

# Design in business:

It's not about creating something pretty.  
It's about creating value.

High performance. **Delivered.**

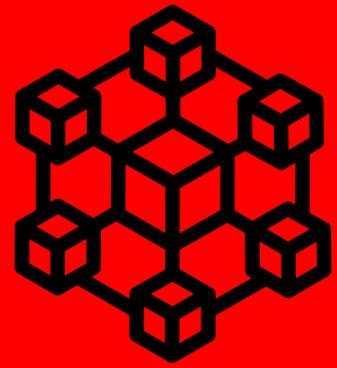
By Yaarit Silverstone, Kent McMillan  
and Benjamin Gaunt



Business capabilities that just a few years ago produced competitive advantage no longer do. It's no longer enough for companies to demonstrate executional excellence. Innovation and speed are the new must-haves. Customer focus has given way to customer obsession. Data-led is now data-driven. Product development is no longer about designing things customers want. It's about designing solutions that give customers the outcomes they need.

In this very different environment, business leaders know they need to adapt. But questions remain about how they can develop these attributes fast.

Business design might just be the answer.



**92%**

of executives recognize their organizations must be faster, more networked and more collaborative.<sup>1</sup>

Design thinking is a repeatable process for solving problems and identifying new opportunities. While it is widely used by product designers, this human-centered approach to innovation is not limited to the creation of things. Design thinking can be used for any type of solution aimed at aligning people's needs to technical possibilities and business requirements.

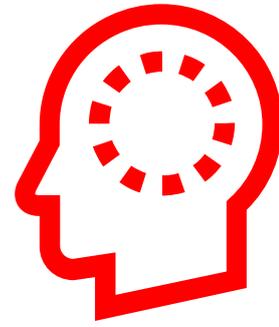
Forward-thinking executives have realized they can augment their traditional problem-solving approaches with principles of design thinking to drive innovation across their entire business. With this new way of looking at business challenges and solving complex problems—dubbed “business design”—companies can gain a deeper understanding of those they serve and greatly increase the likelihood that the outcomes they deliver will be highly valued. With its intense focus on the needs and experiences of stakeholders, business design introduces a broader mindset and a new set of problem-solving and discovery techniques (see Figure 1).

Figure 1. Business design represents a radical departure from conventional problem-solving.<sup>2</sup>

PROBLEM-SOLVING	CONVENTIONAL APPROACH	BUSINESS DESIGN
The problem-solving mindset assumes that...	Reality can be quantified	Reality can be understood
The problem-solving process starts with thinking about...	What the company can do	What people need
The problem-solving methodology focuses on...	Minimizing risks	Embracing opportunity
Primary inputs to the solution include...	Numbers (analytics)	Numbers + people + context (ethnography)
Solution development involves...	Analyzing data to get to the single best answer	Iterating actions, based on data, to develop increasingly better answer(s)
The role of the end user is to...	Use and review	Co-create, consume and advocate
Finishing point involves...	Completing and maintaining the solution	Evolving and enhancing the solution

The benefit of using business design to introduce organizational changes quickly cannot be overstated. Not only does it encourage employees to redesign processes more efficiently, but it also accelerates adoption by having employees co-create process changes. Accenture Strategy research has found that high-performing organizations have more change taking place—30 to 50 percent more initially—and at a faster pace than their lower-performing counterparts.<sup>3</sup>

At its core, business design is about improving the relevance of the solutions that organizations can deliver to the end user, as well as the manner and speed with which they can create them. It encourages experimentation and prototyping. And it connects important elements of design (e.g., elegance, sensitivity, continuous and rapid iteration, and an appreciation for how people engage with the world) within the context of the business, which allows leaders to quickly understand the feasibility and implications of their decisions.



**Managers rank creative thinking and experimentation—critical elements of business design—as among the most important skills for their roles in the next five years.<sup>4</sup>**

## **BUSINESS DESIGN IN ACTION**



**The United Kingdom's Open Policy Making team in the Cabinet Office launched Policy Lab to bring new approaches and methods to the work of 17,000 policy makers in the UK Civil Service. In addition to delivering Business Design projects that create better government policies and services, the Lab focuses on building Business Design capabilities across central and local governments to help develop and continually improve all aspects of their work. Thousands of civil servants and others inside and outside of government have already taken part.<sup>5</sup>**



## THE FINANCIAL ROI ON BUSINESS DESIGN

Further, Business Design has proved to be a sound investment—one that has a direct bearing on an organization's financial returns. The UK's Design Council reports that "design-alert" businesses achieve a 125-percent return on their design-related investments.<sup>6</sup> The Design Management Institute and Motiv Strategies found that design-led companies outperformed companies in the S&P Index by 219 percent over the past 10 years.<sup>7</sup>

## Dispelling four business design myths

Many business leaders confuse business design with other forms of design. Before they can apply business design to solve business problems, they need to understand what it is—and what it is not.



### **It's not only about the things you sell.**

Design thinking is an important tool for marketing and R&D. But it's just as relevant to middle- and back-office functions. Procurement and finance departments can use business design to streamline their processes. HR departments can use business design to rethink their end-to-end human capital strategies. Airbnb, for example, used business design to replace its HR department with an "Employee Experience Group" that focuses on designing extraordinary physical, emotional, intellectual, virtual and aspirational experiences—all with end users (i.e., the employees) in mind.<sup>8</sup>



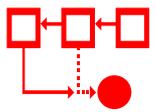
### **It's not only about creating beautiful things.**

When it comes to business design, skills such as ethnographic observation, qualitative research, user storytelling and end-user empathy all play a part. Those skills don't require "buying" a new workforce. Existing high-performing employees can develop the business design muscle their organizations need. In fact, Accenture research suggests they are eager for the opportunity.



## It doesn't just mean hiring a Chief Design Officer.

A number of companies, including Apple, 3M and Capital One, for example, have appointed Chief Design Officers (CDOs). These executives play a critical role in directing and transition to a business design culture. But one person cannot ensure its successful adoption—even if that person brings an executive title and focus. Business design is a team effort. It requires mindsets and capabilities that are embedded throughout the organization.



## It's not about failing faster.

Business design is not about failing. Business design is about conducting iterative experiments, based on data, to develop better answers to business problems. By continually enhancing and improving the solution, whatever is being designed becomes "more right" with every cycle. As just one example, a European bank worked with Accenture to boost the conversion rate of its Internet Savings website. The effort involved conducting multi-variate testing of nearly 650 variations of the site's landing page. This iterative approach to improving the page increased conversion rates by 290 percent—29 times the original goal.<sup>9</sup>

## BUSINESS DESIGN IN ACTION



Software giant Intuit challenges everyone—even its lawyers and accountants—to consider how to incorporate Business Design principles into their jobs. Finance heeded the call and streamlined its purchase order process. HR re-imagined the entire application and interview cycle. As CEO Scott Cook has stated, "Intuit has 8,000 employees, and we want them all thinking about how to improve the design of products and services, even if those offerings are intended for internal support only."<sup>10</sup>

# Mastering business design

With a clear understanding of what business design is (and what it's not), leaders can take four steps to build the necessary capabilities:

- **Identify problems that matter most.** Form a team to explore business design opportunities to address issues of value leakage and organizational distress. Solutions that focus on improving employee experiences and core business processes are prime targets.

Have you gone "beyond the product" and, for example, considered applying business design to your sales and operational planning processes?

- **Create a team of creative catalysts.** "Make and buy" the capabilities needed to seize business design opportunities and seed creative thinking. Use design-led training programs to hone the skills of high-potential workers and build new business design capabilities. Identify teams most receptive to business design and then pair them with a design expert. When hiring new team members from the outside, look for expertise that's not available in-house. Ethnographers, cultural anthropologists, behavioral scientists and psychologists may all play a role.

Have you conducted design training for your high potentials?  
Have you identified potential sources of design talent?

## BUSINESS DESIGN IN ACTION

A children's hospital in Europe employed Business Design when it challenged its employees to redesign the patient experience. While the hospital had streamlined its processes in the past, the immersive and empathic Business Design approach employed by regular hospital staff revealed that easy changes to the environment—such as offering valet parking and clearer signage—could dramatically reduce patient stress.<sup>11</sup>

- **Champion a new way of working across the organization.** Select leaders who not only embrace ambiguity and creative problem-solving, but are also user-obsessed, collaborative and intuitive. Embed the change with new organizational models, design-friendly workspaces, interfaces, tools and competencies. Adopt management approaches that reward new behaviors and empower employees. Refine your business design capability and measure its impact on an ongoing basis.

Have you incorporated business design measures into your performance management system? Have you hired leaders from schools or organizations that emphasize design?

- **Foster a culture that promotes speed and experimentation.** Business design means testing hypotheses to quickly discover value. Fund just enough to learn something. Once something works, communicate the value to employees, update the hypotheses and go again. Start small, with incremental improvements. Designate iterative experimentation as a key performance indicator.

Have you allocated resources to quickly test an idea?  
Do you celebrate what experimentation teaches you?

## BUSINESS DESIGN IN ACTION

Financial services leader Barclays launched a mobile payment application, Pingit, in just seven months. It did so by designing the entire Pingit business around the needs of the end-user. Since its debut, rapid iteration and constant improvements have transformed Pingit into a critical platform that supports multiple Barclays businesses. In fact, 20 percent of Barclays' new corporate customers now choose Barclays precisely because of its Pingit platform and extended ecosystem.<sup>12</sup>

# What are you waiting for?

One of the greatest advantages of business design is its wide applicability—from enabling fast product and service launches to enhancing employee experiences and back-office processes.

Business leaders looking for new sources of competitive advantage and agility are starting to embrace business design as an essential capability. They know they will be sitting ducks without it.

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## Notes

- <sup>1</sup> Accenture Strategy Performance Management Survey, 2016.
- <sup>2</sup> Accenture Strategy, with inspiration drawn from: Jeanne Liedtka and Tim Ogilvie, *Designing for Growth: A Design Thinking Tool Kit for Managers*, Columbia Business School Publishing, 2011.
- <sup>3</sup> Big Change, Best Path, Chapter 11, Warren Parry (Kogan Page, 2015).
- <sup>4</sup> Accenture Strategy and Accenture Institute for High Performance, "Managers and machines, unite!" 2015.
- <sup>5</sup> About the UK Gov Policy Lab
- <sup>6</sup> Design Council, "The Value of Design Factfinder Report," 2007.
- <sup>7</sup> Design management Institute, "The Value of Design," 2014.
- <sup>8</sup> Jacob Morgan, "The Global Head Of Employee Experience At Airbnb On Why They Got Rid Of Human Resources," Forbes, February 1, 2016. Retrieved September 6, 2016.
- <sup>9</sup> Accenture Digital, "Accenture Digital Optimization: Helping Take the Uncertainty out of Digital Marketing," 2015.
- <sup>10</sup> Inuit Source: Brad Smith, "Intuit's CEO on building a design-driven organization," *Harvard Business Review*, Jan-Feb 2015.
- <sup>11</sup> Children's Hospital Source: Accenture client experience.
- <sup>12</sup> Pingit Source: Tom Lytton-Dickie, "The future of banking with Barclays Pingit," Hot Topics (Interview with Barclays Chief Design and Digital Officer, Derek White), undated.

## About Accenture

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions—underpinned by the world's largest delivery network—Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With approximately 384,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at [www.accenture.com](http://www.accenture.com).

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