



VET
Entrepreneurship
Handbook

Module 1

Theoretical framework
and key
Entrepreneurship
competences

Unit 2



VETENTRE

Building VET Trainers Entrepreneurial Competences



UNIT 2. DESIGN THINKING. CRITICAL THINKING

1.1 DESIGN THINKING

What is design thinking

Design thinking is an innovative problem-solving process rooted in a set of skills. The approach has been around for decades, but it only started gaining traction outside of the design community after the 2008 Harvard Business Review article titled “Design Thinking” by Tim Brown, CEO and president of design company IDEO.

At a high level, the steps involved in the design thinking process are simple: first, fully understand the problem; second, explore a wide range of possible solutions; third, iterate extensively through prototyping and testing; and finally, implement through the customary deployment mechanisms.

In the following paragraphs we will provide step instructions on how to run a design thinking workshop during one (or two consecutive) VET class (/es) to examine a specific entrepreneurial challenge (both online and offline) students will need to be able to fill in a concept of a service template

Why do entrepreneurs need design thinking?

The majority of successful entrepreneurs have incorporated innovation into their enterprises. Here's how it might benefit them and why following a design thinking approach is essential.

1. Long-term strategy planning

Complex, difficult-to-define, one-of-a-kind issues with uncertain implications must be defined. Wicked problems include issues like poverty eradication, sustainability, healthcare, and education. As an entrepreneur, you must consider these factors as part of your long-term planning and company strategy. We frequently pose questions about how we might be able to fix these difficulties in the future throughout the design thinking process. It promotes creativity and aids in the brainstorming process. Setting objectives and figuring out how to overcome any inadequacies is crucial to being a successful business.





2. Allows divergent thinking

Design thinking is based on a method that encourages both divergent and convergent thinking. This is usually connected with creative thinking, inventiveness, curiosity, and a willingness to try new things. Convergent thinking is the process of combining several ideas into a single answer. As an entrepreneur, design thinking helps you to experiment with multiple thinking methods and open-ended possibilities in order to come up with a workable solution. Empathy and other design thinking methods are excellent for this. Prototyping plays an important role in this area as well.

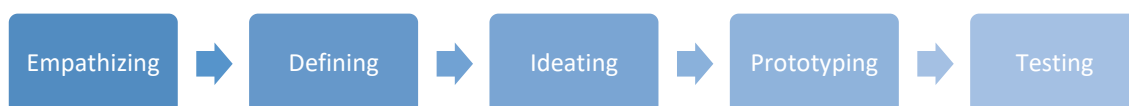
3. Incorporate a process model

You may track and assess your progress and achievements by using a design thinking methodology. It also enables you to assess comments from a variety of entrepreneurial endeavours. There are other methods for doing so, but the design thinking approach follows a five-step procedure. Empathize, define, brainstorm, prototype, and test your ideas. As an entrepreneur, following this approach can aid in the creation of a framework and timeframe.

4. Be curious and observe

Observation is at the heart of design thinking. Curiosity in how things work, why they work the way they do, and trying to solve problems as a result of this curiosity is what distinguishes you as an entrepreneur. It will eventually help you develop empathy, which is one of the most important parts of design thinking.

There are five key components in the design thinking process



Start with empathy

Empathy is the core of human-centered design and is the basic aspect of design thinking. This is the initial phase in design thinking, and it pushes you to focus on the people, their goals, objectives, and pain areas. An empathy map can assist in determining how individuals feel, what they say, what they do, and what they believe. Its goal is to learn more about how individuals make decisions and what matters to them.





Define the problem or opportunity

Entrepreneurs use this stage to assimilate all of the information gained during the empathy stage. It's how they come up with a point of view and the issue or opportunity they are trying to solve.

They will say things like, "We discovered that people want a simple and efficient way to execute X." That sentence is the precise definition of a design thinking "point of view" statement. Successful entrepreneurs build their point of view statement using information they have gleaned from first-hand, insider experiences or sharp observations.

Ideation

True successful entrepreneurs flourish at this time. They come up with unique solutions to the point of view statement – and, more crucially, solutions that their users like. It's the well-received, ground-breaking concept that leads to increased revenue and market share.

Prototype and test

Prototyping and testing are two distinct processes in the academic area of design thinking. However, after you've decided which concept to implement, the next step is to prototype and test it fast, inexpensively, and iteratively. Successful entrepreneurs understand that the faster (and cheaper) they can test a concept, the better aligned they will be with the personas (and segments) to whom they want to provide value. It will reduce the risk of the product-market fit equation by ensuring closer alignment to the personas' point of view statement with each iteration. This iterative method also aids in the definition and development of the minimal viable product (MVP), which is a crucial stage in bringing a product to market.

1. Creating a business idea

Example

You want to start a business and you have the idea of delivering healthy food to employees. You did already a market research and you found out, that there are enough companies with a lot of employees located in your city. There are no other services which are specialized on employees as their customers. Therefore, you are convinced, that your start-up will run successfully.

But then you got the advice to use a design thinking process for your business

Needed time: 80 minutes in total





Needed material: Post-its, flipchart

Steps:

- Please divide into groups of 2: One participant is the entrepreneur / interviewer and the other the potential customer / employee in an office in city xy. Write what you heard on post-its **(20 min.)**
- After that form 4 groups à 5 participants.
- The participants of each group share, what they heard and observed in the interviews. (Now all participants are entrepreneurs) **(10 min)**
- Construct a persona on a flipchart. **(15 min)**
- All participants walk around and see the different personas.
- The group who created the persona talks about their experience during the process.
- **Question:** Did your original business idea change?

OTHER EXAMPLES OF EXERCISES THAT CAN BE PERFORMED IN THE CLASSROOM

1. Divide your students into groups of uneven number of people and handout material:

Needed time: 5 minutes

Material: post-its of 4 different colours, 1 pen per participant, 1 A2 papers per each group

Type: Icebreaker

Give them 5 minutes for each member to share with the rest of the group which colour do they feel and why (to start pushing thoughts out of the box)

2. Visualize customer journey:

Needed time: 15 minutes

Material: pencils and post its for all participants + one A2 paper per each group.

This exercise will allow participants to focus on their main potential customers, to do so, you will ask each group to imagine step by step what an office employee (to which they will give an imaginary name) does on a weekday from when he wakes up until when he goes to bed. Each step will need to be written down on a post it and placed in linear and





temporal order on the A2 paper. N.B use post its of a different colour for the steps that are during the lunchtime (will differ between countries)

Hint: each step represents an action: like: having breakfast, reading news, commute, enter the office, start laptop, answering email, work on a document, have a coffee with others...etc

3. Identify leverage point and related pain-points:

Needed time: 20 minutes

Material: post-its and pencils

This exercise allows participants to start tapping into the importance of customer behaviour when it comes to think about the decision making moment when a customer decides to make a purchase, by being able to experience that moment yourself you will know how the customer may feel in that moment so that your message and communication tone will be shaped around it. *A key insight to have when it comes to differentiate your offer.*

Step 1. 10 minutes: Select among the created post it the ones that correspond at the time and moment in which you think that the employee will manage the fact that she or he will need to eat tomorrow at lunch and mark them with a star/symbol.

Step 2. 10 minutes: Once at least 2/3 moments (post its) are identified, start thinking about what impedes your user persona to decide (and organize accordingly) to have a KMO and healthy lunch the next day. (e.g. time, price, lack of KMO options, lack of a dedicated website, distance from home, lack of healthy food culture, etc.) for each reason found write down in one post it.

N.B. remember participants that pain points are not potential solutions

4. Brainstorm potential solutions that address busy life, lack of healthy and cheap options for delivery, bad visualization of the available options, etc.

Needed time: 10 minutes

Material: as many post-it as needed

Write on post-it (1 per each post its) one sentence for each potential solution that addresses the identified pain points.

Quality is more important than quantity during this exercise.





5. Prioritize the identified potential solutions:

Needed time: 5 minutes

Material: one A2 paper with a 2 axis grid (like the one below)

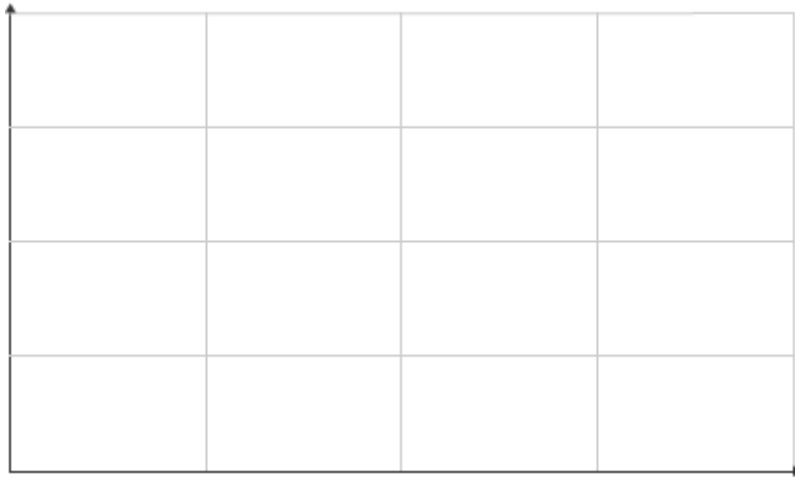


Figure 1. Grid

In order to select what could be the best solution to offer the target customer place all the post its created with 1 potential solution per each on a 2 axis grid:

- On the Y axis place the added value that the solution could bring to the local environment (in terms of social, economic and environmental impact)
- On the X axis place the required effort that implementing such a solution will require (e.g. estimated financial investment, amount of time needed to conduct market analysis, human resources necessary, need for specific documentation and permissions, cost of the main resources ...etc)

6. Fill in concept service

Needed time: 25 minutes

Material: one A4 paper per each group with the concept of a service template printed.

Once the solutions have been prioritized allow the group to select the one they like the most (which should find its place in equilibrium within the prioritization grid of the previous exercise and fill the following template:

NAME OF THE SOLUTION: give a catchy name to your solution

VALUE PROPOSITION:





For whom is the solution? Give name and age of the user persona the group defined.

What is her/his need? Present identified pain point during the daily journey of your potential customer

What did you create? Explain how the solution lowers the identified pain point by transforming

Why does it have value? Explain how thanks to your solution the identified pain point will transform in a pleasant experience for your user persona

TECHNOLOGY: will the identified solution depend on a specific technology? If yes, please specify

TIME AND EFFORT: try to estimate how much time and resources will be necessary to have your solution ready available for your user persona.

7. Pitch

Needed time: 3 minutes per each group

Material: 1 volunteer per group presenting the template + silence and respect for everybody's effort

Each group will have 3 minutes to present (up to where they got able to complete it), the filled in template in front of the all class.

8. Open discussion

Needed time: as needed

Material: respect for each other questions and willingness to accept critique

Allow groups to make each other questions and exchange views while facilitating their interaction by giving everyone that want to intervene, the occasion to do so.





1.2. CRITICAL THINKING

What is critical thinking

Critical thinking is a thought process that leads to a deep and accurate understanding — whether it's of a topic, a situation, problem, opportunity or anything else. Critical thinking uses logical reasoning that involves a number of different skills, such as being able to distinguish fact from opinion or evaluate the relevance and accuracy of data presented. The key critical thinking skills are: analysis, interpretation, inference, explanation, self-regulation, open-mindedness, and problem-solving.

5 examples of why critical thinking are essential to create innovative solutions

- 1) Address climate change: farm to fork strategy from EU Commission or Almanatura <https://almanatura.com/>
- 2) Address social inclusion: social entrepreneurship B Corp in Spain (give growth rate and impact scores) <https://bcorporation.eu/about-b-corps>
- 3) Create new business models: Too Good To Go <https://toogoodto-go.com/en-us>
- 4) Tesla: knowing that transport empowered by fossil fuels will quickly end, Tesla decided to develop only electric cars, giving the start to a new fashion within the automotive industry
- 5) Centre for human technology and the social dilemma- with a critical thinking look over the negative effects of social media and technological hyper-development on society, the Centre for Humane Technology created a TV series which won a Grammy award.





RECOMMENDATIONS to VET trainers for running design thinking workshop

Design thinking workshops are run by facilitators, because being a collaborative effort, who organizes it, provides only the material and the instructions, and will try to influence the outcome of the activity as little as possible, by leaving participants to think completely freely and avoid cognitive dissonance effects by providing too many directions.

Moreover, the facilitator needs to take into consideration the fragile situation of our beneficiaries, i.e. people at risk of poverty and social exclusion, therefore having a high emotional intelligence is key for the good implementation of the activity. Effectively, the responsible must facilitate the participants into completing the different steps of each workshop by keeping strict control of time, making sure everyone contributes at least once, and engaging them by asking an indirect question to them (especially to the people in the group that haven't contributed much).

Last but not least, make sure to rotate among groups (remember to always make sure to have an uneven number of people per each group so that decision making processes will be easier as each has one vote) in a class and give them the same attention time (e.g. if workshop is 1h and 30 minutes and you have 5 groups, allocate 18 minutes each).

How to ignite critical thinking within the design thinking workshop?

Try to provide the broadest picture over the ecosystem where the topic of the workshops rotates (e.g. if applied to the office food, provide overview of how food system works locally and which are the effects on a global scale)

Always remember that when it comes to analyse a problem in today's historical time, you always need to consider the local and connected global dimension of it since we live in a reality in constant communication and connection between all its elements. It is key to have in mind the implication of the analysed problems for the entire planet and humanity, this will help define the target group that will be the most sensible to your message.





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Co-funded by the
Erasmus+ Programme
of the European Union

“The European Commission’s support for the production of this publication does not constitute an endorsement of the contents, which reflect the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.”
Project Number: 2020-1-DE02-KA202-007504