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UNIT 5: Design thinking and the lean startup

We're now going to spend some time talking about design thinking. Design thinking is currently a very popular method for developing ideas for new products and services. Design thinking focuses on the customer and, crucially, it also focuses on meaning.

The first step in design thinking is to figure out what the customer's problem is. This can be done in one of two ways: You can go out and ask the customer or you can imagine what the customer wants. If your target customers are similar to yourself, you might get away with the second option, but for now let's assume that's not the case. Going out and interviewing several customers is usually the most effective way to find out what the customer's problem is. But this needs to be done right. You can't just go out and tell prospective customers about your idea and ask them „do you want this“? Most people like to make other people happy, so they will be inclined to say yes, even if they would never actually buy your product or service. What you need to do is get people to talk about their problem – to get them to describe it to you without asking leading questions or hinting at the answer you would like to hear. Be empathetic.

The second step in design thinking is to define the problem. You do this based on the insights you gained from talking with prospective customers. Your goal is to figure out – based on what customers have told you – what is the ACTUAL problem.

The third step is ideation. This means brainstorming ideas for how to solve the problem you've just defined. Stay focused on just this one problem. But try to come up with lots of ideas. Now sketch up your best ideas and show them to prospective customers. Your sketches don't need to be perfect, just enough to explain what your idea is about.

The fourth step is to build a prototype of one idea. You will probably select an idea that seemed to be well received by the prospective customers you talked to. Good ideas often combine something that is already being used with a novel idea. And don't forget to ask yourself what meaning the product or service can create. Again, just like your sketches, the prototype does not need to be perfect. It needs to be just good enough to try out.

Remember, that the first version of a product is always flawed and since the product will evolve anyway, you should not sweat the details at this point. When we talk about prototypes we tend to think of objects – so products. But you can also create prototypes of services that encompass just enough to allow people to try out your service.

The fifth step of design thinking is testing – or validation. This is where you take your prototype product or service to prospective customers and ask them to try it out. Just like in

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the first step, where you went out and talked to customers, you want to stay objective and allow people to express their true reactions to your prototype. Don't be defensive if they are critical.

There are five steps to design thinking, but the first time you hit step five will probably not be the last. Based on the insights you gained in the testing step, you may need to go back to ideation or prototyping to try again.

This iterative aspect of design thinking resonates with the model that Eric Ries put forward in his book entitled „The Lean Startup“, which has since developed into the lean startup movement. He refers to continuous innovation. He argues that the whole point of entrepreneurship is testing and learning faster than your competitors. The core idea behind the lean startup movement is to avoid spending a bunch of money and time on something that may well fail when you try to sell it.

The lean startup method consists of three steps: build, measure and learn. The build step corresponds to the fourth step of design thinking, prototype. The measure step corresponds to the fifth step of design thinking, testing or validation. In the learn step you either go forward with your idea, which might involve building a better prototype, or you adjust your idea.

So, the key take-away from both the design thinking camp and the lean startup camp is don't expect to come up with an idea, develop it into a product or service and launch it to an appreciative market in just one go. You will most likely need to iterate.

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