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& Lars Groeger

**How do you bring design thinking to an entire continent? A progress report from Australia offers a useful description of pitfalls to avoid and lessons learned.**

# The Future of Design Thinking in Australia

## Barriers and Opportunities

**T**HE INCREASED INTEREST in and adoption of design thinking by governments, nonprofits, and commercial businesses has led to further research and discussion, and has prompted documentation of its benefits for business, design, and governments worldwide. In Australia, though, there is little country-specific literature that investigates the way in which design thinking is being engaged by design and business. As such, we sought to

unveil key insights in our research report, “Design Thinking: Exploring the Opportunities for the Design Industry and Business in Australia.”

How is design thinking used in Australia? To get a good cross-section of responses, we interviewed 14 professionals—business management leaders, lead creative and design professionals, and academics—and arranged the findings into two main themes: barriers and opportunities.

**Notes**

<sup>1</sup> T. Lockwood and T. Walton, *Building Design Strategy: Using Design to Achieve Key Business Objectives* (New York: Allworth Press, 2009).

**Barriers**

**DEFINITION AND UNDERSTANDING OF DESIGN THINKING**

One issue that came up, which appears to be a common issue globally on the subject of design thinking, is a lack of consensus around the definition of the term. This problem is the source of confusion and debate and is frequently discussed as an issue of differences in the languages of business and design and the work contexts in which design thinking is discussed. Design thinking, for example, is often seen by business managers as a creative pursuit that does not promise real and measurable results. As one manager responded, “Part of it is lack of specificity. People say, ‘You’ve got 10 minutes to tell me the value proposition of design thinking.’ So you’ve really got to put out some case studies.” Even designers struggle with clearly articulating it, especially with reference to the mode in which it is explored (the design discipline). One designer lamented, “It’s very difficult to articulate exactly what it is, and there are so many different views on what it is. The big barrier is still people recognizing the value in it.”

Figure 1 demonstrates several competing definitions and documents how participants use design thinking and how it is framed in their work applications.

**BUSINESS PERCEPTIONS OF DESIGN**

Design itself is often perceived by Australian businesses as a high-risk activity or an artistic pursuit linked to creating a tangible product or output. The strategic elements of design thinking, focused as they are on delivering outcomes relative to more holistic business challenges, are not as well understood. Respondents who were familiar with the typical business perspective acknowledged the challenges they faced in presenting design thinking as a valid business tool—for example, “I maybe assert that design thinking isn’t ‘hard’ enough for the business community.... That’s not to suggest the outcomes or the processes are [soft]; it’s just that the terminology by itself suggests that it’s a bit soft. You know.... ‘Can I take you seriously?’”

**FIGURE 1: DESIGN THINKING AS A DESCRIPTOR AND HOW IT IS FRAMED**

**MINDSET**

Design thinking used as a way to promote the broader business applications of design—beyond aesthetic output to an emphasis on design-led initiatives, strategy, and business models.

**SERVICE**

Design thinking explicitly promoted as a core method of practice or as a service that can be provided to business.

**DESIGN DOING**

Design thinking discussed as integral to the design-doing process—the act of designing as part of delivering design outcomes.

**TOOL**

Design thinking used in a specific company division, by a team, or to solve a business problem. For example, design thinking is used in customer-service design, information architecture, and brand and marketing strategy, or as a tool for innovation and risk management. However, the term *design thinking* is not always explicitly mentioned.

**COVERT TOOL**

Design thinking used as a tool for problem-solving and in project situations—but used discreetly. In some situations, design thinking is not well understood and risks rejection or lacks validation in the eyes of business leaders.

Another respondent agreed: “It’s the whole black magic suspicion, you know—it’s all airy fairy stuff, and how is it going to make a difference to me?” This highlights the difficulty designers have in engaging business in design at a strategic level in business, and indeed the difficulties in proposing design thinking as a valid tool for businesses to adopt.<sup>1</sup>

**THE ELUSIVE ‘HYBRID’ SPACE**

To begin with, business’s expectations of design thinking are different from design’s expectations. While the design industry is pursuing design thinking in order to demonstrate design’s capacity to work within business and government, businesses are hoping design thinking will give them a more human-

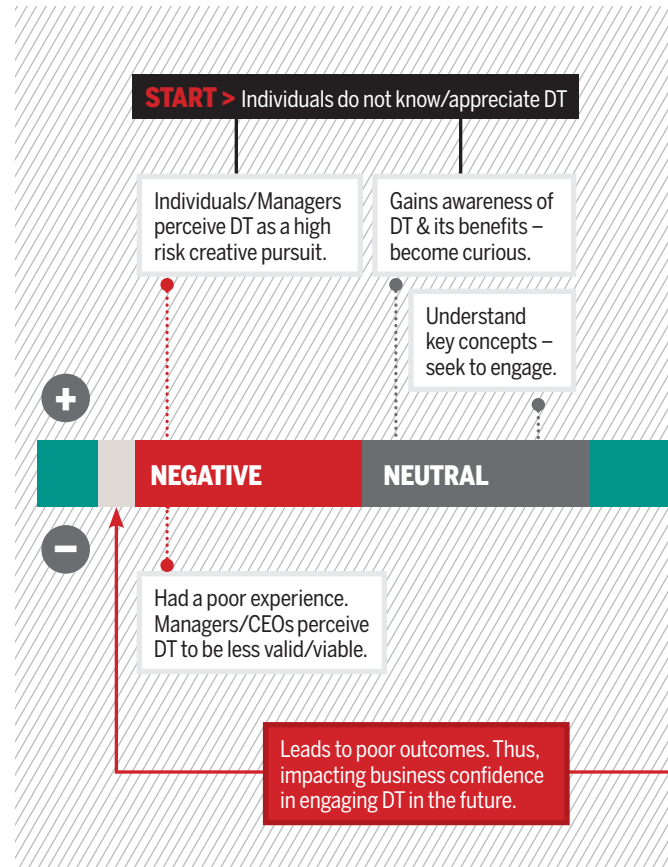
centered approach to innovation or a better way of exploring solutions to challenges. In effect, businesses are not necessarily seeking design thinking from designers, and the design industry’s agenda does not necessarily align to that of business. There is no hybrid space yet in which design thinking can be discussed by both parties at an equal level. Moreover, the language barrier that still stands between design thinkers and business managers creates a further obstacle to discussion and collaboration.

**THE TRADITIONAL AUSTRALIAN BUSINESS ENVIRONMENT**

Australia today is presented with many “wicked” problems: the high Australian dollar, the slump in Australian manufacturing, a limited investment in innovation, and difficulty in exporting breakthrough product innovations. However, the Australian business environment still relies heavily on older methods to solve business challenges rather than seeking to blend traditional practices with new approaches (such as design thinking) in the pursuit of innovation. One respondent suggested that this attitude stems from a “fear of risk... as well as short-term thinking and conservatism.” Design thinking is often rejected as a risky approach to solving business problems, one that cannot guarantee a positive result. As one participant complained, “The barriers are not physical.... They are simply a mindset. People often feel more comfortable in hierarchies, departments, and silos, and they can stay there for years on end and not achieve very much.”

Design consultancies that do engage business at this level have noted the inability of Australian companies to commit to large design-thinking projects up front, and they often suggest smaller projects as a way of building trust in and awareness of design. Although this approach does help businesses develop an appetite for design thinking, it also means that they are mainly engaging with it at a micro level and therefore only achieving limited results. It was also noted that Australian businesses are not as concerned as they should be about their need for innovation and global competitiveness:

**FIGURE 2: PROCESS OF INCREASING THE ADOPTION OF DESIGN THINKING BY BUSINESS**

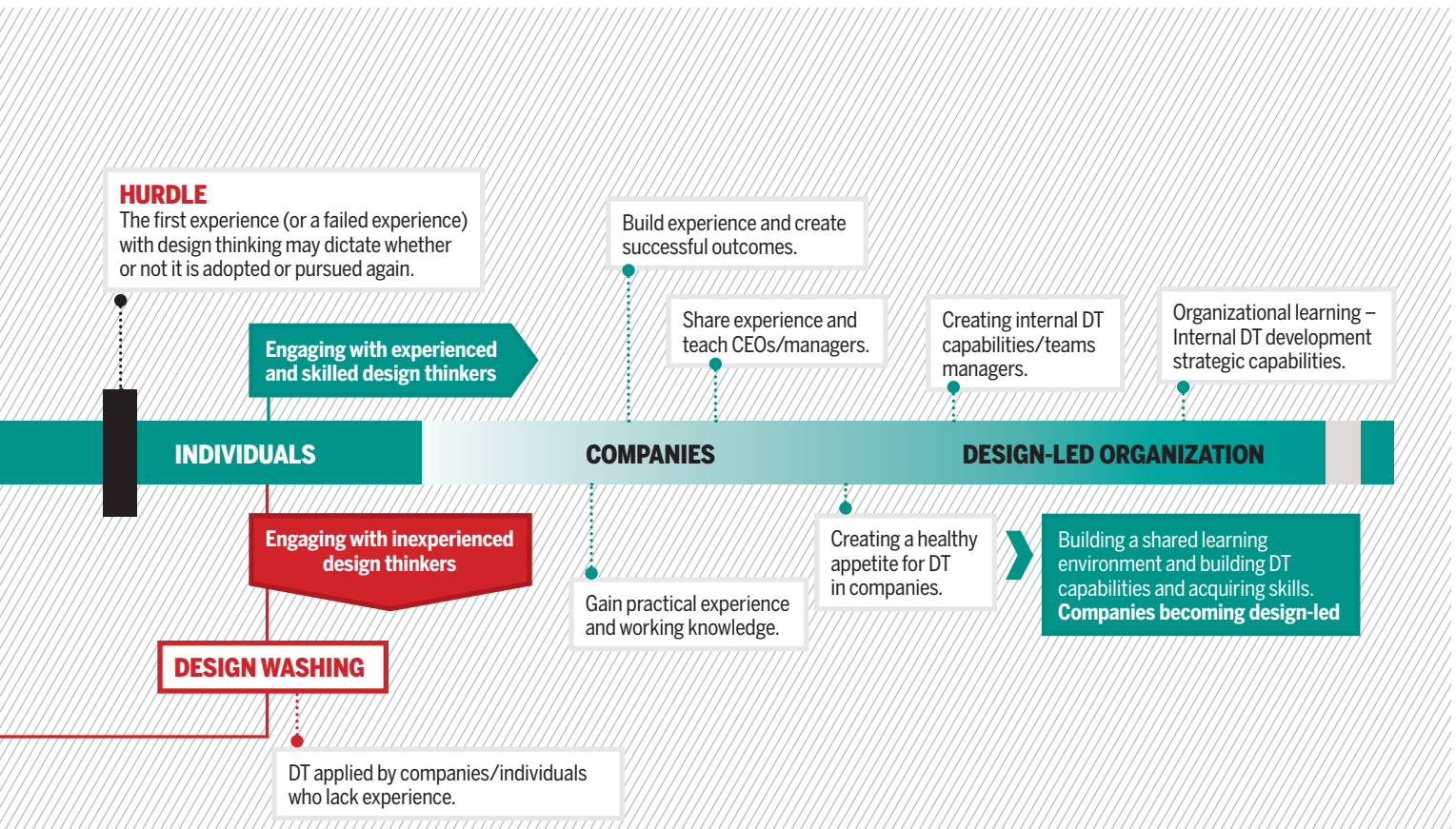


“There is this lack of need or competition, I think, which is schizophrenic, because in other areas we are super-competitive in Australia.”

**A FRAGMENTED APPROACH**

Although Australia does have some design-thinking programs coordinated by state governments (such as those in South Australia and Queensland), there is no cohesive approach through a federal government initiative with a national focus that seeks to engage both business and design in a collaborative exchange to create better business outcomes through the use of design thinking. This fragmentation limits the way design thinking is discussed as a business approach and how it might be explored collaboratively across design and business, as well

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as across business sectors. As one respondent noted, “I think Australia is positioned poorly, in that we don’t yet have a national position on design, whereas other countries do, and they really promote and value their design industries.”

This fragmentation comes about because there is a lack of consensus as to how the design industry should discuss and engage design thinking across disciplines, and because design industry groups tend to talk to each other about design thinking instead of involving other industries in the discussion. Moreover, state and federal government programs tend to be developed and funded in accordance with policy agendas and government objectives, and thus focus on areas such as manufacturing rather than on broader applications across business.

## SOME EXPERIENCE NECESSARY

Another barrier to design thinking in Australia is the lack of expertise in this area. Companies that do seek to hire experienced design staff find that they end up hiring less-skilled domestic personnel or are forced to hire from overseas. As one respondent noted, “The one [barrier] is access to people who can confidently do this. That is where the huge challenge is—lack of supply.”

The broad capabilities and level of expertise required, as outlined in the classic description of a T-shaped person (someone who has deep skills in a particular field, but also is able to collaborate across disciplines with experts in other fields and apply knowledge in other areas of expertise), make it particularly difficult to locate talent in Australia. This is because design schools are



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typically focused on developing specialized design skills without teaching the language of business to students, and business schools are not teaching students the basics of design thinking. Moreover, because design thinking within the Australian business community is so new, not enough people have had the opportunity to gain on-the-job experience applying it in this context, further leading to a perception of lack of skills in the area. As one respondent noted, “Because we were really struggling to find people to hire... we got approval from the Australian government to sponsor overseas visas.”

### Opportunities

Figure 2 (previous page) illustrates the process of increasing the adoption of design thinking by business, including the benefits achieved through the necessary development of appropriate skills and ability, along with the run-on effect of not having the right level of skills in this area. When businesses adopt design thinking, it is crucial that the first experience be a good one. A good experience will predispose a business to become more interested in the benefits of design; a bad one may color attitudes for years to come. Significantly, one major hurdle to overcome in the adoption of design thinking in Australia was labeled *design washing* by some respondents. This was described as a phenomenon in which businesses engage with consultants or individuals who are not well experienced in the field. A common outcome is that the business does not receive a good experience in the pursuit of design thinking and becomes disenchanted, with the result that it drops initiatives that support it. This was discussed in highlighting the need for well-trained and experienced design thinkers who are good at “speaking business.”

### BUILDING A CULTURE OF KNOWLEDGE SHARING

Companies and other interested parties from both design and business can facilitate the exchange of knowledge through workshops, information sessions, and talks. In this way, cross-industry networks can form that would involve people

from a variety of backgrounds—as one respondent described it, “unexpected mash-ups of people”—to generate a shared space between design and business. Such collaborative exercises will build awareness, general knowledge, and discourse about the benefits of design thinking, and the ways it can work in Australia.

### BUILDING CAPABILITIES AND CULTURES

In order to see design thinking successfully adopted, business environments must adapt and change in order to foster the open-mindedness and experimentation it requires to work effectively. As such, there is an opportunity within both design and business to build capabilities and cultures that support a design-thinking mindset and approach. This would, as one interviewee suggested, “... not only create new channels, but also innovate old ones and make them more efficient and more creative, as well as help to further develop existing products.”

### EDUCATION

Australian educators from both business and design should take this opportunity to develop courses to meet the growing demand for homegrown design-thinking skills. Such education will ensure that future graduates are armed with the same skills their international counterparts possess. Further integration of design thinking at this level, says one respondent, will develop graduates who can speak the language of both design and business, who can “provide... the capabilities that come with becoming a design thinker... the ability to collaborate, appreciate interdisciplinary knowledge so they can ask the right questions, drill down to the core of the problem, and find methods and ways of creating, building, and testing solutions.”

### THE ROLE OF GOVERNMENT

There is an opportunity for the Australian government to develop design-thinking initiatives at a national level—with a specific focus on including the design industry and business in collaborative exchange. It is





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interesting to note that government reports that mention the principles of design thinking or, more generally, refer to the development of innovation in Australia, do not explore the design industry's role. It was also noted in the interviews that Australia does not currently have a national design policy and that the creation of such a policy could assist in the development of design thinking in this country.

In addition, there is an opportunity for the government itself to further understand the broader contribution design and design thinking make to business innovation and the economy in order to improve the outcome for business in Australia. National leaders might investigate and learn from the way other countries (Denmark, the UK, New Zealand) are adopting design thinking and find ways to adapt it to Australian needs. That kind of research would also highlight how Australia should expect to compete globally through innovation, and uncover the design-thinking capabilities and applications that will be required in the future.

### Where next?

As the opportunities and barriers we've identified demonstrate, there is room for design thinking to develop in Australia—within both design and business. More attention should be paid to the way design is understood in Australian businesses and to learning how to best disseminate practices that promote design's involvement in encouraging innovation. For their part, design managers must develop the skills and knowledge required for design thinking, and adopt the mindset required to apply design thinking to management philosophies—thus establishing a design-thinking environment. As the country looks forward to building innovative capabilities in the pursuit of greater economic outcomes, this will be crucial.

Shortly after this study was conducted, in late 2012, the Australian government announced the Creative Australia policy, in which design thinking is encouraged as a key driver for business innovation. This is proposed to be delivered

through a government-led program called Enterprise Connect that engages business to assist in improving business outcomes. However, design thinking has been used merely as a term in this context, and no detailed attention was given as to what it could bring to business and why—raising questions about the way it is really understood at this level. All of this said, though, we can only hope that this is a positive step in igniting the discussion of design thinking more broadly within Australian businesses.

Furthermore, one key theme observed since the completion of our report is that in order for design thinking to gain more traction in Australia, more case studies and “proof points” are needed in order to achieve corporate awareness and to demonstrate design's value for business. This means that successful design-led companies are vitally important to the cause; by sharing their examples of design thinking in action, they will highlight its tangible aspects and results to business and thereby encourage its adoption. A better understanding and awareness of design thinking from Australian businesses in general will allow companies a broader perspective in the way they approach and tackle the wicked problems they experience in today's business environment. Design thinking is a conversation that should be brought to business leaders of Australian companies both large and small. While we have managed to move through the global financial crisis relatively unscathed, our businesses face ongoing challenges now and into the future. The risk of turbulent markets in Australia is real—and one way design thinking might gain traction would be by using it in the context of risk management. However, the understanding and perception of design and design thinking needs to evolve if this improvement is to be realized. It's time to share, exchange ideas, and find a common language around building a creative approach to solving both old and new business problems. ■



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