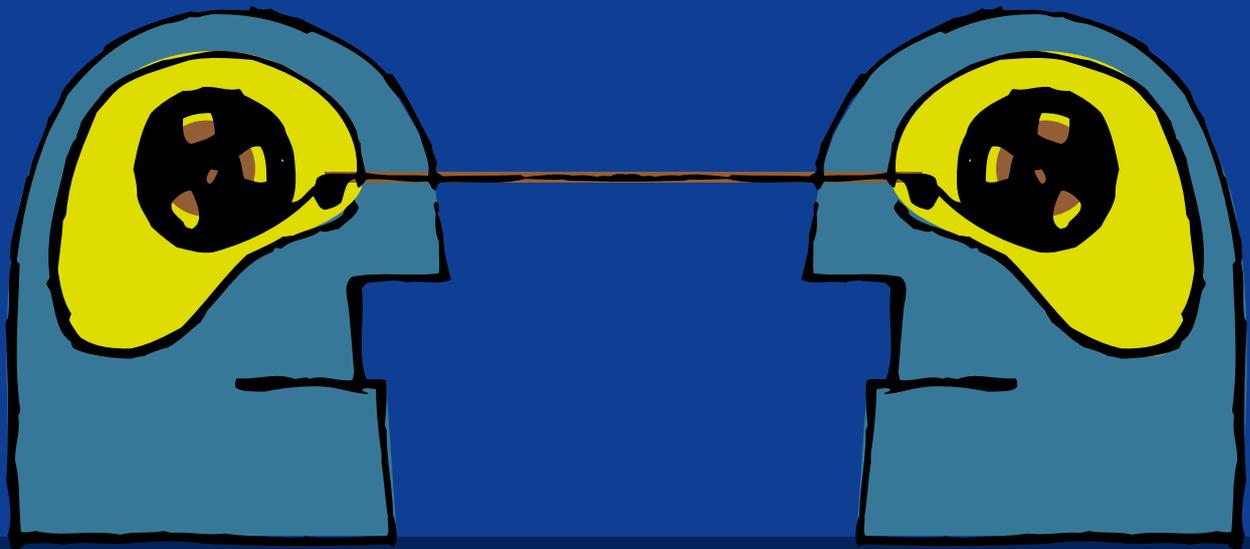


# EMPATHY

## THE FORCE THAT MOVES BUSINESS FORWARD



“A Guide for the Entrepreneur  
of Tomorrow”

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## Foreword

**The connection between the CENTRAL EUROPE Project i.e. SMART and this current publication “EMPATHY – THE FORCE THAT MOVES BUSINESS FORWARD: A Guide for the Entrepreneur of Tomorrow“**

The Innovation Union Competitiveness Report 2011 states: “European SMEs ... do not grow sufficiently. The US has shown a much better capacity to create and grow new companies in research-intensive sectors over the last 35 years”. Apart from this overall lack of SME growth in Europe, the CENTRAL EUROPE co-financed project i.e. SMART has also identified specific challenges in the involved partner regions such as a lack of interest in innovation and entrepreneurship, a low survival rate of business start-ups, high youth unemployment, demographic and socio-economic brain drain, and social issues involving equal opportunities and non-discrimination.

In order to tackle these challenges i.e. SMART has developed a completely new approach to innovation and entrepreneurship ‘The SMART Transformative Business Approach for New Generation Enterprises’.

This new approach emphasises elements such as: empathy, creativity, strategic intuition, imagination (fluency of ideas), ideation, originality of thought, flexibility in thinking (“out of the box” thinking), synthesising, conceptualising, symphony (big picture thinking), future thinking skills (working with micro trends), design thinking applied to innovation (actively creating the future, finding order out of chaos, elegance, people-centred solutions, emotional appeal, etc.), co-creating.

Empathy is at the top of the new business approach list because it is a key element for future success in the business world: “We need to shift our perspective and rely on different senses and a different set of tools. We need to cultivate empathy and to think ourselves into another person’s shoes by identifying and understanding their feelings.”

It is in this context, the i.e. SMART project is proud to be able to present this comprehensive and detailed insight into what empathy really means to present and future entrepreneurs.

i.e. SMART Team

# Introduction

Nowadays, businesses and entrepreneurs find themselves in an increasingly complex and interconnected world, filled with challenges and difficult events.

*How can they survive in such a competitive marketplace?*

*How can they apply new solutions that meet new requirements, inarticulate needs, or existing market needs? In other words, how can they innovate?*

*What methods and tools can they use to manage their challenges?*



Firstly, let us examine how most of us work normally when we are facing a challenge and are looking for a solution. Most of the time we accept the challenge, put our heads down and think our way through the problem. After some time, we will hopefully find an answer. Will it be the right answer? It will be certainly the best from our perspective.

Innovation needs a slightly different approach.

We need to shift our perspective and rely on different senses and a different set of tools. We need to cultivate empathy and to think ourselves into another person's shoes by identifying and understanding their feelings. Without connecting deeply to our customers and anticipating their emerging needs and behaviours, our solutions might not be meaningful for them. Going out, spending time with the people whose lives are impacted by what we do and developing empathy for their experiences, is the key. By shifting our perspective to our customers, we reveal insights about their latent needs and that gives us the confidence that we are on the right path and working on a solution that resonates with them.

There are several “empathic” and “human-centered” approaches used in a professional business context. More and more we come across terms such as “human-centered design”, “design thinking”, “business ethnography” or “corporate ethnography”. Common is a special mindset which begins from deep empathy and understanding of the needs and motivations of people.

With this empathy based mindset and a set of techniques entrepreneurs can improve their creative abilities and transform any difficult challenges into opportunities. But maybe at this point you are asking yourself, what can I use empathic and human-centered mindset concretely for?<sup>1</sup>

<sup>1</sup> +Acument (2013): “An introduction to Human-Centered Design”. (< [http://plusacumen.org/wp-content/uploads/2013/07/Week1\\_readings.pdf](http://plusacumen.org/wp-content/uploads/2013/07/Week1_readings.pdf)>, 13.11.2013).



## To design your products

When people think of design, they often first think about expensive, stylish products: iPhones, design furniture, fashion. But all people deserve well-designed products and items. By turning your attention to your end-users, you can enhance the look, the functionality and the meaning of your products.



## To design your services

All services are designed, from how they operate to how they are advertised, to how they are delivered. For your service to have the desired impact, it is essential to gain deep understanding of the people you will be serving; not only what they need and desire, but what limitations they face, what motivates them and what is important to them.



## To design your spaces

Physical environments give people signals about how to behave and feel. By rethinking the design of your working environment, production or store, you can send new messages about how people should feel and interact in these spaces. A merely utilitarian space can be turned into a positively transformative experience.

Design inspired by observing real people living their lives is not new. Designers have long relied upon their observation of the world to understand what will resonate with the people they want to attract. The new part is that nowadays businesses – entrepreneurs like you - feel more and more the necessity that understanding their consumers is a competitive necessity. In order to do so you have to develop a whole new mindset and practise empathy. You also need to extend your traditional research toolkit and include empathy based, human-centered research methods. These methods commonly are referred to as ethnographic methods. This article will refer to these methods as “corporate ethnography” in deference to the formal discipline of ethnography as traditionally practiced by anthropologists.

Much of the material in this article synthesises existing methods, theories, approaches, and ideas, and attempts to place them together in a way that will be useful to both the entrepreneur/business owner and the trainer/coach in the field of entrepreneurship education.

To begin with, this article discusses the fundamental role of empathy in general and in particular in the business world. It tries to answer following questions:

- What empathy has to do with business?
- Why should it be an engine for business success?
- Should and could empathy be improved and trained?

Furthermore the article focusses on the widespread employment of corporate ethnography in an increasing number of business fields and it also introduces human-centered design and its practical toolset. The guiding question of that section is:

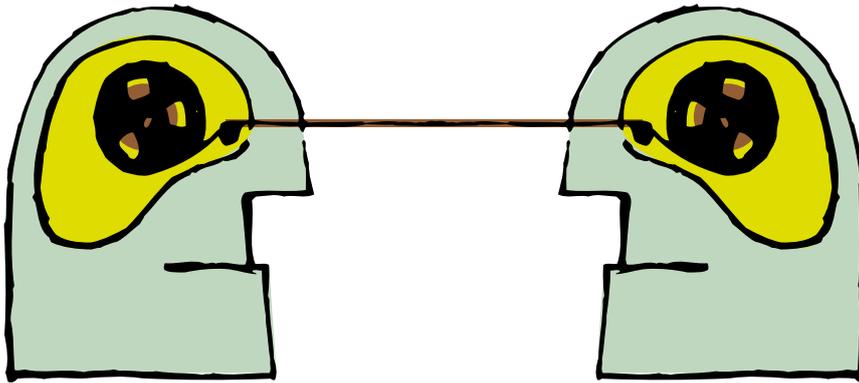
- How can you arrive at innovative business solutions with the help of a human-centered mindset?

The last part of the article deals with internet ethnography or in other words “netnography” and presents a complete research process which can be easily applied and rerun by businesses and entrepreneurs. The central question of that section is:

- How can you interact with online communities and co-create your products or services with their help?

# 1. What empathy has to do with business?

Many people feel a kind of discomfort when a term such as “empathy” is introduced in a business environment. While empathy is one of the dreaded ‘soft’ skills, it is far from being a sentimental topic. At its core, it is an emotional activity which keeps relationships running smoothly. The fact that empathy is an important component of effective relationships has been proven in several scientific studies. The neurologist Antonio Damasio showed that people with damage to the brain in areas associated with empathy had significant deficits in relationship skills, even though their reasoning and learning abilities remained intact.<sup>2</sup>



Indeed, empathy is fundamental in our lives, but what does it mean exactly? Usually there are two definitions of empathy.

- The first is the idea of empathy as a shared emotional response. For instance, if you see a baby crying in anguish, and you too feel anguish, then you are experiencing empathy - you are sharing or mirroring their emotions. This idea is reflected in the original German term ‘Einfühlung’, which literally means ‘feeling into’.
- The second definition of empathy is the idea of empathy as perspective-taking. This concerns our ability to step into the shoes of another person and comprehend the way they look at themselves and the world, their most important beliefs, aspirations, motivations, fears and hopes. Perspective-taking empathy allows us to make an imaginative leap into another person’s being.<sup>3</sup> As the famous Northern American Indian proverb says:

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*“To understand the man, you must first walk a mile in his moccasin”*

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<sup>2</sup> Damasio, Antonio (1995): “Descartes’ Error: Emotion, Reason and the Human Brain”. New York: Avon Books.

<sup>3</sup> Krznaric, Roman (2008): “You Are Therefore I Am: How Empathy Education Can Create Social Change”. Oxfam GB Research Report. P. 10-11.

The development of emotional and social competences such as empathy is now recognised as fundamental in many areas of our lives. For instance, according to Daniel Goleman, “*empathy represents the foundation skill for all the social competencies important for work*”. These include:

- **understanding others** – sensing others feelings and perspectives, and taking an active interest in their concerns
- **service orientation** – anticipating, recognizing, and meeting customers’ needs
- **developing others** – sensing others’ development needs and bolstering their abilities
- **leveraging diversity** – cultivating opportunities through diverse people
- **political awareness** – reading the political and social currents in an organization.<sup>4</sup>

Empathy research is thriving these days and increasingly, the topic of empathy is also encroaching on the business world.

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*“If there is any one secret of success” said Henry Ford, “it lies in the ability to get the other person’s point of view and see things from his angle as well as your own.” This is empathy.*

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Almost one hundred years after Henry Ford’s pronouncement Dev Patnaik introduces in his book<sup>5</sup> how a variety of global successful organisations, from Nike to Harley Davidson, benefit from integrating empathy for the consumer as an integral part of their culture. For instance, Nike is the athlete’s company. Its headquarters in Beaverton, Oregon, resembles a college campus without all the boring lecture halls and with a lot more athletic facilities. People at Nike live and breathe sports, and they devote their working hours to understanding how to support athletic achievement for everyone, whether a professional or someone trying to get from the couch to a 5K. Regardless of the quality of any individual marketing research, Nike’s running shoes tend to be great anyway, because the people who design them are runners themselves.

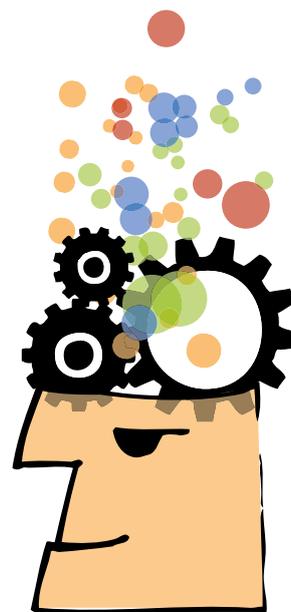
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*“When people inside a company develop a shared sense of what’s going on in their world, they see new opportunities faster than their competitors. They have the courage to take a risk on something new. And they have the gut-level certitude to stick with an idea that doesn’t take off right away.”<sup>6</sup>*

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No doubt, empathy is an engine for business success.

In fact it is even more – in today’s rapidly changing world, everything that empathy means is critical to our success.



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4 Goleman, Daniel (1995): “Working with Emotional Intelligence”. Bantam Books, P. 137-138.

5 Patnaik, Dev/Mortensen, Peter (2009): “Wired to Care: How Companies Prosper When They Create Widespread Empathy”. New Jersey: FTP Press.

6 Patnaik, Dev/Mortensen, Peter (2009): “Wired to Care: How Companies Prosper When They Create Widespread Empathy”. New Jersey: FTP Press.

But what if we do not consider ourselves particularly empathic? What if actually the “soulless” business world decreased our empathy level? Can we improve it? Can empathy be trained?

Empathy does not stop developing in childhood. We can nurture its growth throughout our lives. Research in sociology, history and psychology reveals how we can make empathy an attitude and part of our daily lives. Once we manage that, we can step by step integrate it into our daily business life. Here are some suggestions for everyday praxis of empathy based on the research of the cultural thinker and empathy advisor Roman Krznaric<sup>7</sup>:

### 1.1. Cultivate curiosity about strangers

Curiosity expands our empathy when we talk to strangers, for instance to people outside our usual social circle, encountering lives and worldviews very different from our own.

Highly empathic people will talk to the person sitting next to them on the bus, having retained that natural inquisitiveness we all had as children, but which society has helped us to unlearn. Cultivating curiosity requires more than having a brief chat about the weather. Crucially, it tries to understand the world inside the head of the other person.

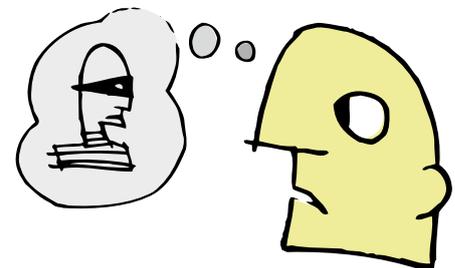
Set yourself the challenge of having a conversation with one stranger every week. All it requires is courage.



### 1.2. Challenge prejudices and discover commonalities

We all have assumptions about others and use collective labels - e.g. , “Muslim fundamentalist”, “Welfare case” - that prevent us from appreciating their individuality.

Challenge your own preconceptions and prejudices by searching for what you share with people rather than what divides you. Initiate relationships with people who are different in order to overcome your boundaries.



### 1.3. Try another person’s life

You can expand your empathy by gaining direct experience of other people’s lives, putting into practice the Native American proverb, “*To understand the man, you must first walk a mile in his moccasin*”.



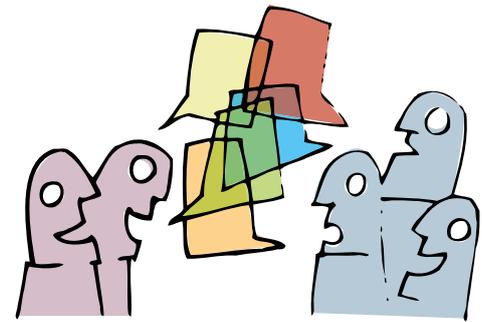
You can try experimental empathy in different ways, e.g. if you are an entrepreneur try to switch your role and become for a day your own customer. You can challenge yourself in different areas of your life and conduct your own experiment, e.g. if you are an atheist, try attending different churches. Take the path favoured by philosopher John Dewey, who said, “*All genuine education comes about through experience.*”

<sup>7</sup> Krznaric, Roman: “Six Habits of Empathic People”. (<[http://greatergood.berkeley.edu/article/item/six\\_habits\\_of\\_highly\\_empathic\\_people1](http://greatergood.berkeley.edu/article/item/six_habits_of_highly_empathic_people1)>, 08.10.2013).

## 1.4. Listen hard and open up

Become an empathic conversationalist. Master the art of radical listening and try to grasp the emotional state and the needs of the other person.

But listening is never enough. We also have to make ourselves vulnerable, remove our masks and reveal our feelings. Empathy is a two-way street that is ideally built upon mutual understanding – an exchange of our most important beliefs and experiences.



Part of the “empathy process” is establishing trust and rapport. It is about listening and understanding – not necessarily agreeing – to the other person, but listening without judging.

Once empathy has become the driving force behind your personal relationships, practise it also in your business communication. Empathy might contradict the modern concept of the business world – competitive, cutthroat, reckless – but the reality is that for entrepreneurs to experience success, they need to not just see or hear the activity around them, but also relate to the people they serve. One’s personal and professional connections are the product of taking an honest and dedicated interest in others and their businesses. These relations are somehow the backbone of your business. Successful people do not operate alone; each of us needs the support of others to achieve positive results that push us towards our goals.

In most business settings people talk at each other, instead of making a concerted effort to listen and discover opportunities for collaboration. The catalyst for change is open, two-way communication. Once people are able to step out of their mindsets, and experience vulnerability, they truly begin to feel what those around them are feeling. To become a successful entrepreneur, you must be willing to compromise and meet people where they are. This can be frustrating and uncomfortable, particularly when you feel your position makes more sense. However, a critical part of developing empathy is learning to understand, respect and implement another individual’s point of view rather than forcing your own.

Empathy is a business skill that actually grows when practised and shared. Although it may be unlike any practice you have ever used within your business, but it is worth the effort.<sup>8</sup>

<sup>8</sup> Boyers, Jayson M. (2013): “Why Empathy is the Force that Moves Business Forward”. In: Forbes, 5/2013.

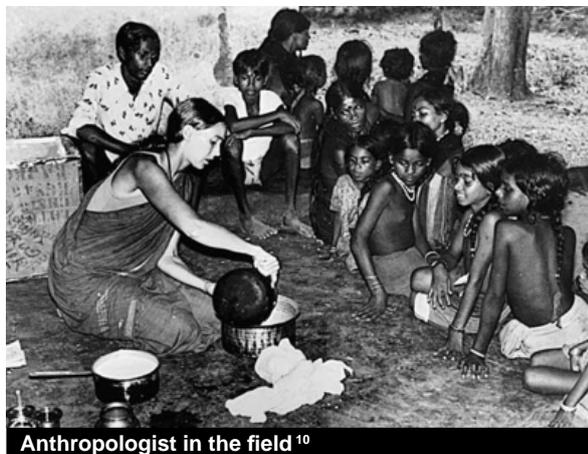
## 2. Going native in the business jungle – How empathy is used in different business environments?

Twenty years ago, it was rare for businesses or organisations to even talk with social scientists, never mind to employ their theories and methods. Many progressive companies, ranging from Nokia, and Toyota to Havaianas have embraced empathy and corporate ethnography in addressing business issues. Also an increasing number of social and public organisations have integrated human-centered research into their working cultures and improve so their services.<sup>9</sup>

Today, it is not unusual to find anthropologists in companies, sharing and adapting methods with designers, integrating insights, generating ideas and implementing them. Designers are increasingly adopting the tools of social observation as resources for 'local knowledge' that better inform and inspire the development of new ideas. The emergence of design ethnography, co-design, participatory design, and design probes are some signals for that.

How and why did this shift occur?

To understand it, we need to explore the field of social and cultural anthropology. Anthropologists seek for an understanding of humankind in all its diversity. Traditionally they apply the discipline of ethnography with participant-observation, and in-depth empirical studies to explore and decode cultures and human societies. Ethnography may be defined on the one hand as a qualitative research process or method and on the other hand as product or outcome of this process whose aim is cultural interpretation.



Typically ethnographers spend many months or even years in the places where they conduct their research, often forming lasting bonds with people. They generate understanding of culture through the "insider point of view", with other words through an emic perspective.

The long term engagement in the field setting where the ethnography takes place is called participant-observation, perhaps the primary source of ethnographic data. Interviews with a great variety of styles are applied for more targeted data collection. The emphasis is on allowing the persons

being interviewed to answer without being limited by pre-defined choices. In the course of long-term participant-observation, most conversations are in fact purely spontaneous and without any specific agenda. Ethnographers also collect other sources of data such as artefacts that embody characteristics of the topic of interest, articles etc. In the past, most ethnographers conducted their research in foreign countries while largely ignoring the potential for work right here at home.<sup>11</sup> That meant, in no small part, an explicit effort to preserve the ethnographic process while redefining what was understood to be 'the field'. But while the field has evolved the primary methodology has stayed the same<sup>12</sup>

9 Suri, Jane Fulton: "Poetic Observation: What Designers Make of What They See". In: Clarke, Alison J (2010): "Design Anthropology: Object Culture in the 21st Century". Vienna: Springer Architecture. P. 16-32.

10 Source(<<http://kids.britannica.com/comptons/art-108544/An-anthropologist-working-in-the-field-demonstrates-the-preparation-of>>, 07.10.2013).

11 Hoey, Brian A. (2012): "What is Ethnography?" (<[http://www.brianhoey.com/General%20Site/general\\_defn-ethnography.htm](http://www.brianhoey.com/General%20Site/general_defn-ethnography.htm)>, 10.10.2013).

12 Hunt, Jamer (2010): "Prototyping the Social: Temporality and Speculative Futures at the Intersection of Design and Culture". In: Clarke, Alison J. (2010): "Design Anthropology: Object Culture in the 21st Century". Vienna: Springer Architecture. P. 33-44.

Lately, anthropology has been shifting out from academic and public institutions into the worlds of commercial research, development, marketing, and corporate public relations. Ethnographers are more and more “going native in the business world”.

The pioneering use of social scientists in the economy was in the late 1980s and it goes back to the involvement of the anthropologist – Lucy Suchman – with Xerox PARC. She conducted an ethnographic study of copy machine use in the workplace. The study became a fine example of how design, transformed by anthropology, can enhance a product’s success. She studied people using – or rather, failing to use – copy machines that featured the big, green buttons on them. Suchmann’s observation showed, what the machine knows is not the same as what the user knows. If the “design” of the machine is unaware of that divergence, trouble arises. Ethnography can reveal the underlying assumptions or tacit practices behind processes and products and contribute to their meaningful improvement and design.<sup>13</sup>



Pushing the Green Button  
(advertisement for the  
8200 copier, c. 1983)

#### Using the Copy Machine<sup>14</sup>

Since then, the importance of ethnographic research has grown, and has become more widely used and more deeply integrated throughout a larger segment of industries. This rather un-problematized incorporation of (often quick and dirty) ethnographic methods into contemporary economy continues unabated leaving anthropologists increasingly nervous about the commercial use of their own ‘hallowed’ practices.

Anthropologists are professional empathisers who let businesses view people’s behaviours through a new set of glasses. They are trained with a number of useful skills:

- Communicating in a globalised world
- Avoiding preconceptions and recognising varied perspectives
- Seeing the “big picture”
- Gathering, integrating, synthesising and analysing data.

As anthropology and ethnography can provide a more complete, nuanced, and valid picture of people’s practices, processes, and product use in context, it has increased in commercial value. It is a novel form of market research. It is surely no coincidence that the discovery of the discipline anthropology is taking place parallel to the reinvention of the consumer as a social/cultural – rather than strictly rational – actor.<sup>15</sup> Businesses re-orient themselves to serve the consumer. Observational techniques, human focus and emphasis on the machinations of the everyday, are essential in interpreting the complex implications of consumer culture, technological interaction, and media. Ethnographic research as a social science offers promising new and appropriate insights into worker and customer ‘culture and experience’.

<sup>13</sup> Clarke, Alison J. (2010): “Design Anthropology: Object Culture in the 21st Century”. Vienna: Springer Architecture. P. 9-13.

<sup>14</sup> Source (<<http://www.materialising-interactions.com/historicaltransformations/pc-era/>>, 07.10.2013).

<sup>15</sup> Suchman, Lucy (2007): “Anthropology as ‘Brand’: Reflections on Corporate Anthropology.” Paper presented at the Colloquium on Interdisciplinarity and Society, Oxford University. P. 10. (<<http://www.lancaster.ac.uk/sociology/research/publications/papers/suchman-anthropology-as-brand.pdf>>, 11.10.2013).

Corporate ethnography can help companies in many ways, for instance in finding their true identity and embarking on the right strategy. In a first step that means “learn to know your customers”, as the iconic Danish toymaker LEGO discovered.

## 2.1. What LEGO learned from its customers?

In the 1980s and 1990s, the LEGO Group expanded in all directions. It introduced new products, such as computer games, action figures, and television shows that veered away from its famous core business of pop-together plastic bricks. The result was the creation of many complex new lines. Yet by the early 2000s, the LEGO Group was struggling. Recessions in major markets had hurt the overall sales and at the same time manufacturing costs had skyrocketed. It also did not help that competitors had taken advantage of LEGO’s recently expired patents. But one of the company’s biggest problems was that children simply did not like the new designs. LEGO was losing almost \$ 1 million every day.



In 2004, a new CEO, Jørgen Vig Knudstorp took a “back to basics” approach. He abandoned some of the new products and returned to the core product: the plastic bricks. He addressed crucial questions like, why does LEGO exist? What makes LEGO unique?

To find that out, Knudstorp turned to corporate ethnography. Over a course of a year, LEGO sent user researchers – who they called “anthros” to observe families around the world. These anthros focused on culture: the meanings that children found in favourite possessions; how, where and why they played; and differences in parenting and play styles across the regions where LEGO did most of its business: Asia, Europe, and the United States. They went to children’s homes and interviewed them, and then watched them play – not just with LEGO products, but with all kinds of objects.

Through its research, LEGO arrived at a renewed understanding of the meaning of play to children. Research led amongst others to an enhanced appreciation of cultural differences in play. For instance Japanese families seem to develop a sharp distinction between “play time” and “learning time”, while Western cultures better embrace “learning through play.” Selling LEGO products as “educational” blurred that difference for parents, making them unsuitable either as toys or as teaching devices. It was through this first set of anthros that Lego masterfully rebuilt their company – expressly targeting boys and their love of building creations from start to finish.<sup>16</sup>



<sup>16</sup> Goodman, Elizabeth /Kuniavsky, Mike/Moed, Andrea/ (2012): “Observing the User Experience: A Practitioner’s Guide to User Research”, Second Edition. MK Publications. P. 4-7.

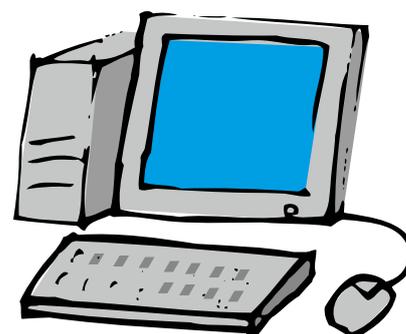
At the same time, LEGO also turned its attention to a large group of devoted customers who had not strayed: adults. Another long-term human-centered study (2003 – 2011) was devoted to adult LEGO fans all over the world. Researchers observed, interviewed and documented the practices of German, Danish and US LEGO fans and the way in which the LEGO group interacts with them. Over time, they built a pilot programme, developing long-term relationships with a few “LEGO Ambassadors” as eyes into the adult fan community.<sup>17</sup> In the end, LEGO even hired adult fans as designers.

In 2008 LEGO regained its original place and even exceeded it. LEGO re-found its identity. Revenue has continued to grow over the past years and as the LEGO Group thrived, so did its commitment to user research. As well as integrating desk research, field visits, and expert interviews into their idea generation process, the company sent out the anthros again for another project – this time to develop new products for an audience the company had long ignored: girls.<sup>18</sup> When it comes to play, boys covet mastery while the playtime for girls is more about aesthetics and stories. That is what LEGO anthropologist’s discovered. As a result a new series of “mini doll figures” were introduced who come complete with “names and backstories”.

There is a lot to be learnt from the LEGO Group about how to develop new products, ideas and services. By carefully observing and engaging with kids and adult enthusiasts and by making serious use of corporate ethnography in their design process, the company discovered ways to overcome its most daunting problems and regained its position in the toy market.

## 2.2. Corporate Ethnography at Intel<sup>19</sup>

The following example shows how corporate ethnography identifies subtle trends and can help a company to develop its future strategies. Intel has used corporate ethnography since the early 1990s. The company had provided products only for the workplace, but in 1995 managers wondered whether users at home would become a distinct market. Ethnographic research showed so much potential that Intel set up a business unit to concentrate on processors and platforms for home use.



In the late 90s corporate ethnography began to increasingly influence the company’s direction. One of the important breakthroughs came in 1997 when two Intel anthropologists, Tony Salvador and John Sherry launched a project called “Anywhere at Work”. The study took them to Alaska, where they realised that fishermen could use wireless technology to transmit the tally of their daily catch directly to the Alaska Fish & Game Dept. That observation, and others like it, helped persuade Intel to put its brainpower behind mobile computing and, eventually, into its popular wireless Centrino mobile technology.

Recently, Intel ethnographers have veered into strategic questions. How do we meet global challenges, e.g. the needs of aging populations? Therefore anthropologists are studying people in an effort to drive healthcare solutions and technologies to help people look after their health in their own home.

<sup>17</sup> Yun Mi Antorini, Yun Mi Muñiz, Albert M. Jr./Askildsen, Tormod (2012): “Collaborating With Customer Communities: Lessons from the Lego Group.” (<<http://sloanreview.mit.edu/article/collaborating-with-customer-communities-lessons-from-the-lego-group/>>, 7.10.2013).

<sup>18</sup> Goodman, Elizabeth /Kuniavsky, Mike/Moed, Andrea/ (2012): “Observing the User Experience: A Practitioner’s Guide to User Research”, Second Edition. MK Publications. P. 7-8.

<sup>19</sup> Anderson, Ken (March 2009): “Ethnographic Research: A Key to Strategy”. In: Harvard Business Review.

Intel can analyse the latest buying patterns and customer surveys for useful data. But people often can't articulate what they're looking for in products or services. By understanding how people live, researchers discover otherwise elusive trends that inform the company's future strategies. With smartphones, for example, we can contrast the technology perspectives of teenagers, who have used cell phones since they were in elementary school, with those of older generations, who came to them only after becoming proficient with PCs. The job of anthropologists is to understand the perspective of one "tribe", consumers, and communicate it to another, the people at Intel. Their experiences in both worlds make this translation possible. Ethnography has proved so valuable at Intel that the company now employs two dozen anthropologists and other trained ethnographers, probably the biggest corporate staff of its kind in the world.

In our accelerated global society where consumers are inundated with choices, markets are sliced into ever-thinner pieces, product cycles are measured not in years but in months or weeks, and new ideas zip around the planet at the speed of light, understanding your customers is increasingly important.<sup>20</sup> Nevertheless corporate ethnography might not be a solution for every business and it is a good idea to maintain a certain degree of scepticism. Ethnographer's findings often do not lead to a product or a service, only a generalised sense of what people want and their research can also take a long time to bear fruit.

Therefore let us take a closer look on how you as an entrepreneur could take advantage of a simplified form of corporate ethnography? Some multidisciplinary fields such as for instance design are strongly linked to corporate ethnography.

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<sup>20</sup> Ante, Spencer A./Edwards, Cliff (June 04 2006): "The Science of Desire." In: Bloomberg Business Week Magazine. (<<http://www.businessweek.com/stories/2006-06-04/the-science-of-desire>>, 14.11.2013).

### 3. Human-Centered Design

Thinking like a designer can transform the way you develop products, services, processes – and even strategy.

Over the past years the term “Design Thinking” has gained popularity in the business world and become a label for awareness that any kind of business and any entrepreneur can benefit from the designers’ way of human-centered thinking and working.

What is actually design thinking?

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*“Design thinking is a human-centered approach to innovation that draws from the designer’s toolkit to integrate the needs of people, the possibilities of technology, and the requirements for business success.”<sup>21</sup>*



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Design thinking is a powerful mindset that inspires creativity and collaborative problem solving. The tools designers use to quicken and free up their thinking process did not all originate from the design field itself. Design, as a multidisciplinary field, took its methods and tools from several knowledge fields, such as from anthropology, psychology, the arts and engineering, etc.

As an approach, design thinking taps into capacities and skills we all have but that are overlooked by more conventional problem-solving practices. Not only does design thinking focus on creating products and services that are human-centered, but the process itself is also deeply human.

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*“Design thinking relies on our ability to be intuitive, to recognize patterns, to construct ideas that have emotional meaning as well as being functional, and to express ourselves in media other than words or symbols. Nobody wants to run an organization on feeling, intuition, and inspiration, but an over-reliance on the rational and the analytical can be just as risky. Design thinking, the integrated approach at the core of the design process, provides a third way.”<sup>22</sup>*

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The design thinking approach is inherently:

- **Human-centered** - It begins from deep empathy and understanding of the needs and motivations of people.
- **Collaborative** - It benefits greatly from the views of multiple perspectives, and others’ creativity bolstering your own.

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<sup>21</sup> Brown, Tim President and CEO of IDEO. (<<http://www.ideo.com/about/>>, 20.11.2013).

<sup>22</sup> Brown, Tim/Wyatt, Jocelyn (Winter 2010): “Design Thinking for Social Innovation”. In: Stanford Social Innovation Review. “ (<[http://www.ssireview.org/articles/entry/design\\_thinking\\_for\\_social\\_innovation](http://www.ssireview.org/articles/entry/design_thinking_for_social_innovation)> , 19.11.2013).

- **Optimistic** - Design thinking is a fundamental belief that we can create change - no matter how big the problem, how little time, or how small budget.
- **Experimental** - It is all about experimenting and learning by doing. It also gives you the permission to fail and to learn from your mistakes, get feedback on them and iterate.<sup>23</sup>

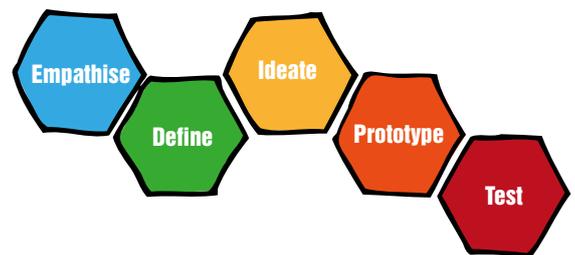
But is it only designers who think this way?

No. Human beings are design thinkers by nature. It was adductive thinking that paved the way for the evolution of artefacts in our civilisation. Watching the world and generating new solutions adductively is a common human skill that only recently has come to be seen as something requiring exceptional talent.<sup>24</sup>

Design thinking can help businesses to be more innovative, better differentiate their brands and bring their products and services to market faster. As an experimental approach, it might also help potential products and services to fail early. There is nothing wrong with failure, as long as it happens early and acts as a source of learning.

For every entrepreneur it is useful to apply design thinking when moving through a creative process of problem solving, or when looking for new opportunities and challenges. Design thinking allows you who probably are not trained as designer to use creative tools to address a vast range of challenges. Do not expect a sudden breakthrough or the lightning strike of genius, but hard work augmented by a creative human-centered discovery process and followed by iterative cycles of empathising, defining, ideating, prototyping, testing, and refinement.

Are you asking yourself how you can work with human-centered design as an entrepreneur? How you can create new products, services or business models with the help of design thinking?



One way of implementing the design thinking process is by adapting and following a system of five overlapping modes<sup>25</sup>:

In the next pages you will be introduced to the design thinking process broken down into the above mentioned five modes. If you want to plan and run a design thinking project for your company, you might find the highlighted methods and tools particularly interesting and useful. These methods are a subset of the so called Bootcamp Bootleg<sup>26</sup> - a collection of design thinking tools - which was developed by one of the worldwide most well-known design thinking institutes, the Hasso Plattner Institute of Design at Stanford, aka the d.school. Adjust the methods and tools to the needs of your business field and create your own experience to design thinking. To reach the best results you should work in small multi-disciplinary teams - team members of your company or maybe even some inspiring friends who would like to support you- so all together you can uncover unexpected innovative solutions by combining your different point of views.

23 +Acument (2013): "An introduction to Human-Centered Design". (<[http://plusacumen.org/wp-content/uploads/2013/07/Week1\\_readings.pdf](http://plusacumen.org/wp-content/uploads/2013/07/Week1_readings.pdf)>, 13.11.2013).

24 Vianna, Maurício/Vianna, Ysmar/Adler, Isabel K./Lucena, Brenda/Russo, Beatriz (2011): "Design Thinking. Business Innovation." Rio de Janeiro: MJV Press. P. 16.

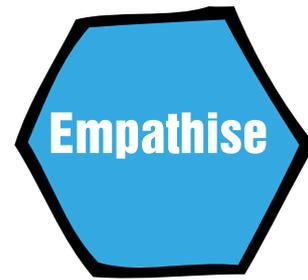
25 These five modes were defined by the Hasso Plattner Institute of Design at Stanford, aka the d.school. (<<http://dschool.stanford.edu/>>, 11.11.2013)

26 Hasso Plattner Institute of Design, Stanford University, d.school: "Bootcamp Bootleg". (<<http://dschool.stanford.edu/use-our-methods/>>, 07.09.2012).

So let's get started:

### 3.1. EMPATHISE<sup>27</sup>

Empathy is the centrepiece of a human-centered design process. The Empathise mode is the work you do to understand people. It is your effort to understand the way your customers do things and why, their physical and emotional needs, how they think about the world, and what is meaningful to them.



#### WHY empathise?

By watching people, you can capture physical manifestations of their experiences – what they do and say. This will allow you to infer the intangible meaning of those experiences in order to uncover insights. These insights give you direction to create innovative solutions. The best solutions come out of the best insights into human behaviour. But learning to recognise those insights is harder than you might think. Why? Because our minds automatically filter out a lot of information without our even realising it. We need to learn to assume a beginner's mindset.

#### Assume a Beginner's Mindset<sup>28</sup>

**Don't judge.** Just observe and engage users without the influence of value judgements upon their actions, circumstances, decisions, or “issues”.

**Question everything.** Question even (and especially) the things you think you already understand. Ask questions to learn about how the user perceives the world. Think about how a 4-year-old asks “Why?”

**Be truly curious.** Strive to assume a posture of wonder and curiosity, especially in circumstances that seem either familiar or uncomfortable.

**Find patterns.** Look for interesting threads and themes that emerge across interactions with users.

**Listen. Really.** Lose your agenda and let the scene soak into your psyche. Absorb what users say to you, and how they say it, without thinking about the next thing you're going to say.

<sup>27</sup> Hasso Plattner Institute of Design, Stanford University, d.school: “An Introduction to Design Thinking PROCESS GUIDE”. (<<https://dschool.stanford.edu/groups/dresources/>>, 10.09.2013).

<sup>28</sup> Hasso Plattner Institute of Design, Stanford University, d.school: “Bootcamp Bootleg”. (<<http://dschool.stanford.edu/use-our-methods/>>, 07.09.2012).

## HOW to empathise?<sup>29</sup>

To empathise, you:

- **Observe.** View users and their behaviour in the context of their lives; as much as possible do your observations in relevant contexts in addition to interviews. Some of the most powerful realisations come from noticing a disconnection between what someone says and what he does. Others come from a work-around someone has created which may be very surprising to you, but she may not even think to mention in conversation.
- **Engage.** Sometimes this technique is called ‘interviewing’ but it should really feel more like a conversation. Prepare some questions you’d like to ask, but expect to let the conversation deviate from them. Keep the conversation only loosely bounded. Elicit stories from the people you talk to, and always ask “Why?” to uncover deeper meaning. Engagement can come through both short ‘intercept’ encounters and longer scheduled conversations.
- **Watch and Listen.** Certainly you can, and should, combine observation and engagement. Ask someone to show you how they complete a task. Have them physically go through the steps, and talk you through why they are doing what they do. Ask them to vocalize what’s going through their mind as they perform a task or interact with an object. Have a conversation in the context of someone’s home or workplace – so many stories are embodied in artefacts. Use the environment to prompt deeper questions.

## What? How? Why?<sup>30</sup>

During observation mode, What? | How? | Why? is a tool that can help you drive to deeper levels of observation. This is also a particularly powerful technique for analysing photos.

**Set-up:** Divide a sheet into three sections: What?, How?, and Why?

**Start with concrete observations:** What is the person you are observing doing in a particular situation? Use descriptive phrases packed with adjectives and relative description

**Move to understanding:** How is the person you are observing doing what they are doing? Does it require effort? Do they appear rushed? Pained? Does the activity or situation appear to be impacting the user’s state of being either positively or negatively? Again, use many descriptive phrases as possible here.

**Step out on a limb of interpretation:** Why is the person you are observing doing what they are doing, and in a particular way that they are doing it? This step usually requires that you make informed guesses regarding motivation and emotions. Step out on a limb in order to project meaning into the situation that you have been observing. This step will reveal assumptions that you should test with users, and often uncovers unexpected realisations about a particular situation.

<sup>29</sup> Hasso Plattner Institute of Design, Stanford University, d.school: “An Introduction to Design Thinking PROCESS GUIDE”. (<<https://dschool.stanford.edu/groups/dresources/>>, 10.09.2013).

<sup>30</sup> Hasso Plattner Institute of Design, Stanford University, d.school: “Bootcamp Bootleg”. (<<http://dschool.stanford.edu/use-our-methods/>>, 07.09.2012).

## Interview for Empathy<sup>31</sup>

**Ask why.** Remember “beginner’s mindset”.

**Never say “usually”** when asking a question. Instead ask about a specific instance or occurrence, such as “tell me about the last time you...”

**Encourage stories.** Whether or not the stories people tell are true, they reveal how they think about the world. Ask questions that get people telling their stories.

**Look for inconsistencies.** Sometimes what people say and what they do are different. These inconsistencies often hide interesting insights.

**Pay attention to nonverbal cues.** Be aware of body language and emotions.

**Do not be afraid of silence.** Interviewers often feel the need to ask another question when there is a pause. If you allow for silence, a person can reflect on what they have just said and may reveal something deeper.

**Do not suggest answers to your questions.** Even if they pause before answering, do not help them by suggesting an answer. This can unintentionally get people to say things that agree with your expectations.

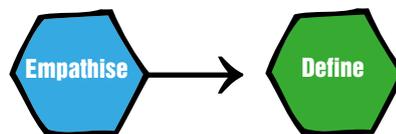
**Ask questions neutrally.** “What do you think about buying gifts for your spouse?” is a better question than “Don’t you think shopping is great?” because the first question does not imply that there is a right answer.

**Do not ask binary questions.** Binary questions can be answered in a word; you want to host a conversation built upon stories.

**Only ten words to a question.** Your user will get lost inside long questions.

**Only ask one question at a time, one person at a time.**

**Make sure you are prepared to capture.** Always interview in pairs. If this is not possible, you should use a voice recorder.



### Transition: Empathise >>> Define

**Unpack:** When you move from empathy work to drawing conclusions from that work, you need to process all the things you heard and saw in order to understand the big picture and grasp the takeaways of it all. Unpacking is a chance to start that process – sharing what you found with fellow team members and capturing the important parts in a visual form. Get all the information out of your head and onto a wall where you can start to make connections—post pictures of your user, post-its with quotes, maps of journeys or experiences—anything that captures impressions and information about your user. This is the beginning of the synthesis process, which leads into a ‘Define’ mode.

<sup>31</sup> Hasso Plattner Institute of Design, Stanford University, d.school: “Bootcamp Bootleg”. (<<http://dschool.stanford.edu/use-our-methods/>>, 07.09.2012).

## 3.2. DEFINE<sup>32</sup>

The Define mode of the design process is all about bringing clarity and focus to the design space. It is your chance, and responsibility, as a design thinker to define the challenge you are taking on, based on what you have learned about your user and about the context. After becoming an instant-expert on the subject and gaining invaluable empathy for the person you are designing for, this stage is about making sense of the widespread information you have gathered.



The goal of the Define mode is to craft a meaningful and actionable problem statement – this is what we call a point-of-view. This should be a guiding statement that focuses on insights and needs of a particular user, or composite character. Insights do not often just jump in your lap; rather they emerge from a process of synthesizing information to discover connections and patterns. In a word, the Define mode is sense-making.

The Define mode is an endeavour to synthesise your scattered findings into powerful insights. It is this synthesis of your empathy work that gives you the advantage that no one else has: discoveries that you can leverage to tackle the design challenge; that is, INSIGHT.

### HOW to define?

Consider what stood out to you when talking and observing people. What patterns emerge when you look at the set? If you noticed something interesting ask yourself (and your team) why that might be. In asking why someone had a certain behaviour or feeling you are making connections from that person to the larger context. Develop an understanding of the type of person you are designing for – your USER. Synthesize and select a limited set of NEEDS that you think are important to fulfil; you may in fact express a just one single salient need to address. Work to express INSIGHTS you developed through the synthesis of information you have gathered through empathy and research work. Then articulate a point-of-view by combining these three elements – user, need, and insight – as an actionable problem statement that will drive the rest of your design work.

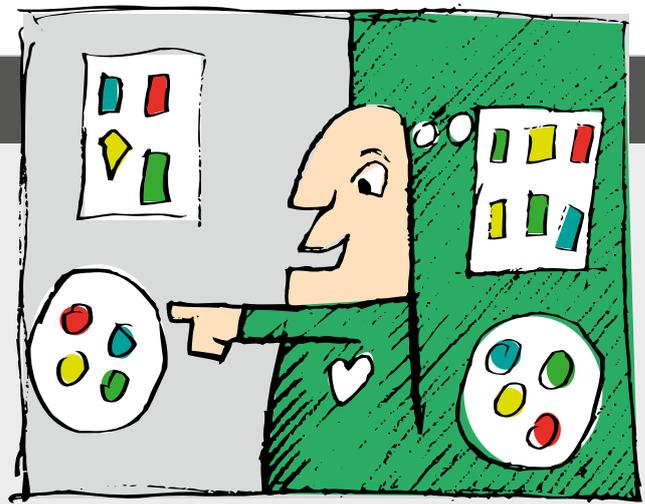
A good point-of-view is one that:

- Provides focus and frames the problem
- Inspires your team
- Informs criteria for evaluating competing ideas
- Empowers your team to make decisions independently in parallel
- Captures the hearts and minds of people you meet
- Saves you from the impossible task of developing concepts that are all things to all people (i.e. your problem statement should be discrete, not broad.)

<sup>32</sup> Hasso Plattner Institute of Design, Stanford University, d.school: "An Introduction to Design Thinking PROCESS GUIDE". (<<https://dschool.stanford.edu/groups/dresources/>>, 10.09.2013).

## Empathy Map <sup>33</sup>

Good design is grounded in a deep understanding of the person for whom you are designing. Designers have many techniques for developing this sort of empathy. An Empathy Map is one tool to help you synthesise your observations and draw out unexpected insights.



### UNPACK:

Create a four quadrant layout on paper or a whiteboard. Populate the map by taking note of the following four traits of your user as you review your notes, audio, and video from your fieldwork:

**SAY:** What are some quotes and defining words your user said?

**DO:** What actions and behaviours did you notice?

**THINK:** What might your user be thinking? What does this tell you about his or her beliefs?

**FEEL:** What emotions might your subject be feeling?

Note that thoughts/beliefs and feelings/emotions cannot be observed directly. They must be inferred by paying careful attention to various clues. Pay attention to body language, tone, and choice of words.

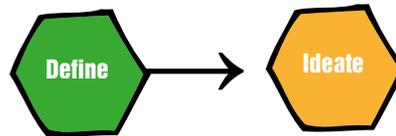
### IDENTIFY NEEDS:

“Needs” are human emotional or physical necessities. Needs help define your design challenge. Remember: Needs are verbs (activities and desires with which your user could use help), not nouns (solutions). Identify needs directly out of the user traits you noted, or from contradictions between two traits – such as a disconnection between what she says and what she does. Write down needs on the side of your Empathy Map.

### IDENTIFY INSIGHTS:

An “Insight” is a remarkable realisation that you could leverage to better respond to a design challenge. Insights often grow from contradictions between two user attributes (either within a quadrant or from two different quadrants) or from asking yourself “Why?” when you notice strange behaviour. Write down potential insights on the side of your Empathy Map. One way to identify the seeds of insights is to capture “tensions” and “contradictions” as you work.

<sup>33</sup> Hasso Plattner Institute of Design, Stanford University, d.school: “Bootcamp Bootleg”. (<<http://dschool.stanford.edu/use-our-methods/>>, 07.09.2012).



## Transition: Define >>> Ideate

In the Define mode you determine the specific meaningful challenge to take on, and in the Ideate mode you focus on generating solutions to address that challenge. A well-scoped and -articulated point-of-view will lead you into ideation in a very natural way. In fact, it is a great litmus test of your point-of-view to see if brainstorming topics fall out.

A great transition step to take is to create a list of “How-Might-We . . .?”<sup>34</sup> brainstorming topics that flow from your problem statement. These brainstorming topics typically are subsets of the entire problem, focusing on different aspects of the challenge. Then when you move into ideation you can select different topics, and try out a few to find the sweet spot of where the group can really churn out a large quantity of compelling ideas.

### “How might we...?”<sup>35</sup>

In order to do so, you should launch brainstorming by using “How might we...?” questions.

Ideally you do this exercise in a group. The seed for your ideation are the “Point of View” or problem statements. Break that larger challenge up into smaller actionable pieces. Look for aspects of the statement to complete the sentence, “How might we...”.

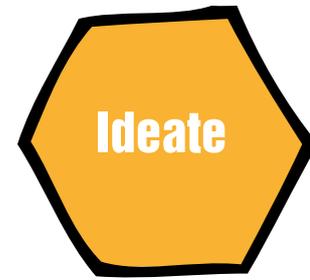
For example, between the too narrow “How might we create a cone to eat ice cream without dripping?” and the too broad “How might we redesign dessert?” might be the properly scoped “How might we redesign ice cream to be more portable?”

It should be noted, that the proper scope of the seed will vary with the project.

<sup>34</sup> The “How-Might-We...?” exercise is also described in the netnography part of the article. P. 31.

<sup>35</sup> Hasso Plattner Institute of Design, Stanford University, d.school: “Bootcamp Bootleg”. (<<http://dschool.stanford.edu/use-our-methods/>>, 07.09.2012).

### 3.3. IDEATE<sup>36</sup>



#### WHAT is the Ideate mode?

Ideate is the mode of the design process in which you concentrate on idea generation. Mentally it represents a process of “going wide” in terms of concepts and outcomes. Ideation provides both the fuel and also the source material for building prototypes and getting innovative solutions into the hands of your users.

Particularly early in a design project, ideation is about pushing for a widest possible range of ideas from which you can select, not simply finding a single, best solution. The determination of the best solution will be discovered later, through user testing and feedback.

#### HOW to ideate?

You ideate by combining your conscious and unconscious mind, and rational thoughts with imagination. For example, in a brainstorm<sup>37</sup> you leverage the synergy of the group to reach new ideas by building on others’ ideas. Adding constraints, surrounding yourself with inspiring related materials, and embracing misunderstanding all allow you to reach further than you could by simply thinking about a problem.

#### Brainstorming<sup>38</sup>

“Simple” Brainstorming is also a great way to come up with a lot of ideas. The intention of brainstorming is to leverage the collective thinking of the group, by engaging with each other, listening, and building on each other ideas. Set aside a period of time (15-30 minutes) when your team will be in “brainstorm mode” – where the goal is to come up with as many ideas as possible, and when judgement will not come into the discussion. Write down clearly what you are brainstorming. Using a “How might we...?” question is a great way to frame a brainstorm. You can capture the ideas by scribing and visually capturing on the board ideas that team members call out or by letting the team members write down each of their ideas, verbally share it with the group and stick it on the board.

Another ideation technique is building – that is, prototyping itself can be an ideation technique. In physically making something you come to points where decisions need to be made; this encourages new ideas to come forward. There are other ideation techniques such as bodystorming, mindmapping, and sketching. But one theme throughout all of them is deferring judgment – that is, separating the generation of ideas from the evaluation of ideas. In doing so, you give your imagination and creativity a voice, while placating your rational side in knowing that you will get to the examination of merits later.

36 Hasso Plattner Institute of Design, Stanford University, d.school: “An Introduction to Design Thinking PROCESS GUIDE”. (<<https://dschool.stanford.edu/groups/dresources/>>, 10.09.2013).

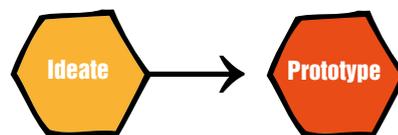
37 The “Brainstorming” exercise is also described in the netnography part of the article. P. 31.

38 Hasso Plattner Institute of Design, Stanford University, d.school: “Bootcamp Bootleg”. (<<http://dschool.stanford.edu/use-our-methods/>>, 07.09.2012).

Bodystorming is a unique method that spans empathy work, ideation, and prototyping. Bodystorming is a technique of physically experiencing a situation to derive new ideas. It requires setting up an experience – complete with the necessary artefacts and people – and physically “testing” it. Bodystorming can also include physically changing your space during ideation. What you’re focused on here is the way you interact with your environment and the choices you make while in it.

We bodystorm in order to generate unexpected ideas that might not be realised by talking or sketching. We bodystorm in order to help create empathy in the context of possible solutions for prototyping. If you’re stuck in your ideation phase, you can bodystorm in the context of a half-baked concept to get you thinking about alternative ideas. Designing a coffee bar? Set up a few foam cubes and “order” a coffee! Bodystorming is also extremely useful in the context of prototyping concepts. Have a couple concepts you’re testing?

Bodystorm with both of them to help you evaluate them. Developing any sort of physical environment demands at least a few bodystorms. This a straight-forward method, but one that is only useful if you fully engage with it. **Get physical!** If you are trying to ideate in the context of hospital patients, try walking through the experience to come up with new ideas. If you are designing products for the elderly, rub some Vaseline on your glasses to view the world through older eyes. Bodystorm by moving around and becoming aware of the physical spaces and experiences related to your solutions. Pay close attention to decision-making directly related to your environment and related emotional reactions. Dig into the “WHY”!

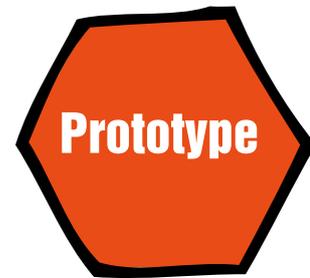


### Transition: Ideate >>> Prototype

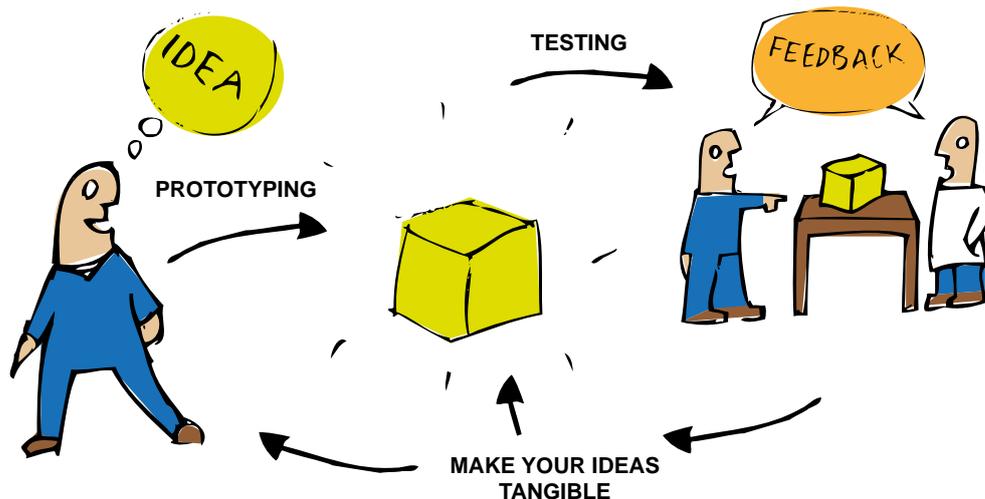
In order to avoid losing all of the innovation potential you have just generated through ideation, we recommend a process of considered selection, by which you bring multiple ideas forward into prototyping, thus maintaining your innovation potential. As a team, designate three voting criteria (we might suggest “the most likely to delight,” “the rational choice,” “the most unexpected” as potential criteria, but they’re really up to you) to use to vote on three different ideas that your team generated during brainstorming. Carry the two or three ideas that receive the most votes forward into prototyping. In this way, you preserve innovation potential by carrying multiple ideas forward—a radically different approach than settling on the single idea that at least the majority of the team can agree upon.

<sup>39</sup> Hasso Plattner Institute of Design, Stanford University, d.school: “Bootcamp Bootleg”. (<<http://dschool.stanford.edu/use-our-methods/>>, 07.09.2012).

### 3.4. PROTOTYPE<sup>40</sup>



The Prototype mode is the iterative generation of artefacts intended to answer questions that get you closer to your final solution. In the early stages of a project that question may be broad – such as “do my users enjoy cooking in a competitive manner?” In these early stages, you should create low-resolution prototypes that are quick and cheap to make (think minutes and cents) but can elicit useful feedback from users and colleagues. In later stages both your prototype and question may get a little more refined. For example, you may create a later stage prototype for the cooking project that aims to find out: “do my users enjoy cooking with voice commands or visual commands”.



A prototype can be anything that a user can interact with – be it a wall of post-it notes, a gadget you put together, a role-playing activity, or even a storyboard. Ideally you bias toward something a user can experience. Walking someone through a scenario with a storyboard is good, but having them role-play through a physical environment that you have created will likely bring out more emotions and responses from that person.

#### WHY prototype?

- **To ideate and problem-solve:** Build to think.
- **To communicate:** If a picture is worth a thousand words, a prototype is worth a thousand pictures.
- **To start a conversation:** Your interactions with users are often richer when centered around a conversation piece. A prototype is an opportunity to have another, directed conversation with a user.
- **To fail quickly and cheaply:** Committing as few resources as possible to each idea means less time and money invested up front.
- **To test possibilities:** Staying low-res allows you to pursue many different ideas without committing to a direction too early on.
- **To manage the solution-building process:** Identifying a variable also encourages you to break a large problem down into smaller, testable chunks.

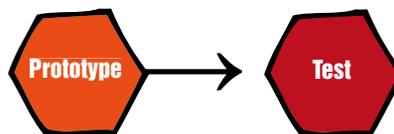
<sup>40</sup> Hasso Plattner Institute of Design, Stanford University, d.school: “An Introduction to Design Thinking PROCESS GUIDE”. (<<https://dschool.stanford.edu/groups/dresources/>>, 10.09.2013).

**Start building.** Even if you are not sure what you are doing, the act of picking up some materials (paper, tape, and found objects are a good way to start!) will be enough to get you going.

**Don't spend too long on one prototype.** Move on before you find yourself getting too emotionally attached to any one prototype.

Build with the user in mind. What do you hope to test with the user? What sorts of behaviour do you expect? Answering these questions will help focus your prototyping and help you receive meaningful feedback in the testing phase.

**ID a variable.** Identify what's being tested with each prototype. A prototype should answer a particular question when tested.



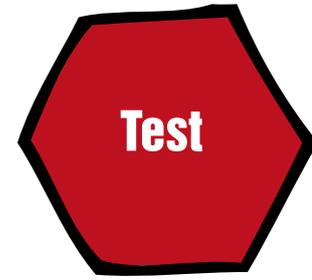
### Transition: Prototype >>> Test

Prototype and Test are modes that you consider in tandem more than you transition between. What you are trying to test and how you are going to test that aspect are critically important to consider before you create a prototype.

Examining these two modes in conjunction brings up the layers of testing a prototype. Though prototyping and testing are sometimes entirely intertwined, it is often the case that planning and executing a successful testing scenario is a considerable additional step after creating a prototype. Don't assume you can simply put a prototype in front of a user to test it; often the most informative results will be a product of careful thinking about how to test in a way that will let users give you the most natural and honest feedback.

41 Hasso Plattner Institute of Design, Stanford University, d.school: "Bootcamp Bootleg". (<<http://dschool.stanford.edu/use-our-methods/>>, 07.09.2012).

## 3.5. TEST<sup>42</sup>



### WHAT is the Test mode?

The Test mode is when you solicit feedback, about the prototypes you have created, from your users and have another opportunity to gain empathy for the people you are designing for. Testing is another opportunity to understand your user, but unlike your initial empathy mode, you have now likely done more framing of the problem and created prototypes to test. Both these things tend to focus the interaction with users, but don't reduce your "testing" work to asking whether or not people like your solution. Instead, continue to ask "Why?", and focus on what you can learn about the person and the problem as well as your potential solutions.

Ideally you can test within a real context of the user's life. For a physical object, ask people to take it with them and use it within their normal routines. For an experience, try to create a scenario in a location that would capture the real situation. If testing a prototype in a situation is not possible, frame a more realistic situation by having users take on a role or task when approaching your prototype. A rule of thumb: always prototype as if you know you're right, but test as if you know you're wrong—testing is the chance to refine your solutions and make them better.

### Test with Users<sup>43</sup>

Use a deliberate procedure when you test.

- 6) **Let your user experience the prototype:** Show don't tell. Put your prototype in the user's hands (or your user in the prototype) and give just the minimum context so they understand what to do. Don't explain your thinking or reasoning for your prototype.
- 7) **Have them talk through their experience:** For example, when appropriate, as the host, ask "Tell me what you are thinking as you are doing this?"
- 8) **Actively observe:** Watch how they use (and misuse!) what you have given them. Don't immediately "correct" what your user/tester is doing.
- 9) **Follow up with questions:** This is important; often this is the most valuable part of testing. "Show me why this would [not] work for you." "Can you tell me more about how this made you feel?" "Why?" Answer questions with questions (i.e. "well, what do you think that button does?").

<sup>42</sup> Hasso Plattner Institute of Design, Stanford University, d.school: "An Introduction to Design Thinking PROCESS GUIDE". (<<https://dschool.stanford.edu/groups/dresources/>>, 10.09.2013).

<sup>43</sup> Hasso Plattner Institute of Design, Stanford University, d.school: "Bootcamp Bootleg". (<<http://dschool.stanford.edu/use-our-methods/>>, 07.09.2012).

Human-centered design is a process broken into a set of tools. You can pick and choose which techniques work best for your context and your situation. <sup>44</sup>

### Iteration and making the process your own<sup>45</sup>

Iteration is a fundamental of good design. Iterate both by cycling through the process multiple times, and also by iterating within a step—for example by creating multiple prototypes or trying variations of a brainstorming topics with multiple groups. Generally as you take multiple cycles through the design process your scope narrows and you move from working on the broad concept to the nuanced details, but the process still supports this development.



For simplicity, the process is articulated here as a linear progression, but design challenges can be taken on by using the design modes in various orders; furthermore there are an unlimited number of design frameworks with which to work. The process presented here is one suggestion of a framework; ultimately you will make the process your own and adapt it to your style and your business field. Hone your own process that works for you. Most importantly, as you continue to practice innovation you take on a designerly mindset that permeates the way you work, regardless of what process you use.

Traditionally design thinking was used for enhancing the look and the functionality of products or services. This special approach and set of tools can be also broadened and used to develop better solutions for social problems, such as e.g. finding ways to provide low-cost health care or clean and potable water throughout the world.<sup>46</sup> As design thinking focusses most of all on the human being, it gives voice to people and to communities, who are facing the most challenging problems of our world. It allows their desires to guide the creation and implementation of solutions. IDEO, the iconic design and innovation consulting firm developed a complete human-centered toolkit which can be very useful for social entrepreneurs.<sup>47</sup>

44 Hasso Plattner Institute of Design, Stanford University, d.school: "Bootcamp Bootleg". (<<http://dschool.stanford.edu/use-our-methods/>>, 07.09.2012).  
45 Hasso Plattner Institute of Design, Stanford University, d.school: "An Introduction to Design Thinking PROCESS GUIDE". (<<https://dschool.stanford.edu/groups/dresources/>>, 10.09.2013).  
46 Brown, Tim/Wyatt, Jocelyn (Winter 2010): "Design Thinking for Social Innovation". In: Stanford Social Innovation Review". (<[http://www.ssireview.org/articles/entry/design\\_thinking\\_for\\_social\\_innovation](http://www.ssireview.org/articles/entry/design_thinking_for_social_innovation)>, 19.11.2013).  
47 IDEO: "Human Centered Design Toolkit". Second Edition. (<<http://www.ideo.com/work/human-centered-design-toolkit/>>, 07.08.2013)

## 4. Netnography – Ethnography conducted online<sup>48</sup>

Could we nowadays truly provide a meaningful portrayal of consumers without referencing and analysing also the content of online-forums, e-mails, instant messages and corporate websites? Most probably not.

In 1996, there were approximately 250.000 sites offering published content to the online world of approximately 45 million global users, who were mainly located in North America and Western Europe. In 2012, there are over 2.4 billion users of the Internet accounting for 34 per cent of the world's population. These users all around the world are actively communicating with one another: The farmer in Austria who belongs to a milk-production co-operative, and actively posts to the group's bulletin board between meetings or the Italian green tech entrepreneur who regularly uses social networking sites for advice, support and advertisement.

No doubt, our social worlds are going digital, with perhaps hundreds of millions of people interacting through various online communities. For corporate ethnography to understand their world and stay current, the research methods must follow. In the field of consumer and marketing research, online ethnographies have become a widely accepted form of research. The special approach of ethnography applied to the study of online cultures and communities is called “netnography”.

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*“Netnography [interNET & ethNOGRAPHY] is a qualitative and explorative research approach to analyze the consumer dialogue in online communities in order to gain unbiased consumer insights. The empathic and non-obtrusive online observation and listening allows deep understanding of explicitly verbalized and implicitly existing need- and solution-information of highly involved consumers. Netnography is a great approach for consumer centric (open) innovation and cocreation. Conducted by interdisciplinary project teams of researchers and designers the derived insights are directly transferred into initial product solutions for the early stages of the innovation process.”<sup>49</sup>*

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You will find online communities are a perfect source of innovation and doing netnography. It is somehow easier to begin with than engaging onsite with consumers. You do not need to be a researcher to find out insights about your consumers, but it might be an advantage if you have an interdisciplinary team, so you can interpret the data from different perspectives and come up with a variety of possible solutions.

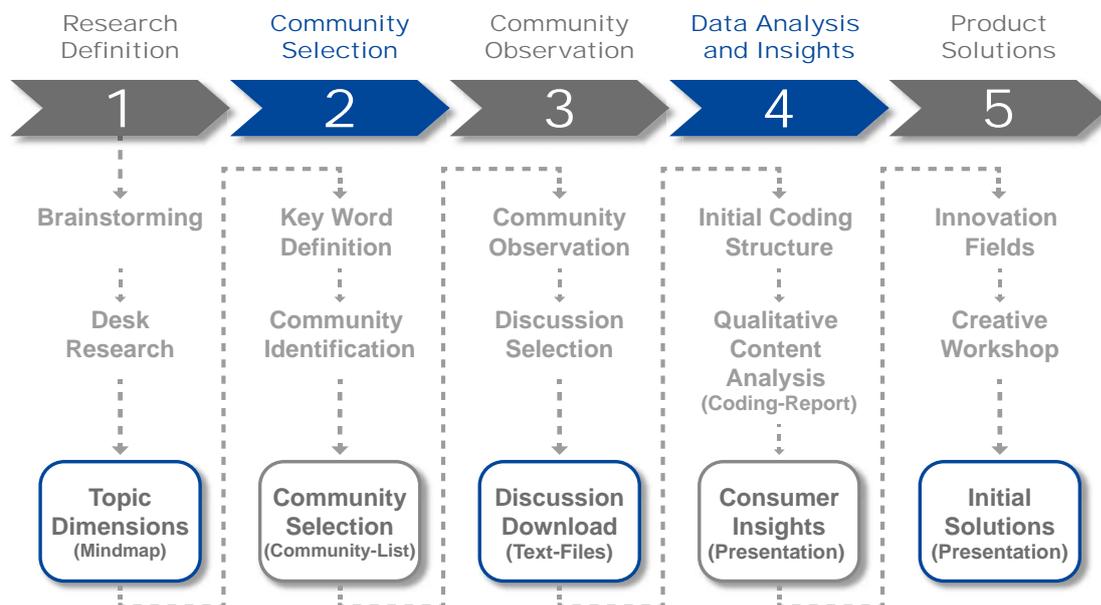
You will find out that social media helps consumers to be empowered and unleash their creative potential. In fact the digital world enables conversations that were not possible before. Consumers seek for information, review products, recommend or complain. You will also be surprised, but online communities exist for nearly every imaginable interest.

<sup>48</sup> Kozinets, Robert (2009): “Netnography: Doing Ethnographic Research Online”. London: SAGE Publications. P. 1-7.

<sup>49</sup> Hück, Steffen (2010): “Netnography. Insights2.0 derived from Online-Communities”.(<<http://de.slideshare.net/netnography-insights20-derived-from-onlinecommunities>>, 14.11.2013).

Are you curious about how to use netnography for your business and where to start?

A regular netnographic research follows a 5-step process.<sup>50</sup> It has a flexible study design and depending on your results you may need to rearrange or recycle these steps:



#### 4.1. Define your research topic

Select a topic that interests you. Brainstorm in a team and try to do some desk research in order to find basic information and to define the dimensions of your topic. Depending on the information available you may need to refine your topic. If your initial search renders too little information, try to broaden your topic. If your initial search renders too much information, you will need to narrow it down. Remember, selecting a topic is the most important decision you will make in the research process.

Depending on your overall research question, maybe you might be interested in finding out the following about your consumer:

- What influences him/her?
- How does he/she think?
- What can I see through his/her eyes?
- What are his/her daily rituals and habits of usage?
- What does he/she say and how does he/she say it?
- What drives him/her?
- What does he/she like or dislike?
- How does he/she encounter problems?
- What could I do to improve my product/service for him/her?

<sup>50</sup> Hück, Steffen (2010): "Netnography. Insights2.0 derived from Online-Communities". (<<http://de.slideshare.net/netnography/netnography-insights20-derived-from-onlinecommunities>>, 14.11.2013).

## 4.2. Identify valuable consumers and appropriate online forums for your company

You might take quantitative and qualitative filters into consideration:

Quantitative Filter	Qualitative Filter
Number of posts	Involvement
Replies and views on user's posts	Expertise
Frequency of posting (per week)	Reputation
...	...

Remember, online communities exist for nearly every imaginable interest. If you are e.g. an entrepreneur serving a very specific industry segment, let's say the hygiene industry with professional cleaning equipment, you might be interested in online communities, such as:

- Forums for industrial hygiene or related associations
- Discussion forums for industrial hygiene professionals or certified industrial hygienists
- Forums on home hygiene or hygiene products etc.

In order to have good results, you should not only involve representative people and settings into your research, but also extreme people and analogous cases. "Extreme people" are people at the margins of the topic. In case of the hygiene industry this might be on the one hand people who use your product every single day - the professional users, but also people who use it in their homes where they want to keep an extreme high hygiene standard, but on the other hand also people who do not use it at all even if they ignore some regulations by doing so. "Analogue cases" are situations with characteristics similar to our core domain of interest, but that will provide us with new models for thinking, such as forums about household cleaning and hygiene. This approach might reveal new insights and help magnify details that you might otherwise overlook.

### 4.3. Collect Data

In a first step you should fully disclose your presence, affiliations, and intentions to the online community members. The best way to start your project is to act like a new community member, but identify and explain yourself in a post. You can start to contribute, to be creative and interesting. Keep in mind “giving before taking”.

#### Observe

Observe the community and its members, interactions and meanings. “Listen” to natural occurring unbiased consumer conversations and document relevant data.



#### Evaluate

In a next step review the conversations for usefulness and relevancy to your topic. It is time to let go of some of the detail and evaluate the quality of your information. The basic evaluation criteria might be as follows:

**Authority:** Who is the author of the text? Probably the most enthusiastic, actively involved and sophisticated users will be your most important data sources, but also the not that actively involved community members might be just as valuable, in particular when it comes to sensitive topics. They feel free to speak without necessarily being forced to reveal their true identity.

**Objectivity:** What is the purpose of the information? Is there a bias?

**Currency:** Is the information up-to-date?

**Coverage:** What is the scope of the information? What does it focus on?

Try to concentrate on the information that you find surprising, interesting, or worth pursuing.

## 4.4. Explore the hot topics of involved customers and gain insights

In this phase you may want to use post-its as they might help you to unpack thoughts into tangible and visual pieces of information.

### Hot Topics

Try to answer the following questions and write the answers on post-its. Use different post-its for different answers.

- What are the hot topics of the online community?
- What are some quotes and defining words your consumers used?
- What are their experiences?
- What actions are they taking?
- What behaviours did you notice?
- What might your consumers be thinking?
- What are their desires?
- What are they satisfied/unsatisfied with?
- What are their challenges?

### Synthesise

Next, start organising and check if some of the information is linked? If so, aggregate them and organise the post-its into groups of related parts.

After that you can use following structure in order to synthesise your data into interesting findings and create insights which will be useful to you in creating solutions for your consumers:



## Essence

- What are the crucial elements of your consumers' conversations?
- What is the core information?
- What are the defining words?

## Implication

- What might your consumers be thinking?
- What conclusions can you draw even if it is not explicitly stated?
- What do your consumers suggest without maybe saying directly?

## Understanding

- How can you link all this information so it makes sense to you?

## Relevance

- What are their challenges?
- What are their needs?

"Needs" are human emotional or physical necessities. Needs help in defining your design challenge. Remember: Needs are verbs (activities and desires with which your consumer could use help), not nouns (solutions).<sup>51</sup>

**Insights:** Insights are revelations – the unexpected things that make you sit up and pay attention. They allow you to see your challenge in a new light.

## Point of View / Problem Statement

In order to harmonise the three elements: user/consumer, need, and insight you could use the to fill in following so called "Point of View" or problem statement:

\_\_\_\_\_

*[USER] needs to [USER'S NEED] because [SURPRISING INSIGHT]*

\_\_\_\_\_

Try out a number of options, play with each variable and the combination of them. The insight should not be simply a reason for the need, but rather a synthesized, intriguing statement that you can leverage in designing a solution.<sup>52</sup>

## P.O.I.N.T.

You can also structure differently and work with another technique called P.O.I.N.T. which focusses on the following categories<sup>53</sup>:

P = Problems O = Obstacles I = Insights N = Needs T = Themes

51 Hasso Plattner Institute of Design, Stanford University, d.school: "Bootcamp Bootleg". (<<http://dschool.stanford.edu/use-our-methods/>>, 07.09.2012).

52 Hasso Plattner Institute of Design, Stanford University, d.school: "Bootcamp Bootleg". (<<http://dschool.stanford.edu/use-our-methods/>>, 07.09.2012).

53 IDEO: "Human Centered Design Toolkit". 2nd Edition. (<<http://www.ideo.com/work/human-centered-design-toolkit/>>, 07.08.2013). P. 109.

## 4.5. Transfer insights into initial solutions

### “How might we?”<sup>54</sup>

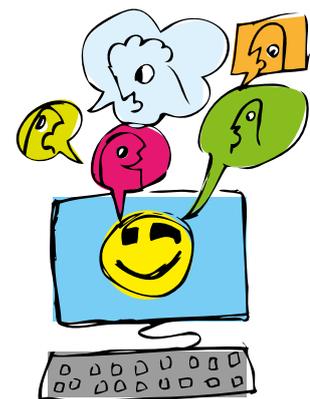
In order to do so, you should launch brainstorms by using “How might we...?” questions. Ideally you do this exercise in a group. The seed for your ideation are the “Point of View” or problem statements. Break that larger challenge up into smaller actionable pieces. Look for aspects of the statement to complete the sentence, “How might we...”.<sup>55</sup>



### Brainstorming<sup>56</sup>

“Simple” Brainstorming is also a great way to come up with a lot of ideas. The intention of brainstorming is to leverage the collective thinking of the group, by engaging with each other, listening, and building on each other ideas. Set aside a period of time (15-30 minutes) when your team will be in “brainstorm mode” – when the goal is to come up with as many ideas as possible, and when judgement will not come into the discussion. Write down clearly what you are brainstorming. Using a “How might we...?” question is a great way to frame a brainstorm. You can capture the ideas by scribing and visually capturing on the board ideas that team members call out or by letting the team members write down each of their idea, verbally share it with the group and stick it on the board.<sup>57</sup>

Netnography has a dynamic research design, which also means that it gives you the possibility to fail and learn from your mistakes. You might come up with new ideas, solutions, present them to your online community and get feedback on them, then iterate based on their comments. Remember that several great minds are always stronger when solving a challenge than just one. Benefit from the multiple perspectives of your online community. As an entrepreneur you can use netnography for co-creation with an interested party of engaged people. If you approach them in an ethically correct way, both of the parties – you and your consumers – will profit from it.



But lastly keep also in mind: Online communities might be great because they are anonymous. They might be also terrible because they are anonymous. Without the benefit of body language, tone of voice and context, the digital world might also be a “dangerous” place to draw insights. People tend to magnify elements of their personality online and it is often hard to know how

<sup>54</sup> Hasso Plattner Institute of Design, Stanford University, d.school: “Bootcamp Bootleg”. (<<http://dschool.stanford.edu/use-our-methods/>>, 07.09.2012).

<sup>55</sup> The “How-Might-We...?” exercise is also described in the Human-centered Design part of the article. P. 19.

<sup>56</sup> Hasso Plattner Institute of Design, Stanford University, d.school: “Bootcamp Bootleg”. (<<http://dschool.stanford.edu/use-our-methods/>>, 07.09.2012).

<sup>57</sup> The “Brainstorming” exercise is also described in the Human-centered Design part of the article. P. 19.

genuine people are in their convictions or opinion. The emotional intent of your respondents can also be really hard to read and interpret. Therefore combine your netnography with onsite research and also engage your team to deliver richer and more relevant insights. The insights and initial solutions discovered with help of the netnography research can be integrated into the design thinking process. You can develop prototypes and get feedback from your customers to refine and finalise your solutions for them.

## Afterword

This article intended to shift your perspective and invited you to see the world around you with more empathy and understanding of the needs and motivations of people. By internalising this empathy based mindset and by using the set of techniques that were presented you can improve your creative abilities and transform difficult challenges to opportunities. The new awareness of understanding your consumers is a competitive necessity which will help you to find new solutions that meet their requirements and inarticulate needs.

To conclude, here a last guiding thought on your path to becoming an empathic and human-centered entrepreneur from the Danish Philosopher Søren Kirkegaard (1813-1855). He made perhaps the most succinct statement about empathy. Being an entrepreneur is not just about running a business, but it might be about much more, it might be about serving the good of all and becoming a change-maker. Keep it in mind if you want to understand how the world is moving, what is coming next and how to innovate for people:

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*“If you really want to help somebody, first of all you must find him where he is and start there. This is the secret of caring. If you cannot do that, it is only an illusion if you think you can help another human being. Helping somebody implies your understanding more than he does, but first of all you must understand what he understands. If you cannot do that, your understanding will be of no avail ... the helper must be humble in his attitude towards the people he wants to help. He must understand that helping is not dominating, but serving. Caring implies patience as well as acceptance of not being right and of not understanding what the other person understands.”*

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