him. Three circles titled humanity, technology, and business overlap in the center.

"This is a Venn diagram that we use a lot at IDEO. We always start by thinking in the area of human needs. In the research we conducted at the time, we found that most people didn't check whether they had messages on their voicemail. However, when there was a flashing lamp, people paid attention. So, we decided to incorporate the functionality that Cisco wanted. We made a decision based on humanity."

The next area that is examined is technology; that is, whether an idea is technologically feasible to implement. In this case, they came upon a technological obstacle. Cisco wanted to put a lamp

on the receiver but there wasn't enough electricity supplied to that part of the phone.

"Even though the telephonic device itself has been digitalized, the workings of the receiver have not changed much since the analogue era. This resulted in the crash between the technology that wasn't sending enough power to the receiver and the human factor that wanted a lamp. When something like this occurs, we always write out the problem. The question always starts with "How might we..."

The problem then was: "How might we let the users know whether there is a message or not without relying on the power in the receiver of the phone?" Kelley lifts the receiver and points it at us as if to answer a quiz. "See, there is no lamp here. The lamp is located in the body of the phone where you put the receiver. Most people don't notice this until I explain it to them, even though they might have used the phone for ten years! What we did was located the lamp in the body of the phone, and created a path for the light with a material that transmits light. Now it looks like there's a lamp on the receiver. We managed to solve the technology problem and succeeded in leveraging our human-centered discovery, which is what we've done with approximately 5,000 projects we've participated in."

Just like revealing a magic trick, it doesn't seem hard when you hear what was done. "That's the way it is for many significant innovations," Kelley says. The IP telephone has become one of the most popular telephone devices in the US. Kelley asserts that if an idea satisfies the users' needs and is technologically feasible, the success in the business side will most certainly follow.

"Remember the first time you held a cell phone with a camera? You thought, 'Wow, I've always wanted something like this!,' right? The key to any innovation is to start from human needs."

FINDING CLUES IN EVERYDAY LIFE

How does one find undiscovered needs? "Jumping into the world" is the best way, says Chief Creative Officer Paul Bennett.

"Many of our clients say to us, 'We think there is a business opportunity in this area, but will you help us

*Pictured Right - Paul Bennett
Chief Creative Officer. While stationed
at IDEO's Singapore Office, Bennett
ran various Singaporean government-
related jobs as well as healthcare
related jobs. He also has ties to Japan.
In 2011 after the Tohoku Earthquake,
he visited Sendai and took the podium
at TED x Tohoku. "Optimism is the
most powerful weapon for a designer,"
says Bennett.*



IDEO isn't looking for answers to questions posed by their clients. They help clients ask the right questions.

with it?' What we do then is go out into the world and watch how people live. It's a simple process; we try to understand how people drink, eat, or talk to other people around them."

Bennett says he is constantly redesigning things in his head. In his daily activities such as shopping at a grocery store or eating at a restaurant, he fantasizes about improvements that can be made.

"Yesterday I was having my neck scanned in a hospital, but while I was lying down in the hospital, I was redesigning everything around me. The scanner, the bed, the signs... The curtain was especially bad, so I redesigned it completely! I pulled the curtain to change, but it was so flimsy that you could have totally seen me change from the hallway. I have to say that the design was fundamentally flawed!"

WHAT'S REALLY IMPORTANT ARE QUESTIONS, NOT ANSWERS.

IDEO doesn't only redesign products with problems. IDEO also redesigns their clients' requests. For example, when one of their clients "wanted to produce a precision drill that can make 1mm holes,"

IDEO's reply was, "Okay. But why don't we put the drill aside for a moment and think about how we might make 1mm holes?"

"We call this reframing," Kelley explains. "What the users are after is the ability to make 1mm holes, they don't necessarily want a drill that makes 1mm holes. For example, the holes in the speaker area of notebook computers are about 1mm big, and they're made by lasers. If we simply think about the problem from the technology point of view, the discussion would be about what kind of drill we could make, but by shifting the thinking to the human-centered point of view, we are able to redefine the problem."

IDEO isn't looking for answers to questions posed by their clients. Helping clients ask the right questions is more important to IDEO.

Bennett continues, "Let's say that we took a client to a room that is painted black. You shouldn't say, 'Did you notice that this room is painted completely black?' What you should say instead is, 'How did you feel when we entered this room?' This way you might get answers like, 'it's dark' or maybe something completely different from what you expected. Creativity is generated by these kinds of questions."



There are many places big and small to hold meetings in IDEO's office. The reason for the high stools is to keep people from staying too long.
Courtesy of IDEO

This attitude is all around the company. An ideal leader at IDEO isn't someone that can answer all the questions, but someone that can generate questions that everyone would want to answer.

"The conventional heroic leader is a product of the past for us. What I tell myself is 'Don't try to be the smartest person in the room.' At IDEO, the role of a leader is to generate great questions that bring out the best of the employees."

Bennett also points out the reasons for making the organization flat.

"Innovation requires that we draw upon every single person in our organization for ideas. However, if there's a strict hierarchical system, people would have a hard time expressing their opinions since employees tend to want to please their superiors. It's important to flatten the organization and build a culture where everyone's idea is respected and where mistakes are allowed to happen." Something that epitomizes IDEO's flat organization is their mentoring system, the reverse mentoring, where a junior person mentors someone more senior.

For example, Vice President Tom Kelley's mentor is someone who is 15 years his junior. He says that reverse mentoring has helped him realize that different age groups look at things differently and also helps him stay in touch with different trends in and across various generations.

ALL FAILURES ARE PROTOTYPES

At IDEO, ideas of President David Kelley and the ideas of new employees are given equal treatment. New employees are often surprised at first with the lack of hierarchy. But they get used to the idea after hearing statements like, "David, I don't agree. I have a different take on this..." a few times. The rule here is simple: the best idea wins.

IDEO's corporate culture that allows failure is explained by Bennett. "The word 'failure' is no longer used in our company. Our so-called failures are treated as 'prototypes,' and everything other than the finished model is a prototype. After all, we live in a beta version of the world. By that I mean we live in various stages of working towards the finished model."

The culture that embraces failure is also effective for brainstorming. IDEO has seven rules for brainstorming, but Bennett says the following three are the most important: 1. Never say that an idea is useless; 2. Build your idea upon other people's ideas; and 3. Don't be afraid of saying something stupid.

THE ONE THING THAT PEOPLE IN JAPAN OUGHT TO VALUE TODAY

Most of the companies around the globe are not as flat as IDEO. In Japan, especially, many people would consider making a company flat unrealistic. Kelley, who is married to a Japanese and is familiar with the reality of Japanese companies, advises people as follows.

"The young Japanese are concerned about how they can persuade their superiors. My advice to them is this: undertake an experiment. Let's say that you're asked to do some work by your boss. You do exactly as you are told, but at the same time you also prepare something that is based on your own creative thinking. At IDEO we call this double delivery. Your boss might say, 'I didn't ask for this,' but try doing it two or three times. If your ideas are better, then in time your boss will ask only for your creative solution."

Kelley also suggests forming an advisory board (your own consulting group.) He recommends forming a



*San Francisco Office is right under the Bay Bridge. The City of Oakland is visible from the cafe where people gather.
Courtesy of IDEO*

group that helps one another that doesn't rely on the company's support. You can decide to have lunch on the second Friday of the month to talk and discuss each other's problems or issues, for example.

IDEO opened an office Tokyo in 2011. Kelley says that people in Japan have not yet attained their full creative potential. As proof, he talks about a survey conducted by Adobe last year regarding the state of creativity. The survey asked questions about creativity to a total of 5000 people in the US, UK, Germany, France and Japan. One question asked, "Of the five countries, which country would you consider to be the most creative?"

"Which country do you think was considered to be the most creative after all the results were totaled?" Kelley asks. After a pause, he continues.

"People around the world considered Japan to be the most creative country in the world according to this survey. Everyone except for the Japanese. In addition, people considered Tokyo to be the most creative city in the world, again, everyone except for the Japanese."

According to this survey, 36% of all respondents answered that they considered Japan to be the most creative country and 30% answered Tokyo to be the most creative city. Kelley says that other than one single element, Japanese business people are well equipped in all areas.

"The one thing that people in Japan lacks... It's simple. They lack confidence."except of the Japanese."