**RedZone Podcast Episode #68: The New MBA – “Masters of Business Ambiguity” – with Lisa Kay Solomon**

Bill Murphy: I want to welcome you to the show today.

Lisa Solomon: Thank you! It’s great to be here.

Bill Murphy:

[00:00:30] You and I met indirectly because I was an audience member out at the Singularity Global Summit just a few months ago. I was so inspired leaving there, I just knew we had to talk on the podcast. You’re this inspirational design-thinking person. I’ve talked in the community in D.C. They always reference you. You have a super power. How did you get to the point you’re at today? What were the steps that brought you to where you are? Were you always this type of a person from high school on, or how did you get here?

Lisa Solomon:

[00:01:00] Oh gosh, Bill, what a great opening question. At Singularity, we talk a lot about the massive transformative purpose, the MTP. I think for as long as I can remember, I had a personal MTP of making a difference in the world and having a good time while doing it. I know there are a lot of people that want to make a difference in the world, but I think that second part, having a good time while doing it, always made me very human centric, very focused on what was the connection between people while they were trying to do good in the world.

[00:01:30] Throughout my entire career, I’ve always been focused on what’s the human story and what’s the human connection. For the last 15 years, I’ve been focused on the leadership aspect of that, so how can we help leaders understand humans better, whether those are people in their organizations or their customers and to make choices that allow both to be successful. To that end, my work is really focused on the leadership skills that we can learn about how to design better futures in a way that’s fundamentally human.

Bill Murphy: Leadership skills that we can better design human experiences.

[00:02:00]
Lisa Solomon:
Correct.

Bill Murphy:

[00:02:30] You’ve written a new book, and this has come out just since the summer, Design a Better Business: New Tools, Skills, and Mindset for Strategy and Innovation. You and I were talking prior to the show about ... and I echo this is that there seems to be people are very excited about the vision for the future and its potentialities, both northward facing and sometimes southward facing, but how do we ... I think there’s a big question of how. How do we navigate this in your estimation? I know that’s a really high-level question, but maybe we can start there.

Lisa Solomon:

[00:03:00] I think there are a lot of organizations that are hoping that tomorrow’s going to be better than today. Recently, in the last ten years, we’ve hooked on to this word called innovation, that innovation is the key to creating something new that’s going to allow the future to be better than the present. There’s a lot of hunger to learn how to do that.

Up until recently, we haven’t really talked about it as a discipline, as something that we can learn instead of behaviors and skills and even a mindset that we need to embrace in order to allow us to think more expansively about our range of choices in order to bring the ideas we have to fruition. That’s part one that there’s this hunger for innovation and we’re starting to codify a discipline that actually supports successful methods to bring those ideas to life.

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[00:04:00] The second part of that, and Bill, you experienced that all too much living in the D.C. area, the world around us seems to be changing and more uncertain than ever. We need another set of skills that helps us make sense of the complexity and the unpredictable nature of uncertainties unfolding around us so that we can not only have a view for the future, we can also build skills of resiliency and adaptability in order to make sure that our ideas for the future have value to those around us.

Bill Murphy:

[00:04:30] A lot of the individuals listening on this program ... Is your thesis or part of your thesis that people need to understand these principles of innovation and leadership or is that only part of it; these individuals who lead teams need to then instruct the teams? Where does it start? Does it start with an individual or does it start with a team?

Lisa Solomon:

[00:05:00] Yes, both and. One of my biggest passions that I feel very, very strongly about is that these leadership skills of bringing new ideas to life as we talk about in Design a Better Business, they are learnable. That innovation and the ability to come up with a new idea and have it actually scale within your organization, have it impact beyond just your immediate group, that that is a skillset we can all learn.

[00:05:30] I came to that belief after teaching at the MBA in Design Strategy that’s housed in a 100-year-old art and design school in San Francisco. I’ve been teaching innovation as a leadership skill to these graduate students for seven years. What I’ve really come to believe is that the reason why we’re not more comfortable with innovation and learning how to do it successfully is not because we’re not capable. It’s that we’ve never been taught.

[00:06:00] To get back to your question, I think there needs to be a leadership imperative about why we need to bring in these new ways of working, which we can talk a little bit more explicitly about and at the same time, there needs to be a doubling down in the capacity building of the organization. Organizations don’t become innovative because the senior leadership team says it’s so. It doesn’t become more creative, generative, collaborative because a small group of people at a strategic offsite declare that innovation needs to be this strategic thrust of the new year or the next five years.

[00:06:30] Innovation comes because the culture supports a new way of working, that the behaviors that are incented are congruent with things that support a discovery mindset, an experimental approach, an iterative cross-disciplinary way of looking for new ideas, potential sources of value and rapidly testing them to see if they actually have the value that we think. These are things that we can learn, we can identify, we can learn them and we could practice them much like we practiced many of the skills we actually do learn from early years like mathematics or good writing.

Bill Murphy:

[00:07:00] I think that there’s a perception that when people use the word design thinking when it’s on Wired Magazine or it’s on the cover, people think that’s just drawing and that’s just pictures. It’s funny how that’s almost like a branding issue with the word design thinking. I know here if it even was said in the previous ... like there was person introducing their firm, and it was a pretty good approach actually. He addressed the objection because he knew everybody was going to have the objection was, “No, we don’t just draw pretty pictures.”

[00:07:30] How do you respond to not so much ... I know in Silicon Valley area, Bay Area, this is not so much the issue, but outside, how do you address design thinking? What’s the elevator pitch around it? What is it?

Lisa Solomon:

[00:08:00] It is very confusing, Bill, so I really appreciate you asking the question. I think that we think of design, we’ve been trained to think of design as an artifact, as something beautiful, something that belongs in a museum. Design is actually a verb. To design means to make choices on how something will unfold. The way I define design is I think of it as a set of choices that you can make to trigger the right responses in others.

[00:08:30] I make this very clear, transparent to people when I say, “Tell me something in your life that you would call well-designed. What is a product or an experience that you’ve had that you said, ‘Yes, that was well-designed.’” Inevitably and not surprisingly I hear, “The iPhone. My iPhone is well-designed.” I say, “Why is it well-designed?” They’ll say, “It allows me to do things that I couldn’t do before and I love it!”

[00:09:00] What we can understand from that is that the iPhone delivers functional utility meaning it gets a job done for someone, whether it’s connecting to another person using email, having a computer on the go, and equally important, there’s an emotional response to it. People love their phone because it’s beautiful, it’s sleek, it does amazing things. If we are a designer, then we need to make choices that trigger that functional utility in somebody and that emotional engagement. We are responsible for being aware of what the needs are of others. That’s that human centeredness we were talking about earlier.

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[00:10:00] All this is definition. To make it though very clear, Bill, I would say if you make decisions that affect other people, you are a designer. You may not realize it and you may not realize that your choices are going to trigger a response in somebody else when you do things like call a meeting, but I believe that meetings can be designed. I believe that your schedule can be designed, your calendar can be designed, how you think about where you’re going to go to dinner or host a dinner party, all of these things are designed because you are responsible for making choices that will have an impact on somebody else.

Bill Murphy:

[00:10:30] That’s a great way of looking at it. That’s a really powerful way of looking at it. It’s interesting because you didn’t necessarily say this is a product that we have to sell so you have to design it. I was going to ask the question ... There’s the human impact. I just had a meeting with the CIO who’s been through the SU executive program a year before me. He redesigned his help desk. He calls it the Genius Bar.

[00:11:00] It’s interesting. He took all the geeks that were running his help desk, put them out in front and center, put a lot of bright lights. During lunch, all of the folks from his help desk are down in the lunchroom playing with drones, playing games, and then everybody in the organization now brings their computer challenges regardless to these guys and ladies. There’s been such a huge impact that the CEOs noticed, the CFOs noticed. Now they want it pushed out to both of their data centers in North Carolina and in Silver Spring.

It was really interesting. He really paid attention to the branding and the impact on the end-users. It transformed something that’s very ho-hum and can give IT a bad reputation in business.

Lisa Solomon:

[00:11:30]

[00:12:00] I love that example because it taps into something else that great designers do which is that they sweat the small stuff. They think about all the different touch points that need to be connected in order to deliver, as we talked about earlier, the functional utility and emotional engagement. If you take that example, the functional utility is that people can get their IT questions answered. The emotional engagement is, “This is a lot of fun. I may meet somebody I hadn’t met before. I don’t feel scared because there’s lights and it’s joyful to be there.” That is a really terrific model of how we can change our behaviors and even change the culture if we start to think like designers. It’s incredibly, incredibly powerful.

Bill Murphy: Interesting. One of your steps in your book you mentioned was thinking and working visually.

Lisa Solomon: Yes.

Bill Murphy: What is that? What does that mean to a designer, someone like yourself that operates at this top, top level? What does that mean?

Lisa Solomon:

[00:12:30]

[00:13:00] It can mean a lot of different things. I think, again, going back to how we design processes or conversations that accelerate new ideas in change, when we talk about some of the ideas that we don’t necessarily know are going to be successful or not, the default is just to use fancy words to describe them. We often, I don’t know if you’ve ever had this experience, but I’ve certainly been in plenty of meetings where people are trying to make things sound more complex than they need to because that helps them feel smart. That’s not in service of the idea or in service of the person you’re in conversation with understanding that idea.

[00:13:30] When we make things visual, when we literally get up to the white board to draw out our idea, a number of important things happen. First of all, we tap into a different part of our brain. Our brains are actually wired to process visual information more than any other mechanism in our brain. We actually start to make connections just by the very act of putting pen to paper to draw out an idea that’s in our mind. When we do that with others, when they can see the idea unfolding, they also now connect to the idea in a very different way than if they just heard it verbally.

[00:14:00] The third thing that happens ... I understand my idea better because I’m drawing. You, as a listener, understand the idea, and now instead of battling each other for who’s the smarter person or who has the better idea, we’re focusing our conversation on the content itself, on the new thing that’s emerging from the white board because that now has energy and has tangibility, it has form. We can now together make that seed of an idea, we can make it better. We can take it to the next level. While we’re doing that, because we’re looking at it, it’s imprinting on our brain. When we come back to it, that idea has already has a stickiness to it.

[00:14:30]
Bill Murphy:
There’s a neuroscience, almost like a metaphysical get it out of your brain and start to form it as a concept. That’s interesting.

Lisa Solomon: Absolutely. The other thing it does, because we’re all processing so much information at the same time, it actually reduces our cognitive load. Instead of holding on to all the bits and pieces of an idea, it’s up on the wall, so we can allow our brain more cycles to take in new information, and we could spend the energy, as I said, processing what’s up on the board and taking it to the next level.

[00:15:00] I would say another benefit is that it democratizes the idea in a way that becomes more universal. We don’t get caught up on misinterpreting words. We can actually check our assumption and understanding of certain words by looking at the same picture and saying, “Are you seeing what I’m seeing in this.”

Bill Murphy:
[00:15:30] What’s interesting is you and are were sharing about the Design Thinking Studio where we hosted the last salon that I did here. One of the people in the audience was a professor from the University of Maryland. He raised his hand and says, “My students wonder why they should be studying history, art, and these subjects because they just want to whip out their laptop and start programming because they think that that’s the primary skill that they need in this new economy.

[00:16:00] I didn’t highly object to it but I did internally highly object to the comment because I, for exactly the reason you’re explaining about this visually representing complexity and being able to frame ... Maybe it would be better for you to say how would you have handled answering his question if you were speaking and he said that?

Lisa Solomon:

[00:16:30] I think it’s an important question to raise, and I’m glad you had the instinct, which you did, which was to say, “No, there’s a reason why.” I’m getting more convinced that we need to infuse arts and humanities into the conversation about innovation for the future for a number of reasons.

[00:17:00] I’ll just pause and say I was very influenced by a piece of work that came out now over 10 years ago by Daniel Pink called A Whole New Mind. In that really revolutionary book, he talks about that the trends around automation, around having jobs being shipped to other places, that they’re really going to cause a trend where a lot of the mechanical work that we do, which in some ways some could argue includes programming, will get increasingly vulnerable to being replaced by machines. Of course at Singularity we a lot about robots and artificial intelligence. It will be in our near future where we will find artificial intelligence processes that program perhaps better than humans.

[00:17:30] What’s uniquely human, and what Daniel Pink argued in this book, A Whole New Mind, and I now feel increasingly passionate about is that our human ability to tell stories, our human ability to think adjacently, to think through metaphors, to look at other examples, to find a seed of an idea that we can then apply to a very different context, computers can’t do that yet.

[00:18:00] We learn those skills through art. We learn those skills by reading fiction. We develop more empathy skills when we read more fiction and have conversations that explore deeper meaning in these layered nuance stories. That’s where we developed the patterns of getting comfortable looking at adjacencies and asking different questions because we’ve steeped ourselves in the humanities.

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Bill Murphy:

[00:19:00]
I couldn’t agree more. That is so great. I think in a complex world, I know we’ve been on this visualization topic for a while, but I think the ability to take a step above the complexity is very, very important to be able to have a common language. I know in my very, very technical world, if you keep yourself there, you’re going to alienate a whole population of business leaders that really need you at a level where they can understand and see the abstraction of a higher level concepts run your depth of understanding.

Lisa Solomon: I couldn’t agree more. We often talk about finding simplicity on the other side of complexity. Oftentimes that simplicity comes out in the form of a story, of a narrative that captures the why and motivates people to do the hard work of bringing it to action. That rarely happens when you have a very technical description of something that needs to be done.

[00:19:30] Getting back to your question earlier, we think about the future of business education, I’ve been advocating for a while, and I talk about it in the book, Design a Better Business, that we need to think about our grooming for our future leaders, not as a Master’s in Business Administration, the way we’ve been thinking about graduate business degrees for over 100 years, but in these increasingly volatile complex times, we need to be thinking of it as a Master’s in Business Ambiguity.

Bill Murphy: I love that. That’s going to be the title of this podcast.

[00:20:00]
Lisa Solomon:

[00:20:30]
Oh good! I hope so. Again, it comes back to this notion that our ability to find a value from many complex sources can be learned. We just need to practice it, this discovery orientation. We can also get practice and get more comfortable being in situations where we don’t know if we have the right answer. I think the hallmark of leaders of the future are going to be more comfortable asking questions that they don’t know the answer to then coming into conversations where they feel like they have the known answer that’s about just cascading down to the rest of the organization.

Bill Murphy:

[00:21:00] Before we get into some super tactical ideas and how-to concepts for people to test and implement, I have to ask you about the Hero’s Journey part of your book because I love that, that whole concept of the Hero’s Journey from ... oh my gosh, I’m drawing a blank on his name, the one that-

Lisa Solomon: Joseph Campbell.

Bill Murphy: Joseph Campbell, right. I haven’t been studying it deeply but I’ve been very, very aware of the Hero’s Journey as a cycle individually with all of us. I’m really interested and if you could just explain that concept of the Hero’s Journey from what you’re [articulating 00:21:21] for leadership within a business.

Lisa Solomon:
[00:21:30]

[00:22:00] Absolutely. First I need to give a full attribution and props to my co-collaborator designer, Erik van der Pluijm. This book, Design a Better Business, was an incredible collaboration of really five makers that brought very different perspectives and talents to create what has now become this book and really a movement. We have a lot of online resources, too. Erik has just been deeply moved by the power of the Hero’s Journey, about its ability to simplify many of the extraordinary and brave acts of bringing new ideas to life and engaging others as one that is akin to that Joseph Campbell metaphor of the call to adventure, the call to action.

[00:22:30] We often talk about innovation from case studies that have been wildly successful. We paint them as these almost glory [lapse 00:22:21] of look at this brilliant person, like Elon Musk who is so visionary and brings these ideas to life. What we don’t often talk about is the incredible courage it takes to accept that you are willing to try and bring an audacious vision to life and that inevitably you will be facing some incredible challenges that will challenge not only the idea but perhaps you as an individual, as the hero that’s trying to carry this idea to life.

[00:23:00] The Hero’s Journey canvas visualizes some of the archetypical steps that a hero might go through to try and start where they are in their current state of being and really ascend through the help of others, through challenges, highs and lows to a higher purpose that really raises all boats.

Bill Murphy:

[00:23:30] I had asked that question from a different point of view, but the way you answered it was more powerful than I was thinking about it. You’re absolutely right because I think some of the downdrafts that I’m getting feedback from, some of the business leaders that I talked to, is that they talk about it really is a heroic journey for them to try to be innovative within their organization, to try to be creative, to try new techniques and tactics, to bring new ideas to front. It is because they’re met with resistance.

Lisa Solomon:
[00:24:00] Yes. The organizational antibodies to reject change are so incredibly strong. We actually have a whole chapter on this in my first book, Moments of Impact. The title of the chapter is called, Overcoming the Yeah, Buts, as in, “Yeah, but that would never happen here.” We get that a lot. We have leaders that come to Singularity University to learn about the future, to understand how disruption is going to change their industry and change the world and they leave with these incredible ideas fueled by deeper understanding of technologies like artificial intelligence, like digital biology.

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[00:25:00] We spent a lot of time coaching them to say be careful how you take your new energy back because you’re filled with possibility and hope and you’re leaving as a transformed person, but you’re going back to an un-transformed organization. Organizations reject change because it really threatens what they know how to do which is to duplicate the known, execute on what has made them successful to date. What it really requires to make a step change into the future is to allow yourself to question the status quo and to experiment with fundamentally new ideas and new ways of working that for many really feel puts them in a very uncomfortable place. They don’t reject new ideas because they’re bad people. They reject them because we don’t have enough cycles of practice to get comfortable with embracing the new.

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Bill Murphy:
The Hero’s Journey in the Joseph Campbell’s work and the way that Erik presents it in the book, it’s very, very powerful, but that is right. That leads me to my next point, my next question for you because it looks like ... There’s one quote that I read in the book that said, “When is the last time you felt comfortable not knowing all the answers.” In another part of your book it said, “Don’t fly solo. You’re not smarter than everyone else.”

[00:26:00] The challenges that people that embrace these principles are very smart. They’re really smart. I’m stunned by how smart some of the people are, but that’s now how you get really big impact from design thinking the way at least I’m trying to understand. How do you coach people that are smart to rely on collective wisdom and smartness of a large group of people versus their own?

Lisa Solomon:
[00:26:30] Yes, it’s a challenge. This is where we talk about the mindset. First of all, you’ve got to change your mindset. We have traditionally rewarded individuals that have strong points of view and spend most of their time defending them. That is absolutely the opposite of what we’re advocating. We’re advocating having a strong point of view, but then we’re advocating leading with curiosity, leading with questions, leading with an iterative process that borrows on diverse perspectives to make that initial point of view stronger or to help change it to a different point of view where it’s more likely to be successful, to have value.

[00:27:00] It really does require a different kind of courage, almost a different willingness to be vulnerable, to say, “Look, this is a really critical issue,” whether it’s expansion to a new market or fundamentally disrupting your business model to go from, say, a product model to a service model, something we see a lot.

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[00:28:00] I believe we need to make this change, so the point of view, and I believe we all need to explore the best way to do it, so really gathering others as part of the process, being willing to say, “I don’t know how we’re going to do it, but we, as the leadership team, we as a diverse working group, are going to figure it out together, not because we’re going to sit in a room together and just Ping-Pong the same idea back and forth, but because we’re going to bravely go out and observe customers. We’re going to aggressively study adjacent business models. We are going to quickly put out a new idea or a new form of this new idea and test it in our earliest prototype to see if it meets our needs, to see if it actually is desirable, to see if it’s feasible, something we can build and to see if it’s viable, that it actually delivers on the business elements that we needed to achieve.”

[00:28:30] This is a discovery approach, a design thinking approach to really making sure that those initial ideas are ones that are going to be the ones that truly make the organization successful in the future.

Bill Murphy: In a previous book, you talked about strategic conversations.

Lisa Solomon: Yes.

Bill Murphy: You obviously have a passion. Why did you write that book? Is it partially because you saw people trying to have these conversations and just weren’t being successful with the strategy and innovation dialog? It turned into, I guess ... What did it turn into and then why did you write that book?

[00:29:00]
Lisa Solomon:
That was my first book because it was called Moments of Impact, How to Design Strategic Conversations to Accelerate Change. That book was written with a different co-author, Deloitte partner named Chris Ertel that heads up their innovation practice at Deloitte. We spent many years working at scenario planning firm called Global Business Network. In essence, we partnered with executives to help them have generative, creative conversations about multiple futures, not just the future that they hoped would happen, that was articulated in their five-year strategic plan.

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[00:30:00] What Chris and I learned in that process of designing conversations about the future was that most leaders don’t know how to do that, that in fact, the process of coming up with a strategy for an organization was not generative and iterative in its approach, that it was really the wrong set of tools, that we would use tools like a SWOT Analysis or a Porter’s Five Forces, tools that were very linear, tools that made enormous assumptions about what was going to happen in the future.

[00:30:30] What we realized, it was really that it was the conversations around these ideas that mattered more than getting to five-year plan that sat as a staid artifact on everybody’s desk but didn’t have any relevance, that the world that we’re living in, this increasingly volatile, uncertain, complex, ambiguous world, this bookoo world, serves up so many new challenges in such a rapid way that it’s really getting aligned on the conversation about the strategy, making sure that all the senior leaders were clear around what the organization was trying to do, the business model it was going to take, how it was going to serve its customers, that that was, in fact, the most important leadership skill that leaders need to learn.

[00:31:00] That was really the opening chapter of the book, that learning how to design these conversations about issues related to your highest and most strategic value to the organization was something that we all needed to build into our approach of leading.

Bill Murphy:

[00:31:30] That’s very inspiring. I think the people have a lot to learn in this area. This is very invigorating but almost like we have to go back to school. It’s great that you’re working with the MBAs, but it seems to me in the new MBA students in their 20s and 30s, but it seems to me we need to, as adults north of 35, almost go back to school. Other than reading your books, your both books, where would an adult jump in and start to make progress if they gave themselves a three-year window? What would you tell someone if they asked you that question?

[00:32:00]
Lisa Solomon:
What a great question. Bill, this is one of the reasons why I joined the faculty of Singularity is because I’m committed to helping leaders design better futures where we started our conversation. I think Singularity is one of the most exciting and interesting places that is having this conversation about the future and that is working hard to make it accessible to as many people as possible.

[00:32:30] Of course, we welcome people to attend our various programs in person, whether it’s an executive program, a week-long immersive experience about the future or the global summit, as you said, in a one or two-day event that’s having a fundamentally different conversation about the future. We put a lot of our material online through articles and stories that we encourage as many leaders to look at as possible so that they’re not blindsided by the future.

[00:33:00] Look, it can be very overwhelming to start to think about robots taking over jobs and artificial intelligence. We start to conjure up this dystopia disturbing the you of the future. Our point of view is that it doesn’t have to be that way, that we as agents of change can learn about the forces that are fundamentally changing the future trajectory of our industries, of our world view and to learn how to make smart decisions in order to bring a more abundant future to light.

[00:33:30] Encourage people to go to the SU hub, which is where these articles, several new articles a day, are unfolding about the future, whether it’s a section on how to have conversations about the future in a different way, how to develop a massive transformative purpose for your organizations. We really want to try and make these ways of working this mindset available to as many people as possible.

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Bill Murphy:

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One of the pieces I know is setting up small experiments. I recently had lunch with a CIO. It was a biotech firm. He was explaining some of the challenges they’re having with scientists. I said, “Have you tested VR yet as a training tool?” a virtual reality. He said, “No, but that’s an amazing suggestion. I’m going to do that.” He’s a very A plus plus kind of person. I go back two weeks later or three weeks later. We’re talking about a different topic and then I walk by one of the guys that I’ve known for 10 years in his office. He’s got something on his back and he’s walking around. I go, “What is that?” He goes, “That’s a VR backpack.” They immediately are testing VR and bought a VR backpack.

[00:35:00] Then I have another conversation literally last week where the guy says, “I want to create this immersive environment for my employees because that’s the vision for the leaders. They found it an immersive experiential ... The people are everything, but we have distributed offices and such. I’m trying to do that with videos and YouTube videos.” I said, “Have you tested VR?” He said, “No, no. We don’t do any of that stuff. That’s way too far out there.” I started talking about the concept of experiments. How would you design that though? It’s one thing to just go out and buy virtual reality headsets, but how would you take it from a design perspective with the user in mind?

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Lisa Solomon:
Bill, great question. I think Moments of Impact is, again, a great methodology for taking that question that you were asking like, “Hey, have you thought about VR,” and turning it into a strategic conversation. Why do we as an organization need to understand this unfolding technology, call it VR. To your point of making it an immersive experience, not just he read this article, VR is fundamentally immersive. It is a 3-D experience where you actually get yourself in an individual perspective in a totally different environment.

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[00:36:30] How would you design that, as an example, for others to get as exciting about learning about it and realizing it that it’s not a far off technology in the future. In fact, it’s here. What I might do, as an example, is to have an hour session or two-hour session which ahead of time; this is an important part when you’re designing a conversation about a new technology or about something that may disrupt your business, make sure ahead of time you’re clear about what the conversation is about. Send them out a note ahead of time. This is an opportunity to understand an unfolding technology like VR. Here’s an article or two about why this is important for those of you that have no background, just to get people on the same playing field.

[00:37:00] Then what I might have them do is come to a place and before you say anything, have them put on a headset. Have them actually experience it and have them share a common experience and then go into a conversation to say, “What are the implications for our industry? How might this disrupt our industry? How might this create value in fundamentally new ways that we are doing in perhaps a more linear way?”

All of a sudden you’re having a conversation that’s based on a shared experience that’s totally different than if you just went at them with a PowerPoint presentation, for example, summarizing all the trends.

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Bill Murphy:
I love that idea. I love that example. How do you teach people to play offense within an organization versus defense? What I mean by that is designing a revenue stream versus designing something that’s internally, like the help desk example I gave earlier. It’s meant to lift an experience within the walls versus a customer centric revenue generating perspective.

[00:38:00]
Lisa Solomon:
Great question. In the book, Design a Better Business, we have a number of different tools to help people understand various parts of their business. One of the most important tools that it was actually created by Alex Osterwalder originally and Eve Pigneur about six years ago is the Business Model Canvas.

[00:38:30] This is a visual blueprint of how your business creates value, how it makes money and how it delivers that value on the back office activities. Bill, you would be shocked at how few people truly understand their existing business model of where revenue comes from. If we marry Design a Better Business with The Moments of Impact methodology, the first conversation you need to have is to build understanding about your existing business model. How are you currently serving your customers and can you map that out in a clear and consistent way and does everybody in the organization actually understand it in the right way? You would be surprised at how few organizations can do that.

[00:39:00] Basically where you sit in the organization often dictates how you believe you’re creating value for your customer. I’ll give you a quick example of that. We talk about this in Moments of Impact. Several years ago a colleague and I designed a very high level conversation for Toyota Financial Services that was designed to be an innovation workshop. How were they going to meaningfully disrupt their business to serve their customers different, Toyota drivers who needed to finance their vehicles?

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[00:40:00] We had the top 60 executives in the room. Again, it was designed to be an innovation, a forward-looking workshop. The biggest insight that came out of that two-day conversation was that these 60 executives, the most senior in the company, did not agree on who their customer was today. Today. If you sat in the group that focused on dealer relationships, you believed that your customer were the dealer. That makes sense. If you worked in call centers where you dealt with drivers, you believed your core customer was the driver. If you worked in a part of the organization that dealt with the umbrella company in Japan, you believed that your customer was the Toyota Motor Corporation. How could you possibly come up with new ideas to innovate your business if you can’t agree on who your customers are?

Bill Murphy: Oh my goodness.

Lisa Solomon:

[00:40:30] Again, Bill, I would encourage everybody listening to this podcast to look up the business model canvas and to spend time mapping, not their future organization, but their current organization to make sure that everybody fully understands who their customer is, how they serve them, what value they deliver, and how they make money.

Bill Murphy:

[00:41:00] That’s the thing. Personally, myself, I in my mindset, I would just go buy the book and then just go map out the company after hours. I would just go map it out in the bathroom. It wouldn’t matter. I would just map it out to practice, obviously, because I would want to just figure this out, this thinking out. Could I then bring it to the business at that point or do I have to have some conversation with people that potentially it would get squashed because of ... Would you try to collaborate and get people together for that or just-

Lisa Solomon: Yes.

Bill Murphy: You would.

Lisa Solomon:

[00:41:30] I would. I would do both. I would practice. You should have a point of view based on practicing with a tool about what you believe the core business model is so that you’re prepared to handle the diversity of opinion. Your job, if you are facilitating a conversation about your business model is not to convince others in the room that your idea of the business model is right. Your job is to make sure that everybody has an aligned point of view about the business model. For it to get to that aligned view, you need to surface the different opinions in the room. That can be really challenging.

[00:42:00] Another important point about this tool, this process is that the goal is not to fill in the boxes. The Business Model Canvas has nine boxes. I often add a tenth if it’s an impact organization or perhaps a government organization. The core way that the Business Model Canvas describes value is through three primary boxes, is value proposition, customer segment and revenue. For many non-profits, for many organizations, the revenue piece doesn’t really capture what their measured on. They’re captured on impact. That’s a slight change I might make to it.

[00:42:30]

[00:43:00] The point is is that you need to get people describing that value exchange in their own words and then to compare notes. “That’s interesting. You thought our customer segment was the government. I thought it was the tax payers. That’s interesting. What value do we give to the government? What value do we give to the tax payers? Are they both true? What are the different ways that we deliver that value? Our business model’s predicated on serving both. Does the model reflect that?” That’s the conversation you need to have and it’s a sophisticated one.

The purpose is not to fill out the boxes to say, “Yup, every box is filled therefore we’ve done it well.” The purpose is to get alignment on the connection between the boxes. It’s really a systems tool to understand where value gets generated, how value gets delivered, and how value gets scaled within the organization.

Bill Murphy:
[00:43:30] I love your story that you had in your book because at the end, you worked at Autodesk for a while, at least I think you were working there or-

Lisa Solomon: One of my colleagues. One of my co-authors, Justin Lucas, was at Autodesk.

Bill Murphy: I was reading that it was you, but it was this other gentleman. Basically it was a fascinating story because he went to Autodesk and he was in charge of, I guess, a huge revenue component, but then he figured out that he had to go get himself out and go to school and be surrounded by design-thinking concepts. Then he came back in with a completely different lens, which I found like an empowering story.

[00:44:00]
Lisa Solomon:

[00:44:30]
Yes, yes. He went to the MBA and Design Strategy. Justin originally was one of my students. [Inaudible 00:44:06] He was very senior at Autodesk and he really realized he had that instinct that we were saying earlier. “Do I really have all the tools in my toolkit to be an as an effective future focused leader as I want to be?” What was great about Justin is that he continued to work at Autodesk as he was getting exposure to these new tools like the Business Model Canvas and was immediately prototyping them within his team. It was very, very effective.

Bill Murphy: I think it gives people, especially that are beyond ... as you’re moving on in your career between the books and the online resources, and potentially further education, you can bring a new lens, a new perspective to this design thinking approach into your business. Super. This is great.

[00:45:00] As we wrap up, we’re getting close to the top of the hour. I super appreciate your time because this is going to be gems of wisdom for my listeners. If you could have a great question that ... and I’m going to catch you off guard with this because I didn’t pre-empt you, so I’ll extend my question, but if you had a great question mind ... It seems that people need to develop the ability to ask great questions.

Lisa Solomon: Yes.

[00:45:30]
Bill Murphy:
Now, is it fair that you personally have the top five questions that every business leader should ask? I’m not going to put you on the spot for all five, but is there a general questioning question that everybody should develop an awareness of as a leader?

Lisa Solomon:

[00:46:00] Gosh, Bill, you did put me on the spot there. I don’t know if I have five, but I would say let’s go back to that definition of design. Do we know how to create functional utility for our customers and employees and do we know what sparks emotional engagement? Embedded in understanding the answers to that is empathy. Do we understand our customers? Do we understand our employees?

[00:46:30] The simple question that I would encourage all leaders to understand about both their customers and their team members is what makes for a great day. If things have gone well, what has happened? I think this is one of the things that really gets overlooked when we even look at design thinking as a process. We get so excited about the boxes. First we start with empathy and then we IDA’d and then we prototype. We can’t lose sight of the fact that we’re trying to help empower individuals. To really allow ourselves to observe and to question what makes for a great day for this person. What is this person trying to achieve in their life? Can I make choices that enable this other person to get the most out of their day?

[00:47:00]
Bill Murphy:
I love that.

Lisa Solomon: It’s pretty simple, but it’s very powerful. We all want to do, I believe anyway, that we all go to work wanting to do our best. We all want to feel like our contribution has value. As a leader, we need to understand what is the contribution that has value to you and how can we make choices that enable you to put your power and passion to work on behalf of the best outcome every day.

[00:47:30]
Bill Murphy:
I love that. Lisa, this has been a fantastic conversation. I hope everybody gets as much value as I did from just being a fly on the wall listening to you and I as people impact in the world understand their unique perspective on who the customer is and their impact that they can make.

Lisa Solomon:

[00:48:00] Thank you, Bill. It’s really been a pleasure to be here. I appreciate the opportunity to talk about things that I think about morning, noon and night and I’m continuing to try to develop on behalf of all leaders everywhere. I welcome your listeners to come back to me at Singularity to join us in the conversation at Singularity about what it’s going to take to design a more abundant future for everybody.

Bill Murphy: A link up to your books, a link up ... Would you prefer Twitter as a means of potentially people reaching out to you? Do you prefer LinkedIn? What are your thoughts on-

Lisa Solomon: Twitter is a great start. You can put that on there, Lisa Kay Solomon all spelled out.

[00:48:30]
Bill Murphy:
Excellent. Thank you, Lisa. Again, I appreciate you for your time.

Lisa Solomon: Thank you, Bill.