BearingPoint®

Design Thinking

A compulsory feature
of service development

Convergence Letter N°32

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BearingPoint consultants understand that the world of business changes constantly and that the resulting complexities demand intelligent and adaptive solutions. Our clients, whether in commercial or financial industries or in government, experience real results when they work with us. We combine industry, operational and technology skills with relevant proprietary and other assets in order to tailor solutions for each client's individual challenges. This adaptive approach is at the heart of our culture and has led to long-standing relationships with many of the world's leading companies and organizations. Our 3,500 people, together with our global consulting network, serve clients in more than 70 countries and engage with them for measurable results and long-lasting success.

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The digital world's pure players usually base their business models on the success and use of a simple ergonomic service. Today this is clearly a required and obvious part of the ecosystem in which these pure players evolve. So what if we addressed this issue in the context of traditional suppliers of services? A wide range of services, a consistent portfolio of products, brand values and an ever increasing number of customer contact points: what if design helped clarify the situation?

Design science within digital services: a new reality?

Design refers to a multi-facetted notion: form, colour, lines... it is therefore very visual. From that very fashionable 2CV look to the retro lines of the 1980's Vespa, or the recently crowned Renault Twizy that won the 2012 Red Dot Awards of the best product design... What is it that nourishes our judgement of those gems that we so readily qualify as « design »? On the contrary, why is the Renault 14 considered as the antithesis of design? Part of the answer can be found in the way we very roughly classify products in two distinct categories: vintage vs. old fashioned.

What if we transpose this reality to the services that surround us in our everyday life? The most successful manage to combine pleasure, simplicity of usage and the ability to evolve while giving the user the most freedom of movement and interaction possible in a context that combines multi-screen complexity with social interaction. If those types of services are the most popular it is because the design approach - which by essence should be forgotten and hence cannot easily be pinned down - has been

applied strictly by the book. This is why the iPad, whose users so appreciate its fine lines, cannot be dissociated from the quality of its navigation and the gestures required for using the applications it supports.

Beyond the first impulse that encourages a consumer to buy, service design is part of experience on a daily basis. A service has to be able to evolve constantly, at least as fast as the market does, while listening to or even anticipating what its users want. What matters beyond the initial purchase or free download is loyalty and usage development, the grail being viral recommendations, buzz and then monetisation.

A simple reality that proves to be complicated to implement

Gone is the time when a useful service with a touch of superficial graphics was enough to satisfy the consumer: these have been superseded by what the new actors of the digital world offer, based on easy services that are pleasurable to use. To be ahead of the game and remain competitive, a service must not only be useful, but also encompass a universe rich in clear and intuitive experiences. It is somewhat what Facebook does with its latest releases: limited new features but a strong accent on fluidity, speed to upload and reactivity. Those qualities have overtaken functional enhancements. Several digital players have built an empire based on this secular dialectic: reaching simplicity is extremely complex. Apple, Facebook, Google, Amazon, Dropbox... and a multitude of start-ups all produce re-sults widely based on the design thinking method.

A new approach for of services

Design thinking, derived from the reflexes of product design that are used in several industries (automobile, high-tech and luxury goods), has a bigger and bigger audience in the field of services. This methodology is articulated around 5 important principles.

The first of these principles is the idea of user-based design where customer feedback constitutes a central tool for creation. It contributes to a virtuous and iterative circle which keeps the beat between different versions and evolutions in the service concerned. Numerous industrial sectors already master this issue quite simply because their product life cycles and production constraints leave no room for mistakes. Qualitative and quantitative research, focus groups, trends and tests are all steps that help validate the relevancy of a digital service, just as they are for a tangible product distributed on a worldwide scale. An alternative approach would be to quickly develop new interfaces and functionalities, and to submit them directly for user feedback, and then carry out any necessary adjustments or upgrades afterwards. Hackathons are a consequence of this approach: no more detailed business plans! It's all about going straight into action by taking a few minutes to set up a killer team (designers, ergonomists and developers) who can launch a new service into the market over a weekend. Digital pure players have the edge over their click and mortar counterparts in this field because they don't carry the weight of history in their methodologies. This means they have few or no constraints to reinventing themselves every day or at least while they are still young

companies... Brands have to strike a fine balance between style and usability in the digital services they offer. They have to extend the real and physical experience while respecting their historical cultural baggage and granting their users with that feeling of control that they love so much when they grab their favourite tablet or smartphone in hand.

The second principle is co-creation which consists in bringing together abilities from multiple entities of a company. The teams involved all contribute to setting up services. Each of the different players brings the values of their specific area of expertise to the table and develops consistent ideas that take into account the constraints that each entity of the company has to deal with well in advance in the process time-line. The traditional scenario often means that a service thought up by, let's say, a marketing department will progressively see its ambition diminished by various company constraints (customer service, technical service, billing...). A design-based approach contributes to a solution where there is consistency between each entity involved the making.

Promoting a global vision of the whole user experience is the third principle. It entails taking into account the moment when the service is used within the context. For instance, an information site can be accessed at the office on a web-based interface, while on public transport on a mobile phone, or on a home TV screen. New tools like Personas or mapping key moments to a typical day complete their analysis on the basis of the different types of terminal used. These types of tools have been put into

place by companies like Orange in their department fully-dedicated to *Design and User Experience.*

Developing a consistent storyline using the different points of contact is the fourth principle this method embraces. Users are reassured when they enter into contact with a brand that has an inspiring and original DNA and then become ambassadors for these brands. Nespresso offers a specific universe through its products, boutiques, services and user interfaces, that illustrates this idea of coherence in the experience proposed. In fact, pushing the concept so far as to develop the notion of belonging to a select club has made other brands envious. This *storytelling* approach increases the power of brand messages and reinforces their impact.

Finally, the last of founding principles: industrialisation of iteration processes between the different stages in service creation. These processes are based on the agility method, already well known to web developers, and integrate results obtained when the first principle of their method is applied. Developing models and putting beta versions onto the market are all perfectly well accepted by users who have been forewarned and who then become the builders of tomorrow's versions.

New challenges for service providers

Searching for areas of growth or simply for a way to make their services evolve, telecom, media and utility operators today are all turning their attention to service design. Henceforth competing with ultra agile and

reactive digital actors who are able to develop new functions over night and put them on the market the next day to offer to millions of clients, the former need to rethink their service development methods. Their objective: offer interfaces and points of contact that are ever richer. If they don't, they might be seen as old-fashioned compared to agile players that manage to position themselves between the brand and the final user. Today, aggressive attempts at disintermediation between service suppliers organised by over-the-top services has contributed to changing the rules and aims at containing them on their original core business, in a context where new growth is specifically expected in new services.

Just as telecom operators that refuse to be confined only to the role of connectivity supplier, media players do not want to see their advertising revenue melt away as a result of lower audiences. Gas or electricity suppliers do not wish to give up complementary revenue that they could raise through growing interaction in their user's ever more connected houses (domotics, intelligent meters, specialised applications). A common point shared by all those players: users' appetite is constantly craving digital interaction between their favorite brands and suppliers. Companies need to rethink the client experience as a whole in order to create links and to transform actions that are sometimes repetitive, into richer experiences that can then produce opportunities for monetisation. Tomorrow's gas or electricity meters are fully part of this process.

In this context, designing services that are focussed on users who are ambassadors of a brand with a strong identity and an experiential universe

that is consistent with their core business is the only way to guarantee their existence and competitiveness in a digital ecosystem. In order to conceive designer services, a three step reflection process is called for.

First of all, defining and detailing the brand values and DNA into simple principles around which to design services, interfaces and physical products. This will also help determine the territory on which services should be present. The exercise is difficult to apply based on a company's ambitions. Inversely, certain services might be proposed on a partnership basis, rather like what Orange and Deezer did or then again may even be abandoned entirely.

The next step is enabling design thinking to be initiated and applied. Different streams can be considered: defining coherent design conception methods, and adapting governance and key indicators to help decision making and arbitration between planning, budgeting and the ambition of a user focussed project. *Project design reviews* that keep the portfolio of offers coherent are also part and parcel of this step.

Finally, this change in the culture of how services are designed has to be integrated by the operator internally by communicating with and informing employees and external agencies so that they can all develop and take ownership of the brand values and their nuances. Through the numerous points of contact they have with their clients, telecoms, media or utility operators have at their disposal an almost-permanent audience. It is up to them to transform this interaction into deep and loyal user commitment.

So when will Executive Boards start taking on CDOs (Chief Design Officer), as is already the case at Apple?

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Glossary:

- **Design:** creative activity that aims to establish an object, service or processes' consistency as well as that of its ecosystem. Design is a key factor in humanising an innovation and thus in facilitating cultural and economic exchange.

- **Persona:** designates a fictitious person who represents a target group. When building a persona, the fictitious person is given a series of characteristics that enrich his or her profile so that the target group's specificities are better expressed. Thanks to these characteristics, the design team can create user scenarios for a product or service while the sales team can build a strategy for positioning, promoting and distributing this same product or service.

- **Storytelling:** using a procedure of narratives in the communication technique in order to reinforce public adherence. Storytelling consists of producing several strongly seductive or convincing stories from within the organisation or the public at large.

- **OTT** (Over the Top) indicates a digital service or content provider that operates independently of the telecoms operator in terms of control and distribution. The telecoms operator is then simply a transporter of IP packets from the main supplier to the final user. OTTs offer their services via connected devices (PCs, tablets, mobile phones, set-top boxes, game consoles and web connected TVs etc.)