SUCCESS STORY
Airbnb

The human approach to business

Creativity and empathy, the keys for applying this methodology

If you see things, you think better

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INNOVATION TRENDS SERIE
Some years ago, when the Swiss company Zyliss tasked IDEO with creating a new line of kitchen utensils, the first thing we did was to study children and professional cooks, even though none of them had nothing directly to do with the product. But that was precisely the reason the two groups provided such valuable information. A seven-year-old girl who struggled with a can-opener made us think of all the physical difficulties that adults have learned to conceal. The “short-cuts” and tricks of a restaurant chef revealed interesting aspects of equipment maintenance, due to the exceptional cleaning and hygiene demands.

Design Thinking, the human approach to business

The method aims to deal with the challenges of managing a company in the same way that designers tackle design problems.
This is one of the examples to be found in the book entitled Change by Design by Tim Brown, the father of Design Thinking and CEO and chairman of IDEO. The method uses a holistic philosophy to deal with the challenges of managing a company in the same way designers tackle design problems. And how do the designers do it? At the outset, the first phase involves defining the needs of the through observation and immersion. The second phase is brainstorming and experimentation to come up with all possible ideas before making the final prototype. The third stage is running a number of tests to improve the outcome before implementing the final prototype.
All this in an atmosphere that has to nourish the workers’ most creative side. As Brown says:

“Creative teams must be given the chance to share ideas not only through words, but also visually and physically.

Personally I don’t handle reports very well, I feel more comfortable in a room with a group where someone shows a chart, someone else takes notes on a post-it or uploads photos to the wall, and yet another person sitting on the floor tries to make a quick prototype (...) IDEO, for example, assigns “project rooms” for its teams during the time their mission lasts (...).”
"The project spaces are large enough that the accumulated research materials, photos, storyboards, concepts, and prototypes can be out and available all of the time. The simultaneous visibility of these project materials help us identify patterns and encourages creative synthesis to occur much more readily than when these resources are hidden away in file folders, notebooks, or PowerPoint decks...” in Tim Brown, IDEO.
If you take a look at a project room you'll see prototypes all over the floor (...) You'll see utensils ranging from knives to box-cutters and including Scotch tape.”

Tim Brown, IDEO.
The Design Thinking model has five clearly defined steps:
Empathy

You have to know the people and the users. Putting yourself in the end user’s shoes observing in an empathetic way. Understanding the customer not as a customer, but as a human being, as a person who has needs, who moves and lives in a context, and has a series of needs that can be satisfied.
Definition

The problem needs to be clearly defined in order to satisfy a need, through creativity. the solution so you can reach it.
Ideas

All ideas are valid. The basis of creativity is imagination. Design Thinking is not only launching new products or services, but to ensure that none of the areas in the company becomes obsolete.
Prototypes

Use vision. Seeing and feeling a prototype is worth more than a printed image on.
Evaluation

Evaluating is measuring. Feedback. Give users the prototype without any them have the experience of holding it and being able to compare it with another similar product. You need to understand their environment and their motivations, and to consider to what extent a proposed solution has ramifications that go beyond simply using or consuming that product, but may also sometimes even have social implications.
For Tom Kelley, a partner in IDEO, the model is "a mixture of humanity and technology". As he says in this interview with El Mundo: “When you bring people together from different parts of the economy or public life, the one thing they have in common is that they are human. If you apply a human-centered approach to business, politics, art, everyone will support that point of view or philosophy. It is this common ground that we nurture”. Kelley also notes: "Long-term innovation is not expensive, what’s expensive is being mediocre”. And he points out that his model “is for optimists".
Creativity and empathy, the keys for applying this methodology

Adam Royalty, Hannah Lippe and Daniel Stringer, teachers at the d.school at the University of Stanford, outline this process with practical exercises to encourage creativity and empathy.
If they had to agree on a brief and straightforward definition of what the Design Thinking methodology is, all the experts would probably describe it as

“A good tool to help find a creative solution for a problem”
Implementation

And the very first questions that come up are: how does it work? What do I have to do? Adam Royalty, Hannah Lippe and Daniel Stringer, teachers at the d.school at the University of Stanford, have a one-word answer to that question: creativity.

However the word creativity probably triggers an array of protests, of which the most frequent is “I’m not creative”.

These young teachers are here to prove this is wrong, because the key lies in having empathy, in making the effort to know the person, know what they need, what they want, what they desire.

Adam Royalty gives some tips for learning part of this creative process:

**People.** Make sure not to be remote from them, from how they live their lives.

**Innovators.** Invest in people, encourage creativity, to help them become innovative people in the future.

**Trust.** Help people recapture that playful creativity they had in childhood. We have to help give free rein to creativity.

**Learning.** This can all be achieved by learning through experience, as a way of embracing the Design Thinking.
One of these experiences involved actually being able to take part in this process. At the FinDesign event in the BBVA Innovation Center, these three teachers showed over 100 people how to apply these guidelines in Design Thinking methodology.

The exercises were simple, fun, emotional and very creative. Hannah Lippe broke the ice by “making” the participants introduce the people sitting next to them.

The first timid greetings gradually evolved into selfies and a minor commotion. The fun started when Hannah asked the participants to greet someone who “doesn’t smell very nice”, and then a friend they hadn’t seen for over ten years.
"It’s very important to engage the body and mind in the creative thinking process. **Empathy is fundamental for identifying the skills of the people around us**, says Lippe when defining this process.

And to reinforce empathy, what could be better than another exercise? Hannah proposes drawing your ideal wallet in three minutes. But then comes the key exercise: “interviewing” your partner, finding out what he or she wants in a wallet, how he would use it... It's the other person’s knowledge that will give you the key to the design.

Once again after the exercise, you have to write just a few words describing what you’ve extracted from that “chat”: what her wishes are, her most important need.

By now we know the person and we’ve identified the problems, but not the solutions. Daniel Stringer suggested conducting a team **brainstorming session**, but pointed out that although it seems incredible, we need to follow some rules before working on other people’s ideas.
“Yes, and...”. This expression is the key to those rules. When someone proposes an idea, don’t just tear it down without adding or supplementing it with some new insights. “It’s not a case of selling your ideas, but of achieving more information about everyone else”. Once you’ve gathered all the information, then you can think about a design.  

This process also allows you to get to know other people, which leads to opportunities to innovate because you come to different conclusions when you combine different knowledge and ways of thinking. With these ideas in a group, the concentration is different and the process is enriched by working in a team.
What the d.school encourages most in students is to work on their self-confidence. “There’s a tremendous need to work on your own self-confidence, because that’s what ultimately unblocks people’s potential”, says Hannah Lippe. “Young people are hoping to be given an opportunity to be creative”.

In the same line, Daniel Stringer explains that there are different ways of deploying these processes in a company. “It’s important to assess each case carefully. Sometimes the most effective way is to capture the imagination of the CEO, whereas at other times the best thing is to organize small courses and then form a small group of the most motivated people so they gradually infect the rest of the organization”.

Stringer mentions the evolution of Citrix as an example in the financial sector, as “for years they’ve trained all their new employees in this methodology” and so “they’ve succeeded in introducing Design Thinking in their corporate culture”.

“Design Thinking may be a good vehicle for driving change if the company’s going through difficulties”, says Stringer.
“If you want to contact your clients, think in their daily life”

Daniel Stringer and Hanna Lippe, professors in the Stanford Adam Royalty University School, gave a master class in the Innovation Center of BBVA in Madrid. After sharing their experiences, they reveal in this interview the clues of Design Thinking.

They point out that we should empathise with clients and not be frightened of experimenting new things. They have not doubt that every body has a creative side, even if they ignore it, and they encourage us to develop it in order to break with traditional methods. To encourage creativity to deal with problems or with new experiences is another of their methodology identity signs.

Do not miss the video!
If you see things, you think better

One of the areas in which the Design Thinking method has been applied to the greatest extent is in education, by encouraging changes in the learning process, in which the prototype, and not the result, becomes the protagonist.
The object: see what you want to create

The object: see what you want to create. Everything revolves around the prototype in the Design Thinking method. For the Professor in the Department of Accounting and Finance within the Faculty of Economics and Business Studies at the University of Granada, Esteban Romero, "One of the attractions of Design Thinking is the fact you're thinking about objects".

"We work with prototypes during the creative process. We try to get our students to always capture something physical, even if is a concept. This helps to convey it to others." This is what he is trying to do by using this method with his students. The professor said that they have banished the famous PowerPoint presentations at the university. "Presentations inhibit participation and encourage a passive attitude. We must generate operating elements that are functional so people evaluate it. In digital projects, for example, we asked students not to make a presentation on what a website would be like, but to make one to work on a real one. If you see things, you think better".

Once the prototype is tangible, Romero stressed that the process does not end: "The prototype is the center.

Products and services are not finished items; they're in continuous development. Even though an item is put on the market conceptually, it isn't finished for the company and we must continue working on it".
The value of learning

Another of the qualities of Design Thinking that Esteban Romero stresses is the evaluation that "does not result in a score but learning. It’s not the end of the process, but gives rise to a new action: the implementation of improvements".

The professor stresses that the process must be emphasized against the results, "those of us who work in education need indicators, which is the mark that a student obtains in a course. However, this mark does not tell you what the learning process was like; it lacks the qualitative component."

There are people who have learned a lot and get a low mark and people who have not experienced any change through the subject and yet are good at doing exams. The important thing is to demand processes that, even though sometimes they do not lead to a satisfactory result, are good experiences".

Another educational change brought on by Design Thinking that the professor wants to highlight is the fact of working in public. "It makes it possible to reduce the chances of failure because the project is continuously being evaluated".
In Romero’s opinion, the Design Thinking method contributes many things but he doesn’t want to describe it as revolutionary. “We love the word revolution but it entails a little disappointment and a certain melancholy.

These methods work for certain things, certain matters or subjects. For something very instrumental in that the first thing you have to do is learn a technique I think the priority is to control this technique and tomorrow do something creative about it. It may not be the right method to learn anatomy,” he warns.

Romero believes the method works well with “people who already have previous experience and know on what to build. For this reason it’s going down very well in the executive world,” says the professor.
Ignacio López Forniés, coordinator of the Degree in Industrial Design Engineering and Product Development at the School of Engineering and Architecture at the University of Zaragoza, emphasizes the simplicity of the method.

"It’s very easy to understand, can be applied by many people who aren’t experts in design or aren’t accustomed to creativity processes but find it easy to work in co-creation groups with different profiles. When faced with a challenge, they are able to understand it and empathize. It’s very simple for beginners to practice it without having any prior experience”.

And where should Design Thinking be used? “In social design and social innovation and service said López Forniés. However, unlike Romero, López Forniés, is cautious about the business world. “I think you have to use other methods in combination because it’s not complete. The viability of the company, for example, needs to be studied or other requirements that can’t be solved with Design Thinking. It’s a tool that can be used within companies but it’s not global”.

Ignacio López Forniés concluded that the method, “like all of them, needs a good creative leader. All groups that need to generate innovation and apply creativity must have a leader to lift spirits and minds and motivate staff to solve problems. It’s essential”. 
Airbnb, the applied Design Thinking

The company has gone from making 200 euros a week to revolutionizing tourism.
2009. Airbnb is on the verge of bankruptcy. Like many of the startups that emerged in those days it was practically unknown. The company’s revenue barely reached 200 dollars a week and losses were crippling its three founders.

What was happening?
The founders, along with the creator of the business incubator Y Combinator - who then took part in Airbnb’s business-, Paul Graham, began to examine the behavior of their ads in New York to find out what was going on.

They realized that there was a common pattern in the 40 ads published: the similarity was in the pictures.

They weren’t very good, since the owners took them with smartphones, not all the rooms of the homes were shown and those interested had no idea where they were going to live. People were not booking rooms because they couldn’t even actually see what they were paying for.
After realizing what the problem was, they came up with a solution that was not scalable or very technical: to travel to New York, rent a camera and spend time with the customers in their homes to take good pictures of the houses. They did it with no preliminary study, guided by intuition. A creative solution that was born with the seal ‘design thinking’: one of the founders, Joe Gebbia, had given up computing to enroll in the Rhode Island School of Design.

He there heard about design thinking and he thought that they had to put themselves in the shoes of their customers to find out what they needed. Following an unusual and more creative approach, the team tried to get into the heads of those who were going to use Airbnb and see what they were actually looking for.
Address problems

A week after visiting the homes in New York and enhancing the pictures, Airbnb began to turn over twice as much a week, $400 dollars. The team realized that they were on the right track. Thanks to Gebbia, who chose a solution that was not scalable, the business was able to avoid the crisis that was on the verge of killing Airbnb.

They skipped codes they had learned at school for a business to work and followed the rules of design thinking: empathize, define, design, prototype and test. Paul Graham told them that work could be done differently, that they could forget about computer codes, that they had to put themselves in the shoes of others to solve the problems.

A visit to the homes solved what the three founders had been unable to solve in front of their computers for months. Meeting customers in the real world was the best way to deal with the problems and come up with smart solutions.
Gebbia believes that talking to the customers and putting oneself in their shoes is vital for ideas to be successful. This is why he asked his team to think the way customers did. All those joining the company have to make a trip the first week and document it.

The idea is for them to make a number of questions, for the employees to see with their own eyes the problems that may arise, and then be creative.

For example, one of its designers, according to an interview in Firstround, was told to study the function of the stars given to the establishments.

After spending a day, the designer decided to replace the star with a heart, thinking that users rewarded the service too coldly with the stars. The heart, however, went deeper. He got it right. The simple fact of replacing a star with a heart increased business by more than 30%.

Airbnb has gone from making 200 euros a week to revolutionizing tourism: more than 1,500,000 ads in 192 countries and 34,000 cities with a total number of roomers in excess of 40 million in 2015.
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