Title:	**The Design of Business** Why Design Thinking is the Next Competitive Advantage.
Author	Roger L. Martin
Website	

Review

In 'The Design of Business,' Martin succinctly explains why business today is the way it is, and how it could be improved if we just thought differently. In his view the 'factory mentality' - the way businesses are organized to maximize efficiencies and profits - sets them up to become 'left brained', pursuing reliability and repeatability to the exclusion of innovation.

To turn good ideas into 'repeatable process', the information that prevents them from fitting into a predetermined framework has to be filtered away. As these good ideas pass through the 'knowledge funnel', they lose many of the characteristics that originally made them worthwhile. The characteristics are typically filtered off indiscriminately, they're rarely examined, and yet these anomalies are a valuable resource – the fertile ground of novel hypotheses, insight and new ideas. The anomalies that don't make it through the filter should be given as much consideration as those that do.

Martin uses a popular psychological IQ assessment tool to illustrate how bias and judgment have to be purged from the test in order for it to provide reliable, quantifiable measurement. The final test is reliable, but lacks the qualities that would make it a valid predictor of future success. The Emotional Intelligence Test, on the other hand is far less reliable and quantifiable, but far more predictive of future success.

As the corporate environment's emphasis on reliability and repeatability grows, the knowledge funnel gets ever narrower:

- the need for proof of concept 'takes precedence'
- aversions to bias 'build'
- constraints on time and resources 'are ongoing'
- management skills that achieve reliability outcomes 'are rewarded'
- loyalty to the status quo 'is appreciated'
- and conclusions rather than data 'are shared'.

As the focus on reliability grows, so does the danger that a company will become left brained – so lacking in spunk that it becomes dull, boring and eclipsed over time. The systems and processes are entrenched, but there are no brilliant new ideas to feed into them. Without some focus on reliability, companies risk becoming right brained - superbly creative but lacking the processes and systems that move them along from one brilliant idea to the next.

Achieving a situation where the company has enough reliability to move ideas forward, and enough ideas to make the processes worth having, means developing an intentional bias toward the qualities of validation, exploration and intuition that companies tend to naturally squelch. Fostering a climate where the left and right brain characteristics complement each other allows both the systems, and the new ideas, to flourish.

Golden Nugget

Surviving a dynamic market requires the creativity and innovation that come from a complementary blend of reliability (quantitative measures) and validity (qualitative methods). Both intuition and analytical thinking are necessary to devise an ambitious vision and robust strategy.