Integrating Design and Strategy Practices:
the Role of Designers in Strategy

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Abstract

We explore the integration of design into strategy practices with a particular focus on the role and value of designers in developing innovative strategies. Despite the growing recognition of design practices and particularly design thinking for fostering innovative strategies, we still need to learn more about how designers contribute to strategy and how the practices of designers and strategists relate. To address this, we conducted a qualitative study involving 19 strategic design practitioners and 14 strategists. Following a grounded theory methodology, we share emerging themes to develop a conceptual framework that explains the roles of designers in strategy practice and how they are involved in strategy formulation. Our analysis suggests that designers increasingly work in roles that place them at closer junctions with strategy practitioners and therefore see their work influencing strategy more frequently and differently. Even when firms follow traditional strategy-making approaches and designers' proximity to strategy practices is more distant, designers are valued in many ways. Designers are integrated into strategy work, for example, through communication, inspiring a human perspective on impending change and transformation, exploration and discovery of possibilities and identifying 'levers' for change. Another valuable perspective designers bring is human-centredness and systems thinking, allowing strategy problem-solving to be divergent and iterative. We discuss the implications of our findings for designers and strategists and identify avenues for further research into the merging of strategic management and design practice.

Introduction

Traditional strategy formulation relies on analytic logic and is "regarded as a prevalently rational process: analytical, linear, and step-by-step" (Calabretta et al., 2017: 366). While analytic logic has been useful in stable and predictable contexts, it has limitations when organizations operate in highly complex and ambiguous environments (Awati & Nikolova, 2022). Increasingly, arguments have been made for strategy formulation to seek innovative and future-focused practices (Bühring & Liedtka, 2018; Simeone & D'Ippolito, 2022). Design approaches to strategy have gained increasing relevance as they provide an exploratory approach to strategy formulation (Martin, 2021). This is because design approaches are based on abductive reasoning for problems solving, where "we only know something about the nature of the outcome, the desired value we want to achieve" and

therefore "how" [a pattern of relationships]" and "what" [elements] are clarified by testing the possibilities that could work to achieve this goal in "parallel" (Dorst, 2015, p. 49). Traditional strategy uses, in contrast, deductive or inductive reasoning to explicate a hypothesis from which a strategic direction is either proved or disproved (Martin, 2009).
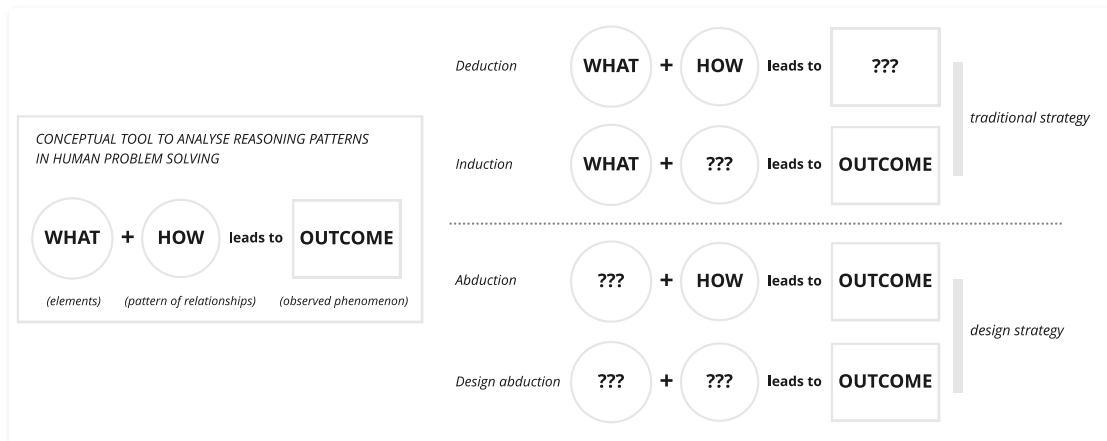

Figure 1- Four patterns of reasoning – adapted from Dorst, 2015 pp.44-49

Design practices have found their way into the business world over the last two decades through the proliferation of 'design thinking' (DT) (Brown & Katz, 2009; Camacho, 2016; Liedtka & Ogilvie, 2011; Martin, 2009). Today, DT practices have been recognized for their contribution to fostering innovative strategies (Dell'Era & Verganti, 2010; Liedtka, 2000; Randhawa et al., 2021), enabling organizations to develop new products and services (Perks et al., 2005) and remain competitive (Liedtka & Kaplan, 2019). As Calabretta and Kleinsmann outline (2017: 299), the role of design is growing "from being a tactical tool for improving product performance (value creation only during production) towards a strategic capability at the heart of business". This evolution has led to a change in how designers work as they increasingly "operate on a level that merges social sciences with business entrepreneurship […] asserting themselves as opinion makers, critical thinkers, and strategic planners with a global influence" (Muratovski, 2015, p. 138).

Many organizations have invested in building capabilities to foster DT practices (Eyers, 2015; Liedtka et al., 2013). Subsequently, designers have found roles in the upper echelons of organizations as Chief Design Officers and the emerging role of strategic designers (Calabretta et al., 2016; Calabretta & Gemser, 2017). In seeking to determine the type of skills and practices adopted by strategic designers, Calabretta and Gemser describe the fledgling discipline of strategic design as: "a professional field in which designers use their

design practices to co-determine strategy formulation and implementation toward innovative outcomes that benefit people and organizations alike" (2017, p.111). On the other hand, many senior executives and strategists have been expanding their practices to incorporate design by applying DT frameworks (Knight et al., 2020; Randhawa et al., 2021). Yet, many questions remain about how design practices and practitioners (in the capacity of strategic design) are integrated or add value (Johansson-Sköldberg et al., 2013; Kimbell, 2011, 2012). In the past, explorations of design practice have often been discussed through the lens of DT, thereby associated with topics like product and service innovation (e.g., Calabretta & Kleinsmann, 2017). However, as Magistretti et al., (2021) point out, most DT research focuses on designing where the objective is to innovate products and services. In contrast, strategy is about 'innovating directions', which requires a different set of professional practices. DT research has also often occurred in a 'vacuum', that is, without rigorous examination of its relationship to other disciplinary theories and frameworks (Dell'Era et al., 2020), such as practices in design (Fry, 2007; Irwin, 2015) or strategic design (Calabretta & Gemser, 2017; Gallego et al., 2020). Therefore, consideration must be made for the possibility that a set of practices may exist that are not yet accounted for within the DT literature or for placement of design in strategy formulation contexts, and how these practices impact strategy.

The proliferation of design in management has not yet explained the designers' role in shaping strategy in practice, nor how design practice impacts traditional forms of strategy practice (Carlopio, 2011; Knight et al., 2020). Moreover, researchers have argued that despite the fit between design and strategy, the integration is not straightforward and requires a reorientation of practice (Liedtka, 2000; Liedtka & Kaplan, 2019). Strategic designers bring into practice an alternative set of tools and methods that are not always familiar or recognised in strategy practice– while strategic design could prove useful as a complimentary strategy practice (Calabretta, Gemser 2017), it cannot be assumed that designers would be placed in strategic design roles alongside strategists to begin with. The contextual conditions for strategic design are not yet well understood – and much like explorations in DT research uncover – designers can sometimes find themselves at odds with their managerial counterparts on what value design approaches might bring against more analytical approaches. Therefore, the contextual and cultural conditions for such practices need further investigation.

It is timely and necessary to explore the role of designers in strategy practice, focusing on the relationship of designers (strategic designers) to traditional strategy practitioners and how it is valued and appears in practice. This paper reports emerging results from a study exploring the role of design in strategy from the perspectives of strategists and strategic designers. We aim to show how strategic and design practices intersect, the factors that enable or inhibit their integration and how designers add value to strategy.

Methods of analysis

Research design and analysis

This qualitative study follows a Grounded Theory (GT) approach (Birks & Mills, 2015; Charmaz, 2014; Corbin & Strauss, 2015). Our findings represent the early coding and analysis of the data (Charmaz, 2014). Initially, five interviews were coded, comparing instances and actions to establish emerging themes across the data, and subsequently used for 'data generation' in later interviews (Birks & Mills, 2015, p. 72). In this way, our "dancing with the data" (Hoare et al., 2012, p. 241) generated initial category attributes that reveal paths for further inquiry, leading to more robust and detailed categories.

Our data analysis and emerging concepts are based on 32 semi-structured interviews. We spoke with 14 strategists and 19 strategic designers. Strategists are individuals who represent traditional management approaches to strategy. Our sample includes strategists, general managers, executives, analysts, consultants, decision-makers and scholars in the field. Strategic designers, on the other hand, are individuals who represent design-led approaches to strategy. These participants have roles that imply they practice designerly ways of managing teams and shaping strategy (including but not limited to design thinking, for example). Our sample includes designers, managers, and consultants.

The analysis was conducted using NVivo and other digital tools (such as Miro Boards and Evernote tools) to support initial coding, synthesis, and tentative codes, and to inform definitions of code categories (Birks and Mills, 2022 p.174). Interview notes and reflexive memos were recorded at the time of the interview and reflected upon in subsequent analysis. These memos form part of the analysis, support sensemaking activities, and check for personal bias. Preliminary codes have been identified as consistent with GT approaches to analysis and form the basis for what is presented in this paper. This paper presents a

descriptive analysis of emerging findings as such it provides an articulation of emerging concepts for theory development and for scholarly feedback and discussion.

Notes on theory and concepts explored in this study as it relates to ongoing analysis

As we progressed with the data analysis, sensitizing concepts from 'practice theory' and disciplinary-specific off shoots such as 'strategy-as-practice' (Jarzabkowski & Paul Spee, 2009; Whittington et al., 2003) and 'design-as-practice (Kimbell, 2011, 2012) provided explanatory power toward our understanding of the connections and interactions between strategy and design practitioners (Birks & Mills, 2022). This is representative of developing 'theoretical sensitivity'(Charmaz, 2014; Glaser, 1978) about what is meant by *practices* and what they are made up of. Practice theory has therefore become an instructive theory to support understanding dimensions of the developing theory as concepts are emerging from the data. We anticipate this to support the step of *theoretical integration* (Birks & Mills, 2015, p. 12) at the final stages of this study. However, practice theory has not yet been used explicitly for *theoretical coding* at this stage. Nor is it being used to enhance the theory development by validating existing dimensions of practice theory using the data collected. However, as theory is articulated through the data generated from this study, practice theory and the disciplinary off-shoots could be useful, as Birks and Mills point out: *"we encourage the use of theoretical frameworks derived from your own discipline where these prove relevant in explaining your grounded theory and discussing the contribution it makes to knowledge in your professional area."* (p.204).

We define practices consistently as they are understood through their origins in practice theory. The 'practice' domain considers three distinct aspects defining practice phenomena, as Vaara and Whittington summarise: *"practices (tools, norms, and procedures of strategy work), praxis (activity involved in strategy making), and practitioners (actors involved in strategy-making)."* (2012, p.287). When we discuss practices in this paper, we are exploring the relationship between each of these aspects of practice and refer to practices as the encompassing concept of all three.

We discuss the concepts of strategy, design, and strategic design throughout this paper, so we provide a brief set of definitions of what is meant by these concepts here. Strategy is concerned with determining future opportunities and formulating plans by leveraging knowledge and capabilities (Clegg et al., 2017). Design is a disciplinary practice emerging

from the field of design, where it has increasingly become applied/ 'placed' in contexts outside the design field to solve complex, or 'wicked' problems (Buchanan, 1992). The emerging field of 'strategic design' is described as: "a professional field in which designers use their design practices to co-determine strategy formulation and implementation toward innovative outcomes that benefit people and organizations alike." (Calabretta & Gemser, 2017, p. 111)

As our study is ongoing, the findings discussed here are preliminary. However, our analysis provides emerging insights into the roles and value of designers as creative influencers in bringing forward "designerly thinking and working" to strategy practice and how they inform and influence the strategic directions of organizations (or not, as may be the case). Aspects of what constitutes *strategic design* are part of this enquiry, as we investigate the ways design practices are appearing in strategy practice and the way practitioners undertake this work.

Emerging findings

Our data suggest that how design practice is incorporated into traditional strategy practices is dynamic and occurs in several different ways. It is, therefore, important to appreciate the complexity and dynamics of strategic management and strategy contexts to describe how designers influence or are involved in strategy. Here we explain the multifaceted ways designers interact with strategy practice, including how design practice shows up in relation to strategy contexts and the various practices that practitioners value in creating strategy. Further, we discuss the tensions between practice perspectives and possible implications as an important contribution for strategic design practitioners and strategists.

We detail the *valued* aspects of design practices that are often attributed to strategic design practice in strategy work. We see this articulation representative of a distinct 'placement' for design practices in a *management context focusing on strategy* as the *"context or orientation to thinking"* and therefore strategy being the 'thing' that is design*ed* (Buchanan, 1992, pp. 12–13).

> *"The natural and spontaneous use of **placements** by designers is already evident; an explicit understanding of the doctrine of **placements** will make it an important element of design as a liberal art…The ability of designers to discover new relationships among signs, things, actions, and thoughts is one indication that design*

is not merely a technical specialization but a new liberal art." (Buchanan, 1992, pp. 13–14).

The design 'output' may be further described as consisting of a. the design practices that create insights to inform strategy, b. the crafting of strategy, and c. the development of communication material (strategy documents) that articulate a strategy. We propose that these descriptions support and validate the placement of design in creating innovative strategies. In doing so out hope is that these concepts can contribute to greater awareness and understanding of what design (can) bring/s into strategy formulation – whilst also developing richer descriptions of what strategic design practice consist of.

Part 1: The multifaceted ways strategic designers are interacting with strategy practice: setting the scene

Strategic design practitioners interact with strategy practice on several levels. In this section, we unpack these different modalities to highlight the diverse applications of design practices and their relationship to strategists and strategic designers (i.e., specific types of practitioners).

It appears that the way strategic design practitioners embed design practices into their work can be both explicit – intentionally design-led – or ambiguous. Explicit practices occur when practitioners are expected or feel welcomed to bring forward a designerly approach to strategy practice and explicitly discuss this as part of their work. Ambiguous practices are nuanced and are present when the organizational contexts in which the strategic designer or strategist operates is not perceived as valuing design practices per se:

> *"But if I'm dealing with a bunch of clients that have been in the company while, they've been in various companies that have been bought and sold over the years…. That's not going to fly – anything that's going to make them go, 'You treated me like a child'. As opposed to asking them to go and have a play. Yeah, I will think I [would] feel like a child. So with them (this client group), did I use the whole [playing with] plasticine kind of thing to design up stuff? No!" …"So you had to put the 'woo-woo' filter on things. What are the things that I'm going to do here? Overtly, and what am I going to do covertly? Yeah, that was really important. Whereas some clients be like, you can be very overt with everything. Because they just embrace it." (Strategist 14)*

– but curiously, some situations were accounted where clients or colleagues might *like and value* what the practitioners do (which happens to be designerly) but not want to *or* need to see design practice as an explicit feature of practice or what they are being asked to do:

"Design, I don't talk about design thinking. I can kind of talk a little bit about human-centred approaches, but actually it's about doing the right thing, like, the main tagline is about the workers [customers]." (Strategist 12)

"When you become a master at something, you stop being able to see all the steps to do it. And I think to a degree in some of my design practices, certainly not all of them, but in some of them, that's just - it is who I am now. So, it is an embodiment of my design practice. But trying to articulate that, in my old job, like so often, I said, people just wanted me around, but people didn't really know why. They couldn't articulate it either. But they just kind of knew that they wanted me on their projects. Because I would say something interesting that no one else would say in a random moment, and it could shift everything. And so, a lot of it is about how I see the world. The way that I am completely non-judgmental, the way that I'm compassionate, the way that I understand multiple perspectives, the way that I can connect dots. So, there's lots of aspects of it. But it is kind of at the same time. It's hard. It's just who I am. (Strategic Designer 8)

We have given this occurrence of design in practice a working title of *ambiguous design practice* because it appears temporal and unique to the particular practitioner and the context, they find themselves in. This can be related to a specific project, meeting or organisation – and therefore, when the practitioner is in a new setting, they may move to carry out their design practice more explicitly. We must acknowledge that this kind of fluctuation and inconsistency in practice occurs and that design practitioners need to vary how they engage with clients and explain their approach to strategy.

While two broad groups of practice are occurring, the placement of design in types of strategy also varies. Strategy practitioners and strategic design practitioners discussed design being applied to different types of strategy challenges. The accounts spanned growth strategy, product or service strategy to organisational strategy However, some respondents suggested that design was not so useful for some types of strategy. For example, merger and acquisition types of strategy or cost saving and optimisations strategy work – or where financial analysis is the driver for establishing options:

" Where the use case (for design practice) isn't as clear. For example, how to optimise our portfolio of exposures,..that's more mathematical weight of probability – what are our competitors doing." (Strategist 13)

Although this study doesn't dig into the aspects of which types of strategic design is not useful and why – rather we focus on where it is present, valued and useful through accounts of practice.

The kind of strategy project where design is applied also depends on how each practitioner uses design, their roles, and the nature of their organisation. Sometimes the direction of design is to push up into strategy through developing new product or service strategies, while in other cases design is grounded in the upper echelons of organisational or corporate strategy from the beginning. Often these two types of strategy practice are discussed as one – but it's useful to distinguish because in some settings, strategy is only reserved for strategists or managers, and design or designers are not seen as essential to formulating strategic directions. Again, this is context specific but important to note because strategic placement and level are not clearly articulated in the strategic design literature. We don't propose that design is specific to any one strategy, but we see that it is valued more for exploratory and human-implicated problem sets, such as, developing innovative ways to address a new market segment or internal programs of change.

> *"Growth strategy, growth, hands down the not all parts of growth. How do we actually rapidly identify targets to be able to acquire to bring in new capabilities or, double the size of the business so we're bringing new revenue so that, growth in the sense of more sort of innovation, new products, new services, that type of thing, or radical transformation? Those kinds of things would lend themselves well (to design practices), some enterprise-wide strategies, some business unit strategy, depending on the area of the business. I mean, I actually think things like cost takeout would greatly benefit from design. (Strategic designer 11)*

Design practices in strategy are seen as less useful in *merger and acquisition* (M&A) strategy but could be useful if it were framed around seeking creative ways to divest etc., amping up the human sensing attribute of design. A very financial metric and projection-based strategy may be about analysing risk potential (cost and need) over engagement with a product or service. Below is a visualisation of the different strategy types discussed in our research.

Types of strategy

Organisational / corporate strategy   *Other types of strategy*
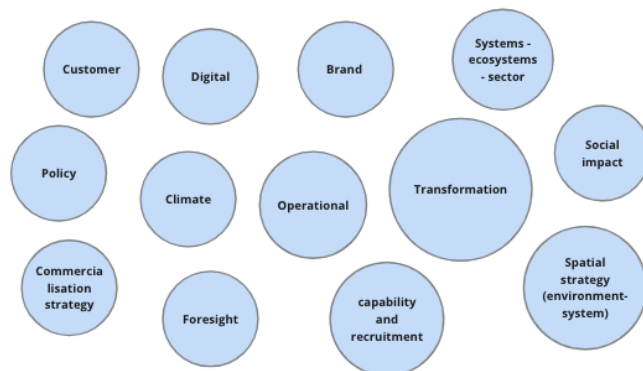

Figure 2 - Types of strategy discussed in interviews.

The implications for this are that across our sample of strategic designers, there is inconsistent representation of the types of strategies where design is used to develop strategy. This may be inconsequential as designers see themselves agnostic to the kinds of industries and strategies they work on – but on the other hand, it may also speak to a fragmented capability pool, whereby the experience developed through practice is limited to the contexts designers have been able to apply their skillset into and their proficiency may also be limited by their exposure to other management practices including those of strategy practitioners. It was noted that much learning was done on the job, *"Just going through meetups and all that kind of stuff. And a lot of learning on the job."* Secondly, most strategists hired internally have a lineage of management consulting practice – and, therefore, often display a consistent approach to practice characterised as being very structured, hypothesis-led and governed by time and budget, therefore design practices come under scrutiny for their effectiveness and efficiencies.

> *"The manager who engaged me … had to fight for that, because people just wanted a strategy. And I'm going: 'well, you know, we've really got to talk to people, we've really got to understand what's important. And then we've got to really find these insights'. And it was really hard for them. I had to point out the people that I worked with, and they found it really hard. Because one, I think, in health, people are scared of talking to patients and consumers, because they worry about the whole safety thing, which I think is often a bit over the top, it's about how you present yourself. And two, it just seemed to take a lot longer."* (Strategic designer 9)

> *"So, most of the strategy team, are trained by management consultants, so they are nearly all kind of go with a hypothesis-driven approach. You know, write lots of PowerPoint in Minto kind of style. That's kind of the training. Yeah. And then the design teams. I think that the rub between that team and the design teams is that the design teams have a longer lead time to output that their strategy team would*

recognise as something that they could use and grab on to– because there's more time exploring and collecting data and looking for patterns and bringing that together. So that can be a bit of a frustration. Just like the design team feels under pressure to come up with the answer before they've got the answer. And the strategy team is like 'but you know, what?, Where's your hypothesis on there?' So that's probably the key rub." (Strategist 13)

Such factors in practice are characteristics of the profession, and it is hard to distinguish at this point the full implications of this –we can see that our data suggests the fragmentation of experience and learning on the job produces a level of variability in applied skills and this also has an impact on how design is 'expected' to show up in strategy practice–in some cases, it is simply not on the radar of management or strategy practitioners as something of use or need. Despite this, our sample has produced explanatory scenarios where strategic design practice shows up consistently (when seen as useful and valuable). These are described in the following diagram and explained below.

"it's interesting because, again, it seems to be like it's where the client meets the design or the prospect of design, and also their conception of what is strategy and what is a good process to go through. and so yeah, in a way it's like the role of design is, it can also start and stop based on somebody's perception of how valuable it is." (Strategic designer 3)

"I think what I realised about practising strategy is you can have all the tools in the toolkit you want, but like the tools you can use will be completely dependent on the stakeholders you're working with… it's not that, you know, any one is better or worse. It's just amazing. Like, how much your stakeholders completely change how you approach something, you're the same person, you're the same practitioner?" (Strategist 7)

We see that design practices are very client-driven and the way they are displayed/used depends on the engagement with the client. This has implications for the skills of design practitioners (flexible, client-focused) and for their identity in practice. It also raises questions about power and influence in strategy practice by virtue of client dynamics and their propensity to value different types of analysis and styles of strategy. However interesting these insights and questions are, for the purposes of this paper we do not go on to explore this further but may do so as we integrate concepts and develop theory.
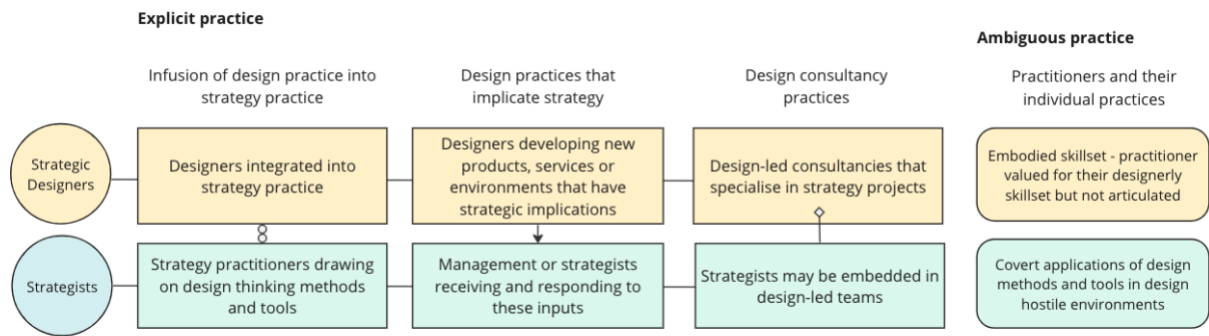
Figure 3- Design practices present differently across contexts and differ between role type.

<u>Infusion of design practice into strategy practice</u>

Our data suggest that 'design-infused strategy' practice can occur through an interplay of activities between designers and strategists or as a specific skill developed by practitioners who draw on designerly ways of working. In this modality, design will appear as a distinct role or feature of strategy. The degree to which it is showcased or used depends on how design is seen or valued as an appropriate feature of strategy formulation.

In this grouping, we see strategic designers play a role in seeking to understand the customer or other stakeholder needs and is often described as a "human-centred approach", "customer insights", or "customer needs". This work might involve the designers designing and executing customer research to obtain user insights about consumer sentiment. The projects may follow a "double diamond" model favouring deep exploration and a design approach to problem framing and defining the opportunities for organisations.

In these scenarios, designers are teamed up with strategists or other business analysts to build a business case and test out the choices the exploratory design work presents. In this case, strategic design is a capability to bring forward as a design sensibility informing strategy work.

> *"So, I think it's more advocating and orchestrating so that the right teams are working together. So that my strategy team and my human-centred design team or my Lean Six Sigma team or whoever are working together in the right way, in the right process, because all the different teams have got slightly different ways of working and coming at a problem. So there also needs to be an environment where they have built trust and have the space to kind of work out those different ways of working."* (Strategist 13)

In this group, strategists are often armed with some knowledge or experience in "design thinking" methods and mindsets and complement the strategic design practitioners in undertaking this work, or they may also be undertaking this work too (with or without strategic design practitioners). We note that in this scenario, strategists may not have designers working with them but rather embody or draw on design types of methods to enhance their strategy practice. In this way, design is seen as a tool or set of skills rather than a person who practices design.

> *"I don't think I have that curious background, but I have broader skills than that [of strategic designers]. It's not my… I would be doing, you know, specialist designers a disservice to call myself that. Um, but I do find I can be a bit of a chameleon and that I can present myself one way or the other, depending on the type of proposal or the client I'm speaking to, if I need to, because I do have both: skill sets."* (Strategist 2)

> *"I think I'm kind of changing the way that I do, things – the way that I would term it is, kind of adding more feathers in your cap, or, you know? Arrows in your quiver, type of thing – adding (design practices), and being more deliberate about certain things, because you know, designers apply creativity and approaches to problem solving in a very different fashion. Some things are actually better solved using that, and others are actually more analytical and the two can co-exists is quite well and amplifying. This is knowing when to use which method to be the dominant one."* (Strategist 1)

Design practices that implicate strategy

In this group, designers assume more traditional roles where the object of design may be to develop insights and directions for products, services or environments. These activities aren't directly linked to organizational strategy or strategy teams but often impact what strategies have already been devised. This may be from a directional perspective, developing products, services or spaces to realise the organisational strategy from a material or interaction perspective. Alternatively, the design project outcomes provide insights that could lead to a change in strategy or an adaptation for the organisation to realise the potential of the new "thing" in the market. Sometimes these design projects consider external environmental conditions that need to be altered or changed. This directs the organizations to conduct and consider strategic conversations with stakeholders outside the organization to facilitate the innovative "thing".

> *"And I'm going, 'God! What can I do to help him understand that?' And this time, I was I kind of in some way, we had so much data that told us that the subscription service that we were providing was not going to be successful because I had done*

ethnographies. We did diary studies with 10 females and 10 males. We purposely split it because we had signals in the corporate strategy that our primary user was 18 year old men who liked to game her college students are about to leave for college. And we had very few women on the platform. So, we wanted to figure out deeper around the ethnography around these two kinds of customers and at the same time, we walked through their subscription service, for the first 30 days and we met with them weekly. It was an amazing study. And I had so much evidence in this qualitative study; that no one really wanted to subscribe to our services and pay us for those services. It was…Yeah! And so, while this COO was telling me here are the levers we need to pull, and we need to grow. I have umpteen ethnographies that we had done. And so that's where we were able to influence the corporate strategy." (Strategic designer 18)

The implication for strategists in this group is that these practitioners may consider the insights produced from the strategic designers' work to inform changes and new directions that the organization may need to implement or respond to in some way. This is more akin to a bottom-up approach to strategy.

Design consultancy practice

Strategic design consultancies offer a design-led approach to strategy; therefore, the type of strategy their clients expect follows a design process. This is characterised by featuring high levels of stakeholder and customer engagement, exploratory in nature and by seeking novel opportunities for organisations, pathways through complexity or being called upon when traditional approaches to strategy have not led to desirable outcomes. In these situations, strategists may form part of the project teams with strategic designers to bring forward skills such as financial analysis and business model projections to inform strategic design recommendations.

"We certainly have a selection bias (from our clients). People are coming to us or engaging with us and, and learning about what we do, uh, because they already know who we are [in relation to being known for working with a design approach] I think our value proposition is different from a lot of consultancies". (Strategist 4)

"I've seen some very, very design-led strategy, you know, the types you know, coming from boutique [strategy consultancy] and doing strategy in a boutique anything: strategy or design, or anything in a boutique is vastly different from doing that in a big four consulting firm. I mean, on so many different dimensions, the least of which is client expectations, because you come from the Big Four and then you come with a beautiful design, you're guaranteed you're going to have a client who's going: 'where's my 50 page deck?', because you've got some CFO who wants to go line by line through it with, you know, kind of massive attention to detail. So, there's, there's a difference right from the data the engagement in terms of expectations in terms of,

you know, how you're going to…as a boutique you've got so much flexibility. (Strategic designer 11)

Implications – forming contextual boundaries for the way design is appearing in strategy

These groupings help explain the different ways that strategic design practitioners might be involved with strategy practice and provide the context for how their practices are integrated. This is important because each modality features different environments for strategic design practice, which has an implication on either (a) the kinds of practices that are drawn upon for strategy, (b) the way designers are involved in strategy, including the influence they carry in shaping a strategy, and (c) the kind of interactions and experiences that are delivered as part of the process.

We note that design as a *strategic capability* does exist in organisations that lead with a design agenda (or strategy if you will). This is a way to drive competitive advantage through internal capabilities by delivering 'product or service innovation', not so much as a key mechanism for informing strategy – beyond the categories discussed here. It highlights the need to distinguish between what informs the development of strategy versus developing strategic capabilities for organisations through design(ing) practice. These two activities are distinct. One is the outcome of a strategy (the vision of a design-led organisation) versus one where design practice is helpful to sense and articulate future strategic directions. These are not mutually exclusive but distinct placements for design (designing) practices as well.

We, hence, define strategic design practice as the distinct practices of designers placed within strategy formulation projects. We also distinguish those strategy practitioners who use design methods and mindsets as design-led strategists, where strategy is the core skill set, but that it also may be accomplished with design practices.

The following section describes how strategy formulations value design practices and the specific edge that strategic designers bring into these practices.

Part 2: Design practices that are seen and valued in strategy formulation.

We paid close attention to the practices of strategists and strategic designers. The following practices define a strategic designer's placement in strategy projects as they are valued through practice. While some of these practices may appear similar to valued practices

of design thinking, the placement and discussion of practices tend to sit inside and outside the frame of DT and are specifically relevant for strategy practice.

Communication and visualisation – deep human connection

A key skill for strategists is effectively communicating the need for change and informing new directions in strategy. The key medium used to deliver such messages is PowerPoint, which is usually filled with facts, data metrics, graphs and graphics that distil a key message supporting the opportunities presented to organisations seeking a pivot in strategic direction. While there is not so much an argument about the purpose or usefulness of PowerPoint as the main communication artefact of strategy– rather, the quality and aesthetic of communication that typifies PowerPoint, over other mediums.

> *"And your job is to work with the humans to bring it [the strategy] about rather than to just, you know... a strategy is not a PowerPoint deck. So, it's worth sort of questioning that and think thinking, now what we're trying to do is convey meaning to drive action. And there are lots of different ways we can, we can do that." (Strategic Designer 3)*

> *"I feel like we've been talking about that 'articulating strategy and documents' for so long now, like years and years, and I can't think that there's no…I started building Powerpoints twelve years ago, and there's still 'that's the default'. Everyone's doing it, and I don't know that there's a reason for it, it is arguably one of the better ways to communicate complex things, but I still can't believe that we don't do it in a much more visual way, especially around these kinds of topics, because they are really hard to understand. (Strategist 2)*

Designers can produce alternative artefacts to share information, where the aesthetic of production becomes a key contributor/ reason/ way that strategists and strategic designers alike felt that their clients or teams could engage with content more effectively. The concept of "conveying meaning" and creating emotional responses and, therefore, connections with strategy material and ideas so that people can relate to and connect with strategic directions, supports greater buy-in.

> *"Most people don't just understand…[when] there's a lot of information out there. A lot of it is false, or people just aren't getting the right stuff. And um, yeah, I think the more visual and easier to digest that you can make it, and shareable, the better." (Strategist 2)*

> *"[When design practice is a feature of strategy formulation] there's a lot more visualisation of the strategy, that supports both testing that strategy and on ultimately communicating." (Strategist 13)*

"I think the why [of design in strategy] is to challenge the status quo thinking. To increase the chances that you'll get a strategy that's got competitive difference that's you know, distinctive from competitors, and increase emotional engagement and buy-in." (Strategist 13)

While strong visual communication was a valued attribute of strategic designers, not all strategic designers see themselves as bringing this core skill. Rather, they see their main contribution in being a key facilitator of good design with visual communication designers –

"I'm not going to be the person who's doing layouts and doing graphic design for a product. But I'm going to be able to collaborate with somebody who's really good at that. Who can make [it] appropriate to the audience and the type of communication we're doing. Who can do the real the polished compelling thing that makes people say, "wow", or makes it really easy to understand. Here's this really complex idea that we've finally found a way to put it in a visual that's really compelling and people can actually grasp it. And it's those complementary skills that I think there's, there's a real strong case for teams in design." (Strategic designer 4)

Um. So that's definitely one thing I would say about our particular outputs, and how that's really important. I just don't think we are hitting that visual mark just yet, like I was really almost fighting to include the time of the visual designer in a project, and a proposal that we did together recently, and I had to explain why that would be a good thing, because it was all about this one that the client wants to communicate to their client some different messaging, and they weren't even going to consider using a visual designer in that process just to help with that communication, And obviously that costs more. But there's got to be better ways of sharing information these days that we're just not exploring well enough, I think, especially with these complicated [concepts]. (Strategist 2)

Stakeholder engagement.

Good stakeholder engagement is a valued practice by both strategists and strategic designers. However, strategic design appears to bring more nuanced, 'human-centred' detailing to stakeholder engagement that leans into understanding ways to curate stakeholder engagement best, leverage collective insight and build interest, engagement and ultimately buy-in for strategies. The strategic designers in this study considered their approach to stakeholder engagement as holistic, exploratory, and attuned to human emotions – particularly those of established employee bases within companies seeking to generate significant change through strategy. Strategists equally value this aspect of strategic design as a distinguishing feature that strategic designers could bring to practice, particularly facilitating large volumes of stakeholder engagement across complex and system problem sets.

"[Strategic] designers have more creative options in their toolkit of things to bring to those workshops and tend to be a little bit more thoughtful about the emotional temperature of the audience through that session and how they get the best out of them." (Strategist 13)

"There's also probably some sort of stakeholder management as a medium. Yeah, where you're thinking about how do I actually creatively and constructively engage with people and negotiate and collaborate with people to get change to happen or outcomes to happen." (Strategic designer 4)

Traditional strategy practices facilitate stakeholder engagement to enable broad fact-finding missions, extract expertise to inform data points of strategy and model good stakeholder management, particularly within the executive team. Strategy participants often discuss this occurring in the early scoping stage of projects. Both strategists and strategic designers see the proximity of strategy to implementation as becoming more tightly linked and the cycles of strategy shortening. Consequently, stakeholder engagement can continue to be a source of data to test what's working in the strategy, what is not, what could be done differently next time and so forth, internally or externally. This in and of itself becomes a 'sensing' and informing practice directed back into the evolution of future strategies. This is an interesting concept given the forces facing organisations today to stay ahead, relevant and on-point.

"My strategists are becoming better by seeing their ideas start to be delivered and learning the difference between what sounds great in a boardroom and then actually what can be delivered on the ground. So that kind of closed loop is important". (Strategist 13)

"But I think that's the whole thing with design and educating people around; when you use design, it's actually a de-risking strategy itself. A lot of people don't see that. They forget when they implement something. There are a lot of, there's a lot of failure in strategies and people forget that because they've done their job. They're finished. They haven't had to implement the strategy. So that side of talking to people about design and strategy, I think is one of the tricky parts because they don't really see the value because, perhaps, we don't go in and say, 'Well, you know, what are the strategies you've got in place? How are they going?, you know, wherever you had to changed them?. So really start from the endpoint. Because some people will pick up if you go: 'we're going to de-risk strategy or get into de-risking this project, because we're really going to know what people need. Some people get that, but not everyone that's in an operational role – that's really busy and just going to bang out that strategy. And, you know, get it followed." (Strategic designer 9)

Yet a cautionary story was told, of retreat to more typical methods in strategic decision making; closed rooms for strategy conversations open only a select few – and despite the potential raised for greater involvement of others, there appears to be a tendency to snap back

to modes of engagement that are comfortable for those leading strategy projects and making the decisions.

> *"But at the end of the day it's kind of being then massaged eventually by *management. But that was a complete 180-degree turnaround from just the CEO doing it, to now using a very wide cohort. That was year one. What ended up happening was year one was great, hard work but it was a real revolution. Year two we defaulted as we went back to having less and less people involved in the initial stages, there was still consultation of the strategy through the business, the development of the strategy. But that room got smaller and smaller until eventually it got back to last year. Just the leadership team." (Strategist 6)*

However as one strategist put it; strategy is about driving change, and ultimately building trust – therefore stakeholder engagement is a critical element not only for informing strategies but shoring up support and implementation success.

> *"Yeah, I think it does come in at the end of the day,, the job is starting to allocate scarce resources, the most important activity so there's always going to be winners and losers; tension in that there's not enough there's not enough. Not everyone gets what they want coming out of that process. So, I think building trust and buy-in is actually really important. So, the strategy actually happens rather than just stays on PowerPoint." (Strategist 13)*

Strategic designers are master curators of stakeholder engagement experiences and, therefore, valued for their approaches in crafting careful conversations, workshops and data collection activities to inform strategy, test opportunities and bring more voices into the strategy space.

Problem framing

Problem framing is developed through deep user research or broad exploratory activities. Strategists talk about finding *focal problems* and *scoping* the parameters for strategy – which can also be strongly directed by clients (in consulting contexts) or senior managers, such as the CEO, in organizations. We observe that strategic designers recount practices that expand the research and scope of problem framing, internal and external exploration, and broad stakeholder engagement before shaping up 'choices' or opportunities, and "levers' for change. Problem framing – defining the problems and concerns for the organization and therefore strategy –occurs later in the process, compared to descriptions of strategists – distinctly different from a hypothesis-led approach to problem-solving as typified in strategy work or the tendencies of managers exploring opportunities for their organisations.

"But one consistent thing that I don't think is changing that much, despite I think lots of people doing strategic work, being really clear about it, and emphasising it is that there seems like consistently, not enough attention on the problem space. So just consistently, people want to jump into solutions. And it's sort of solution as strategy….. And I think there are probably really obvious structural reasons why people focus a lot more on delivering solutions than on discovering, you know, what their question is, and what the actual problem space looks like." (Strategic designer 4)

As a well-known attribute of DT, problem framing has gained traction for those strategists drawing on designerly ways of working – where they see the opportunities of more exploratory approach to strategy:

"..a while back I switched that to ask a motivating 'how might w?' question. So, you got a problem, and say and do, how might we? So that I adopted that designerly way of thinking which I think is just a more expansive framing of the problem." (Strategist 3)

So, while strategic designers bring this approach, it is also not uncommon for strategists to spend more time exploring the problem in this way, although a dominant approach appears to be working to prove or disprove a hypothesis:

"Obviously, problems with hypothesis method in the hypothesis kind of approach in the scientific method is very well known around [for]confirmation bias, and being too narrow, and all those sorts of things. And perhaps you know, cherry-picking your sample size and things like that. And you know, obviously, there's a whole lot of studies around control research and things like that. That would be done. And that is kind of the problem with doing that, because sometimes you come up with a point of view that makes sense that everyone buys-in. And then you're almost kind of filling in, back-filling the data and trying to figure out about how to kind of build up the case to do that." (Strategist 1)

The issues flagged with this approach is that it tends to explore the strategy problem space as being clearly defined, which can narrow the scope of enquiry and therefore pre-judges choices without proper analysis. On the flip side, however, design in the problem framing context is still seen as risky and time consuming – despite the intention / promise to float up more viable opportunities for strategy.

"They're both valid methods. They're just pros and cons of doing some things right,...one approach might produce better, different results, and the others won't. One has the potential to produce really high marks, for example, or you know, really novel answers and the others do not…..creativity obviously [generates] high, novel answers, but [requires] a lot of input work, a lot of uncertainty. And you may not get to those kinds of novel answers - frustrating as a process." (Strategist 1)

"I think design helps to ask the right questions. I think design helps to frame a range of possible answers. So, design can help to create shapes of speculation of what the strategy can be. (Strategic designer 3)

<u>Systems view, finding levers for change and opportunities to take leaps</u>

Another attribute that strategic designers bring to strategy practice is a system-view of the problem space. This means bringing an intentional curiosity to broader scope pre-determined by a client but inherent or related to a problem. This practice is related to problem framing but is not limited to scoping opportunities and focus for strategy. The systems approach drives how organisations consider stakeholders' voices in the problem space and the different areas or places within an organisation that could be tinkered with to enable change. A system-view favours looking at the whole experience of the organisation and its relevant actors; seeking to uncover the forces occurring both internally and externally to understand the dynamics of the organisation and the challenges it faces. Strategic designers bring into practice a type of craft that looks for components of the problem to see if it can be reimagined in any way to create a shift.

"I tend to think of strategy as system levers, like what you're looking for are system levers that will allow you to make large, largest, like scalable change. And so, a lot of the time what I think of what we're doing is we're like, understanding systems. And a lot of that is component sizing, like labelling, classification. Organizing, like so classification is a key skill. And that's whatever method I'm using some form of classification might be like, looking through system diagrams, it might be through qual interviews it might be through, but it's like breaking down to get a classification of like, what are the things? So, what are the things we're working with? Then it's looking at objectives, and what are you trying to achieve? Yeah. And then it's trying to figure out like, okay, what are the bits? What's the system need what we want to change? So that's the kind of the first like diagnostics kind of ideation phase of strategy. And then it becomes a comms problem" (Strategic designer 1)

"What that means in terms of practice is a participatory process to involve not only their members but broader sets of community in articulating what the challenges are. and not from a single perspective but from a 'multiple challenges perspective' that make up that problem space. And then to consider I guess, where there's highest leverage points in the system that they can collectively address. (Strategic designer 11)

"[a system-view] compliments problem framing activities but forms a scope of enquiry point of view. Designers are seen to reach outward into the industry, system and human aspects of strategy, even seen as an exploration in internal possibilities from a systems perspective." (Strategic designer 11)

[What is a] a good strategic process? So, it's, you know, very clear framing, helping everyone come on the journey, helping everyone understand the concepts,

being able to set up certain points really well, though. How everyone has to be in the right headspace. And to understand the models you're talking about. You need to be distilling the complexity down to the models that people can make choices between they need to understand the implications of those choices. And then yeah, enactment of those choices, so how do you like ideally, engage people. I mean, our process is very participatory, because we believe that,, you need a lot of people involved to deal with complex challenges and the earlier you involve them the sooner you can pre-empt any issues that will arise down the track, you can engage people in the problem and give them ownership of it. So, look, that's kind of the way we see good strategy in general, yes. being really clear about what are your inputs into those. How you can be in different audiences that need to be convinced through the process, then it's like design and system as a kind of extra that gets thrown on top of that that help you with way making decisions in teaching people iteratively building things. (Strategic designer 23)

"And what are the implications of making those changes. So that's to me where it gets back into kind of a more strategic thing. Because you're starting to look at org design and messing, not messing-with, but pushing on and pulling on the constraints that are around a current state, to try and understand where you can actually create a new state by changing the system around you. That's what I get really excited about, like, that's my that's my sweet spot as a nerd thinking about like, how can we actually change the system rather than just work within the system? (Strategic designer 4)

Opportunistic and experimental practices

Design practices are seen as *opportunistic and experimental* as they look at different ways to discuss the context or problem an organization faces and, therefore, what a strategy needs to address. This kind of practice is described as one that generates 'leaps' and one that creates a 'safe space' to imagine new possibilities. Designers tend to lean into the 'complications', seek 'tensions' and look for ways to 'decompose and recompose' a problem and make sense of disparate parts of the problem as a kind of 'system', applying a design lens to thinking through the strategy problem and leveraging 'craftwork' of design. However, strategists still question how one can possibly prototype strategy (or aspects thereof) while also protecting the integrity of the organization's competitive edge and delivering strategy in a timely manner.

"When you talk about the creative approach, it's really kind of have a walk through Observe, you know, experience it, feel it, See it! What have you, with all your senses? And then, as you kind of take that random of walk, you know. But you're really using the human brain and senses to pick up on all those things that you may or may not know if that's important or not. But it might click together for later on, using your observational powers. Then, you let that kind of insights, almost kind of surface to the top and have those "aha moment"s …Which are, you know, the antithesis of the analytical approach, which … typically call that … "boiling the ocean" and "wasting time". (Strategist 1)

Where strategic designers tend to find ways to experiment with avenues to validate and test assumptions and opportunities more intuitively as part of practice.

> *"I think strategy is very, can be very insular. And I've seen so many companies and work in big companies where strategy is insular. Yeah, there is definitely a thing of like, we're going to beat the market, and we're just going to be better and faster, but the whole like, how, what is the actual thing that is your differentiator? You can't work that until you know externally what's going on and I feel like design is bringing the outside in. Design is going get out of your office, get out of your suit, and step out into the world and find out what's happening in the world and get connected and in touch with what's happening in the world. And use that connection to then look back at your business and go Alright, now that I know very well what we can do. Now I've seen what's happening outside and in the world. And now, now I can do the matching exercise I can go this is our strength or a key asset we can exploit or something we have that the world needs rather than just going we have this, and we believe the world needs it and just blindly kind of pushing that forward with a whole bunch of fanfare. Yeah. And it's going well, I'm going to actually do the matching of the of the gap and just being more relevant and in touch with what people want." (Strategic designer 12)*

> *"We figure out, you know, how do we go back to users, using more design research techniques, how do we prototype in a way that's going to build confidence in what we're trying to do here? And figure out what are the desirability tests, the feasibility tests, the viability tests that need to be done. And so, the tests are sometimes user-oriented and very designed forward. Sometimes it's, you know, a competitive analysis that looks a little more like what a classic consulting firm would do, or a pricing, uh, analysis that, that a, a classic consulting firm would do, but they're always in concert." (Strategist 4)*

Our study shows that strategic design practitioners also have an eye on integrating strategy back into the organisation from the beginning. In this way, their program of work to formulate strategy considers the final goal to see it be realised. This intention supported through broad stakeholder engagement, testing and participatory activities and finding 'levers' within the organisational construct to facilitate change more realistically:

> *"We do want our clients to take on a reasonable heavy lift in the testing phase because, um, again, it's about building their confidence as much as it is about anything else." (Strategist 4)*

> *"Organizational design activation. Like how do you actually now design the organization and the implementation and the plan to put the strategy in place? They don't have the capabilities they need. Well, that's a design challenge. They don't have the system required. Well, that's a design challenge. So often, there are projects that follow on, depending on what we figure out is going to be required to bring the strategy to life. So that's sort of the flow from beginning to end." (Strategist 4)*

"I think there are lots of different ways. And then if you're trying to figure out if there's an element of the strategy that is about a product or a service, the core offer, then there are lots of ways to prototype that offer that are sort of conventionally designed approaches. Does sometimes that mean you have to have conversations with clients about extending the work to do certain types of testing." (Strategist 4)

Bringing customer voice and engagement into strategy

One of the most defining and valued aspects of strategic design practice is a designer's ability to understand the customer and new opportunities in the market.

"Because I think the I think design is important because it forces you to think outside your current paradigm. And I think we're particularly where design helps make sense of sentiment and customer experience or the experience of people or other stakeholders can do that in a much, much earlier I think, and you can pick up in financial metrics." (Strategist 13)

"I think where that where they've perhaps falling short [strategy team], is thinking about what's the implication on the customer … how can we use the customer voice better in articulating those pieces of work?" (Strategist 2)

"The purpose that I'm bringing us in would be…we need to understand a little bit about customers and then put that into the strategy and it would almost be like (in response) 'it will make us look good if we have some voice of the customer within the strategy!', you know, so a lot of the time, they [strategy colleagues] didn't even really want to use it to inform what was happening, like straight up transparent honesty. At the same time, when they [strategy team] started to realise just exactly what it meant and how it could impact it sort of really did change how strategy played out in some in some of the projects that I worked on." (Strategic designer 8)

However, as strategy deals with more than just customer needs and desires– this aspect (also described as the 'desirability' aspects) forms only one component of what a strategy must consider. In this way, strategists and well-seasoned strategic designers see the need for designers to sharpen their business acumen and skills in understanding business language, analysis and the broader considerations of strategy. These elements are often described as the 'desirability, viability and feasibility' (DVF) spectrum of strategy.

"I think it would have a hybrid of, you know, design skills, being able to do a level of design research, being able to actually translate that into specific products, services or business design, and being able to look at them you know, the that from a business model lens and also from an operational lens in terms of the business model, like in terms of what's the viability of that design and then the operational in terms of the feasibility either technically or operationally to deliver that So, and that would have been probably what I would have written something, something that would have ticked off some elements of desirable, viable and feasible, back in essence." (Strategic designer 11)

I would say that the DFV is quite critical. I think it has not been applied very well, because it's like: 'Here's what we're introducing in terms of concept. here's what you need to do. We start: 'Yeah, it's customer desirability'. But I actually find that designers are terrible at looking at anything beyond the desirability lens as much as they talk about it. But you know, being able to kind of use that truly. And how it actually manifests in a massive transformation program –doing those things is actually cross-functional collaboration, because you often have…you know customer sales and marketing groups which represent the D. You have the CFO, which represents the financial viability or the finance function, and then you've got the operations and the tech people who represents the operational kind of feasibility aspect to it. Um, And I think I said the finance one was the financial viability one. You know, you have to constantly bring people together because you're basically managing for the constraints and trade-offs between the three, right? Sales and marketing will want more, the CFO will rein it in. And then the technology people will say, "you want that small feature that that is so difficult to do", you know? And then how do you actually find the overlap between that and create a happy medium for everyone? (Strategist 1)

Still, it is noted that strategic designers don't necessarily have to have sharp analytical skills but appreciate and understand the need for these in shaping strategic choices. It was thought that strategic designers could fall short on strategic considerations such as 'replicability' in the market, considering the market responses and dynamics are also a concern for designers. These issues are barriers for design practitioners to overcome – this can be a matter of how designers and their practices are perceived.

"So, stakeholder management and being able to talk and think commercially is really, I think important for the designer. Especially because I also see that the designer often as the facilitator, enabler, driver of those pieces of [strategy]work. Yeah. And if you're not a credible stakeholder partner in that process, then then it becomes really hard. Yeah. And so, just to give you an example of that: one of the senior stakeholders had an investment banking background, was hyper commercially-driven and so he could not get over– the only way he will see one of our strategic designers is as market researcher doing market research and getting customer insights. So, he, he could not get around to seeing this strategic designer as, you know, the lead in shaping the piece or doing the [financial] modelling. The strategic designer could not get him around to actually seeing them as that as that sort of, yeah, partner that was doing driving strategic initiatives. In the end it really had nothing to do with the strategic designer's capabilities." (Strategic designer 19)

Alternatively, this provides an opportunity to define how designers can extend their skillset by developing some practices to support this type of work.

"Designers aren't good at figuring out the economics of things. They aren't that, understanding the competitive dynamics of things, they'll say we have this great

consumer insight, and they'll go create something for the consumer that competitors can replicate the next day, and they're like Well, I succeeded. I gave them a great idea. Well, no, you didn't, because they can't make a buck on it because they're a competitor. That's just replicated it. So, thinking about how to how to create a strategy that is based on a consumer uh uh insight or a user insight, but is also something where you can build unique capabilities that competitors can't uh replicate." (Strategist 3)

"So really can balance that customer and financial, commercial story –the customer information piece really well, but not everyone, not every strategic designer can I think there's somewhere in my experience is that there's quite a few service designers who think or aspire to be strategic designers. And therefore, or say that they are strategic designers, but don't have that commercial muscle and strategy. I think the reason why they think that or aspire, strategy is a sexy word, or a lot of people want to do strategy or want to be strategic Yeah, and therefore position themselves that way, but I think the crux is in that. Can you actually really think commercially and out of a business commercial perspective?" (Strategic designer 19)

"I think design-led strategy tends to be more holistic and inclusive and take some more systemic fascinating hypothesis, lead strategy or doors. Classic strategy can be laser focused and might be able to do more in terms of really driving immediate value. I think you know; sometimes Design-led strategy can be too abstract and can be too. It's the right word - may not be specific enough." (Strategic designer 11)

In this way, strategic designers are often paired or placed in diverse teams that comprise skills to provide a robust analysis across the frame of desirability, feasibility, and viability. This is a common arrangement for organizations seeking to integrate design into strategy – they see the issue about specialisation and skill sets rather than the skills for an entire person.

"I think that for where we are as an organization, I think it would be difficult to deliver a strategy solely with design skills based on both what where we are and the skills we've got. Because I don't think that that commercial financial acumen piece is strong enough to kind of connect the design to an outcome that the board would kind of recognise as something that there's a there's a risk, that would say that it was a nice design, but they wouldn't actually put investment behind." (Strategist 13)

Strategic Design practitioners who transcend skill sets across these facets of strategy and management are called "unicorns" and are very hard to find in this emerging field of practice.

*"We described them as unicorns…you know the people, if you've got the strategy and the design…and a bit of the technology. You're incredibly powerful and useful.'
(Strategist 2)*

As this is the case strategy teams seeking strategic design tend to hire for balance of skills – designers are valued as they counter strong emphasise towards business analytics and financial analysis.

"We create a cross-functional team. So, someone with deep business experience or an MBA or whatever, who typically brings considerations of validity to, to their work. Very often a design researcher who can, you know, bring that human centricity and, and grounding and desirability... and then there might be an engineer, there might be a visual communications designer. It depends on the nature of the of the challenge." (Strategist 13)

"The role of the business designer would be a bit more heavily I think, strategic and more business focused, versus maybe from a stakeholder point of view, more than product, you know, like detail focused. And I felt like that was very useful also, looking at pricing or how to position in the market. That kind of thing, which is skills. I don't necessarily have that much exposure to because I always had people to sort of bring in Yeah, and then in terms of the last project, it was very much me running it so I just did what I could and then yeah, hopefully lean on people. Yeah, within the organisation or whoever you have access to, to sort of access that view versus inside." (Strategic designer 16)

Customer voice and engagement is the most recognised and valued attribute brought into strategy by strategic designers. However, as explored here, the balanced view and development of strategic designers' skills through practice and exposure to diverse team skill sets are vital to providing strategies that can hold their validity in the eyes of management. Therefore, we see that strategy and design are similar: exploring future possibilities and exploiting organisational capabilities to perform better in markets – how strategy is defined and validated is important. Strategy can be a very 'reliable' oriented practice (Roger. L. Martin, 2009) – so strategic designers playing into the strategy space require business acumen to support strong cases for change and provide convincing argument for design.

We provide a summary of the way we have found design practices appearing in strategy, below.

Category	Description	Definition
How practitioners adopt practices	Explicit practice	Where practitioners explicitly talk about design practices as part of their work in strategy
	Ambiguous practice	Where practitioners integrate design practice into their work but do not explicitly discuss it as a feature of their practice for various reasons
Distinct scenarios where design practice is featured in strategy practice	Infusion of design practice into strategy practice	An interplay of activities between designers and strategists or as a specific skill developed by practitioners who draw on designerly ways of working. In this modality, design will appear as a distinct role or feature of strategy practice

	Design practices that implicate strategy through the design of 'things'	Where designers create products, services or environments that subsequently generate insights and directions that that have implications for strategy.
	Design consultancy practice	Strategic design consultancies offer a design-led approach to strategy; therefore, the type of strategy their clients expect follows a design process.
Design practices that are seen and valued in strategy formulation	Visual communication	Designing artefacts to share strategy narratives and insights with stakeholders, where the aesthetic of communication materials is seen to create more effective engagement with strategy. Conveying meaning generating emotional responses and connections with strategic directions that supports greater buy-in
	Stakeholder engagement	Designing stakeholder engagement that carefully considers the best ways to curate stakeholder conversations, leverage collective insight and build interest, engagement and ultimately buy-in for strategies.
	Problem framing	Practices that expand the research and scope of problem framing. This might involve internal and external exploration and broad stakeholder engagement before shaping up 'choices' or opportunities for strategies
	Considering the system	Practices that seek to understand the dynamics of the broader system that strategies sit withing - internal and external conditions to an organisation
	Experimental validation	Experimental approaches to explore the context or problem and validate strategic possibilities. This kind of practice helps to generates 'leaps' and space to imagine new possibilities.
	Customer engagement	Ability to understand the customer and new opportunities in the market, bringing these insights and sensibilities into strategy practice to shape desirability aspects of analysis and in defining directions.

Table 1: The various ways strategic designers interact with strategy practice.

General considerations for strategic designers in practice

We see some common considerations for designers to consider when seeking to create innovative strategies using their skillsets. We briefly describe some of these general and emerging considerations below. They outline some approaches to support the way strategic designers are valued through practice whilst also navigating the tensions with their non-design peers.

Our research shows that strategists who have adopted a design-led approach have done so because of their proximity to designers in practice, exposure to design concepts (such as design thinking) or a general curiosity for working in alternative ways "extending the strategy toolkit" with design approaches if you like. Contrary to this, some strategists and managers are not interested in design or see it as a valid and guaranteed way to produce a good strategy. 'Design-friendly environments' are dependent on a level of understanding, awareness, and wiliness to let design practices develop in strategy projects, and as such Strategic Designers who make an effort to share and support their colleagues to appreciate and understand the different approaches to strategy practice through design, may be useful to develop support the development of more mature practices that incorporate both traditional and design-led strategy practices.

While this consideration seems pragmatic, we note there are consequences for designers doing this level of work and uplift. We note across our sample a high level of fatigue in Strategic Designers who are working to not only do their day job but validate their positions or defend their practices and the value of design in strategy. This, in turn, involves a high level of persistence, patience and energy – which can lead to a level of burn-out for practitioners. One strategic design practitioner reflects on their recent role change:

> *"I have not really been working in that space (strategic design) for a while now. I am now working … on commercialisation strategy. Unfortunately, not doing much "design" anymore. Actually, thinking about the situation...these roles are much "easier", yet not as joyful." (Strategic designer 9)*

Another strategic designer explains the difficulties faced when trying to integrate strategic design ideas into strategy where hypothesis approach dominates the practices:

> *"I don't see a single one (strategist) among them who has any appreciation or understanding progress. And, honestly, the first year or so I was there, I was all excited and trying to like win people over and think about the value of design and it's just too hard. And they're just like, when you're working in a large firm the US these cycles of turnover and stuff like that [is high]. Like there's synergy when [you win] one or two people over and then. they bloody leave and you have got to start all over again. And unless you've got, like, some serious people at the top, who radically buy into it, like it's just: 'Life's too short!'. Yeah. And also, you know, I'm like to do that as a sole crusader…the juice is not worth the squeeze." (Strategic designer 11)*

<u>Capability dependency – Exposure to design, learning through experience, retaining talent and burn-out.</u>

Here these issues are further compounded by access to appropriate strategic design capabilities and teams or practitioners who understand and appreciate the value of what strategic design can bring into practice. We heard that often when non-tradition designers in strategy develop skills, they move on, and replacing them is hard work. So, sustaining a viable proportion of strategic design talent or equally design-friendly/aware/interested practitioners or managers is a challenge for this developing field. If strategic designers cannot sustain their practice within the field of strategy, then the risk is dominant approaches to strategy are sustained. The outcomes of which mean less of what we outline in the 'valued' sections above appear in strategy production. As one strategist reflected in their work to develop design capabilities in their team:

> *"These consultants basically became really comfortable with the data and analytical side of things. They're really comfortable with worksheet design, facilitation and asking good questions. And the biggest challenge will be keeping them Yes. That was the challenge was keeping them. Yeah. So, people went their own ways. And that's where that piece kind of went in the end." (Strategist 12)*

We observed that strategic designers are influenced by the practices that dominate their work environments. Often the pragmatic approach of going with the flow allows strategic designers to stay in the frame of strategy practitioners and their projects – but this also means giving up some of the ideals potentially held around good design practice: For example, a strategic designer reflects on the tensions that emerged with the strategic design teams they led:

> *"I was a lot more open to the different possibilities of where design can play and also much more pragmatic, less idealistic about design, so I think sometimes there was probably tensions around my pragmatism to be honest around let's just do this, you know, two week customer research thing for the strategy, which is rubbish and it's shit and we shouldn't actually be doing it, but let's just do it anyway. Yeah. Because we don't know. What might, what relationships might be built from this and cetera, et cetera. So, like, I'd always be very positive and very pragmatic. And, and I think some people were just like, why are we doing this again?" (Strategic designer 8)*

This example is also representative of when a designer develops business acumen and understands the dynamics of business practices not only for the stakeholders they are designing a strategy for, but for the organisations they work within. Often designers are

perceived not to be well-versed in integrating business concepts into their practice. One strategist likened designer to focusing on the 'art' of practice over business objectives:

> *"I think that [design] brings a lot to strategy for sure. But on the flip side, in my experience, coming from the business background, is that the understanding for the commercialise aspect on the design side is really not well understood. And it's really hard for design to interact in that conversation when they don't understand that this is not art. This is applied design in a commercial organisation. Yeah, I think that that is still something that people struggle with." (Strategic designer 12)*

We consider that a consequence of this for designers, is to seek novel ways to develop skills, extending knowledge about business in support of integrating design practices into the management context –whilst looking at clever ways to mould into existing cultures and practice norms without losing (or diluting) the essentials of design practice when doing so. In this way, design practitioners can learn to lean into the aspects of practices where gaps in skillsets are known. One strategic designer provides this example of amplifying the human-sensing capabilities in the workplace:

> *"The perception of design is that it's sexy, really, or brings aesthetic and excitement and interest. To something that might not easily be or seem like strategy. And then it does definitely bring the human the very human element, which and you know, talking in a [large consultancy] context, most people will just recognise that they don't have that level of empathy or understanding of humans and human behaviour. And so there was that value of being able to bring that in." (Strategic designer 8)*

Study participants who intentionally integrate design into their strategy work describe how these specialised strategic design capabilities have been developed over time. These have come about by intentionally infusing and experimenting with methods, tools and mindsets borrowed from the field. Designers working in a strategy context are doing so because they have sought to learn how to speak to business more effectively – 'learning the ROIs and KPIs', to understand and speak about the client's business objectives. On the other hand, a strategist's exposure to design (or designers) often leads to inspired experimentation with design in strategy practice. To incorporate design practices, strategists must also be aware of different ways of working in strategy. One strategist described this as learning how to use gears when driving to not 'get stuck in one gear', that is 'being cognisant that you are thinking in a certain way'. Therefore, intentional and 'deliberate actions' using or supporting design practices are required. This is also heavily dependent on an individual's interests and motivations. Further investigation is required to understand the ways these personal

preferences are shaping strategy practice and in which ways designerly practices feature and therefore shape the resulting strategy(ies).

Discussion

An emerging field: developing practices and embracing pluralistic skillsets in difficult terrain.

Strategic design practices – practices undertaken by people leading their work from a design practice perspective to inform strategy formulation – are being integrated into strategy teams and projects. As outlined in Part One, this occurs in several ways. However, the skills valued in a strategy context (outlined in Part Two) are similar. Here we discuss the tensions experienced in and around a convergence of practice between strategists and designers. Practitioners who work in scenario 1. *Infusion of design practices into strategy practice* face the most confronting challenges – but these may also be experienced for *scenario* 2: Design practices that implicate strategy. In scenario 2, however, the implications for strategy are more responsive in that the findings from these projects implicate the directions of strategies or the choices, capabilities, and competitive moves organisations need to take. In Scenario 1. usually, it's the designers calling for and showcasing different practices for strategy formulation, and the issues are far more direct for the practitioner. In scenario 3: Design consultancy practices, we observe that clients are already coming to a design-led practice with a level of comfort and awareness about the 'difference' in practice and therefore geared up for a different kind of strategy experience– the biggest concern for strategic designers is bringing them along on that journey so that recommendations are seen as valid and adopted.

This study reveals that the path for designers to forge into strategy practice is not an easy proposition. The development of a mature strategic design practice is one that is won through experience, which as we outlined above, constitutes hard work –advocating for and proving designs placement in strategy, whilst also seeking to extend practices and knowledge to adapt effectively into an integrated practice that fits more comfortably with strategy and strategy practitioners. The context and conditions for design in strategy are also variable; so, in this case design practitioners need to sense for an environment that will be productive and fruitful for the development of strategic design practices.

Further research might investigate the difficult terrains more deeply to provide opportunities to develop design practices in strategy that are productive and sustainable over time.

The realistic challenges for strategic design practitioners – flexibility, identity and up-skilling.

While we see that design can be valued in strategy practice, it is not without its critics or challenges. Strategic design practitioners and their work can be seen as being 'too squishy", "airy fairy", like "jazz hands", "fluffier and not executable" and *lacking the analytical rigour* of traditional strategy processes. So, while strategic designers are valued for exploratory, creative and innovative reasons, the outputs of strategic design can sometimes be seen as not 'hard' enough to realize a rigorous strategy. Strategic designers are seen as bringing value by defining 'desirable' (consumer sentiment) aspects of innovative strategies but not so strongly as 'feasible or viable' regarding economic and business validation strategy aspects. Individual skillsets need to span the 'desirable, feasible, viable' dimensions or teams need to be assembled to bring together expertise across these dimensions. This implies that a fusion of skills is optimal in the application of design in strategy – further investigation may elicit the critical practices necessary to achieve 'robustness'.

Designing in multiple contexts is *not easily replicable or scalable* because a different set of practices is required for each new project. Design practices are shaped by the type of client/team, problem, and desired outcomes. This makes optimising design practice in a strategy context hard – it is not formulaic in a replicable way – which brings the uniqueness and innovativeness valued in strategy practice. However, this makes it harder for managers to grasp an appropriate approach to reaching a sound strategy –therefore, the challenge of overcoming those who see design as optional rather than useful or essential. Adding to this complication, the integration of strategic designers in strategy work also depends on how prominently design practices are embedded within strategy projects. When there is a lack of design expertise, strategists' default to known methods favouring analytical working methods. So, while it appears that attributes of design(ing) occur in strategy practice, it is not (yet) an established strategy practice. Rather it is a practice that is 'chosen' as an alternative approach or 'imbued' as part of the more traditional strategy process if/when design capabilities are available to enact it.

Strategic design practice and the various deliverables will need to stand up to the rigour and force of traditional methods in strategy. This calls int question the identify and specific training (or lineage) that designers have leading into strategy role. The complications outlined here suggest that strategic designers may also need to consider some additional tools in their design practice toolkit that fir the contexts they enter. Further research may investigate the types of education and experience that would prepare designers for strategic design work – or in lieu of this, the kind of roles or consultancies that could facilitate such training on the job (as we note much of what strategists have learned about how to 'do' strategy is learned in their formative years of practice with clients and usually in consultancy environments).

Conclusion

Our preliminary findings suggest that a new kind of strategy practice is emerging. It infuses designerly practices and a different logic into strategy work. We find evidence that the emergence of DT in management has resulted in more significant opportunities for designers to pursue working in more strategic capacities within organizations. From this perspective, designers are learning the 'language of business' to help organisations achieve their objectives in accompaniment to strategies or reshaping these by pursuing design consultancy and engagement.

The extent to which strategists integrate design as part of their practices depends on their proximity to a) those who see the value in design and b) those with design skills and experience. So, while we see there are developing practices explicitly in relation to strategists incorporating designerly ways of working, we also see the proximity of designers to higher levels of organisational decision-making as key to this integration.

The opportunity brought forward by this research is to articulate further the characteristics of the emerging design practices within strategy and the relationship of design and design practitioners to this process. We see that designers and design in strategy formulation have value, especially when organisations seek to develop innovative strategies. Yet we see the challenges in front of those practitioners essentially facilitating change in workplace strategy practices. To this end, we see it important for designers to establish themselves where they are valued and needed in strategy practice. So, there is a need to understand how to support and nurture this integration.

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