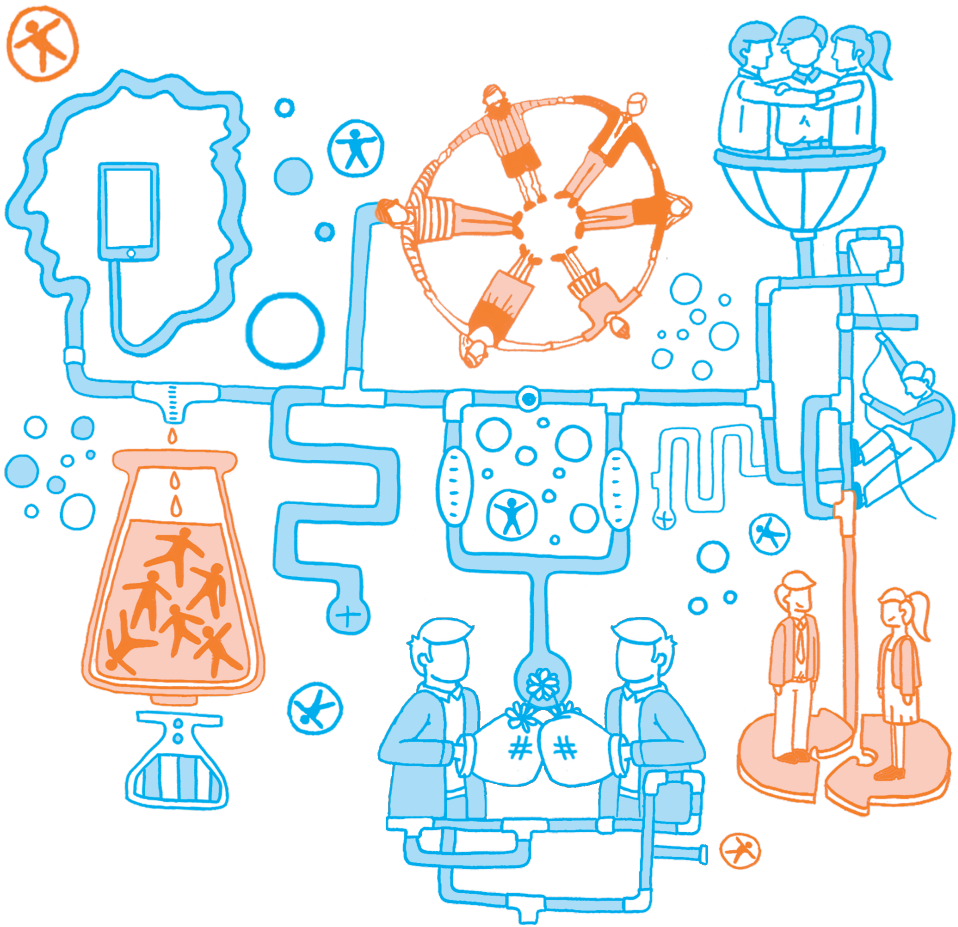


TRANSFORMATIONS

7 Roles to Drive Change by Design



Joyce Yee / Emma Jefferies / Kamil Michlewski

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Satellite Applications Catapult is pioneering the use of design at a strategic level in the space sector, an industry that is predominantly engineering-led. Here, design has been able to fulfil a number of roles including unlocking the highly technical nature of the endeavour for a sector that is moving to a mass market.

Innovation Studio Fukuoka is a great example of how design-derived impetus can help create a network of projects within a community. This city-sponsored innovation platform demonstrates how design can impact positively on even the most conservative culture, by bringing people together around a humanistic action framework.

How is this book structured?

The book begins by introducing the seven roles to drive change by design. This provides a framework for readers as they read through the 13 case studies to help decode and understand how change was enacted with the help of design. The case studies illustrate how design has been used to drive change by design and they are generally grouped around key change roles. We signposted these roles throughout the case studies to help readers make sense of the 'how'. We also highlight key learning and insights from the case studies, particularly around conditions for impact, challenges, stages of transformations and their motivation for change. We further ground our findings with insights from seven experts from the areas of organisational change, leadership, social innovation and digital transformation.

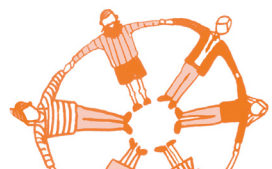
How do you use this book?

We know that design as a philosophy, a set of methods, and a culture has a growing impact on organisations across industries and sectors. Our seven change roles and the Transformation by Design Ladder are one of many resources that can guide you through this change process. Our aim for this book is to shed new light on how design helps to transform organisations by revealing how it's actually done through the people leading it as well as those experiencing the change. We are witnessing an increasing number of organisations using design to drive change to help them become more innovative, human-centred and resilient. It is our hope that through our book you will prepare yourself better for the ambitious and worthwhile mission of transforming your organisation using design.

More information on specific tools and methods that utilise our findings can be found on the website www.transformations-by-design.co.uk.

Notes

1. The Design Ladder was developed by the Danish Design Centre (DDC) in 2003 as a tool to measure the level of design activity in Danish businesses.





7 Roles of Design

What are the roles and how to use them?

Throughout this book, we consciously use certain shorthand. When we say design ‘does’ or design ‘has’ we mean the people who are informed and inspired by the methods, philosophies or values associated with the design paradigm in organisation studies¹. The same applies to our seven roles. Just as we take on different roles in life—we are a colleague or mentor at work, mother or wife at home, training buddy in the gym, an old friend in a pub—so do we have the capacity to take on different roles when it comes to design in an organisational setting. What roles design does take on, depends on particular circumstances. A collection of 13 case studies in this book allowed us to trace those different circumstances and glean from them some common, underlying patterns. We’ve interpreted those patterns as the roles played by design professionals and design thinkers involved in influencing the course of a multitude of organisational transformations. It’s also important to state that we consider them change roles that use design, rather than roles for designers. Our case studies demonstrate that you do not need to be professionally trained in design to take on these roles.

So, what do we mean by a role? According to the Oxford English Dictionary, a role is defined as ‘the function assumed or part played by a person or thing in a particular situation’. In our case, the function relates to the dominant mode in which design acts on the organisational system undergoing change, i.e. are we predominantly concerned with structures and processes or are we zoning in on people, politics or culture? As we’ve seen, the actors fluidly move from one context to another, bringing with them the right tools, methods and approaches. Say, an organisation is struggling to align disparate functions in order to provide more innovative services to its customers; design (through design professionals and design thinkers) would then assume a role, which is most appropriate given the challenge. It could, for example, intervene to reconcile misaligned groups or act as creative catalyst to encourage more enthusiastic and productive collaboration.

In our quest to analyse how design influences and mitigates organisational change, we’ve uncovered seven distinct roles (or capacities) to guide our discourse. Together, they form a framework that informs how designers and design thinkers help organisations implement the design paradigm and lead wider organisational change initiatives. These roles are not discrete. They can overlap and complement one another. Some roles have more affinity with other roles and are often used as additional support. The seven roles can be at play concurrently, depending on what is required at any given moment. We also see our roles contributing to growing accounts and frameworks of using design thinking at the organisational change level².

they are keen to build partnerships with other organisations to deliver a more holistic experience for their customers. A more open, innovative culture encourages building ideas together and trialling them openly and quickly.

At Steelcase, a company with a long tradition of design-centricity—not least through its ties to IDEO—a *Cultural Catalyst* role has come to the fore. Here, after years of working with the design thinking paradigm after its introduction to the company in 1997, the challenge was how to re-enthuse the culture of creativity and user focus. The company has responded by taking design to another level and weaving it into the very fabric of the change process itself. In the early days, they were very much using design as a *Cultural Catalyst* to help the company evolve from its manufacturing roots to one that is more idea based. Through the creation of an internal WorkSpace Futures unit, Steelcase reaffirmed the central, strategic role of design.

A Brazilian company, ZOOM Education for Life, is an example where the *Cultural Catalyst* role went beyond the organisation itself and is catalysing changes in the wider sector. Through a wide-ranging and successful challenge to the entrenched educational practices, out-dated curricula and professional snobbery, ZOOM was able to deliver meaningful change. Here design, with the help of the *Friendly Challenger* role, was able to modify the behaviour of the educators, by encouraging them to collaborate with students, parents and other partners. Instead of insisting that theirs is the only legitimate way, teaching professionals engaged in a collaborative process that positively influenced the final outcomes.

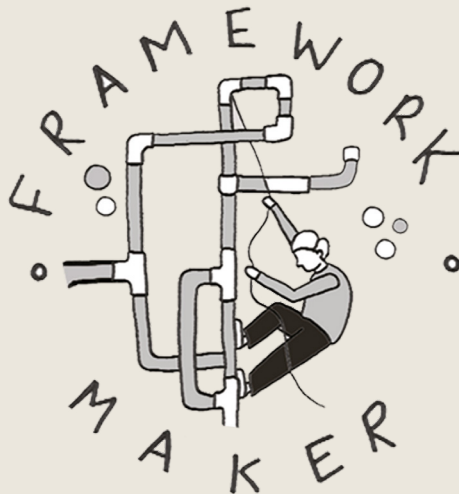
Framework Maker

‘The initial goal of the Design Practice was to demonstrate the value of design and to get the team up and running and settled. And we have achieved that. We have proven that design works.’

Cecilia Hill, Telstra

Summary of the role’s capabilities

- Providing an important sociological and psychological safety net for those in the organisation seeking to engage in an exploratory, creative and divergent mode of thinking and acting.
- Making sure the aims and objectives are focused on the paramount importance of the value generated for the benefit of the consumers.
- Propelling the organisation towards a position where it can take full advantage of the opportunities emerging in the fast-changing commercial environment.
- Offering visualised and tangible markers of progress and prototypes, which help to create a pragmatic, purposeful conversation, which in turn drives the human-centred initiatives forward.





Steelcase: Reimagining the future of work and workspaces

Introduction

Steelcase is the world's largest maker of office furniture based in the US. It celebrated its 100th anniversary in 2012 and is one of the longest running organisations featured in our book. It is also the most mature in terms of using design as an innovation and organisational change tool. Design has been a key market differentiator for Steelcase. Although competitors like Herman Miller may be better known for classic, modernist design; Steelcase has really used design and specifically design thinking to position itself as an insight-led company that focuses on addressing future needs of the work place.

Steelcase has in recent years started to explicitly leverage their design-led culture and expertise in a number of ways. They began designing “WorkLife” centres around North American and later globally, in 1995. These locations focused on creating “experiences” for clients and staff that brought the changing nature of work to the fore. They have established innovation centres, the first was at their global headquarters in Grand Rapids, Michigan in 2013 and more recently another centre was established in Munich, Germany in 2016. They have been using design to drive an insight-led strategy internally as well as offering a human-centred design approach as part of their consulting services to external clients. Although Steelcase's relationship with design has been well documented over the years, this is a good time to revisit their story and take stock of where they go next.



Who we spoke to

Izabel Barros, Head of the Applied Research & Consulting team in Steelcase Latin America

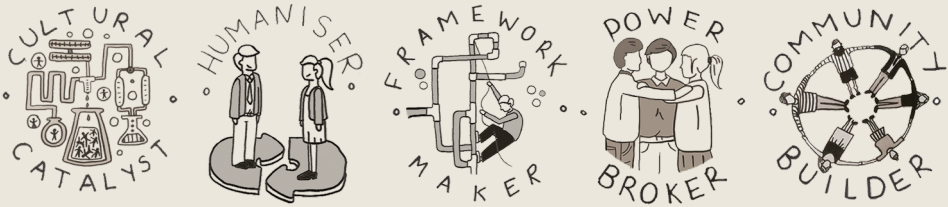
Donna Flynn, Vice President, WorkSpace Futures

Dave Lathrop, Director, Applied Research Network

Why change?

The story of Steelcase isn't so much about 'why change', but about how they continue to rejuvenate and be at the cutting edge of the workspace sector. Steelcase has always been an innovative firm, starting with their first metal wastebasket launched in 1914 to when they initially started using design as an innovation tool, to adopting design thinking as core practice throughout the organisation. As a result, Steelcase has considerable experience using design (in its various roles but more notably as a *Cultural Catalyst*, *Humaniser*, *Framework Maker*, *Power Broker* and *Community Builder*) compared to other examples in the book. The Steelcase example illustrates that transformations doesn't just occur once or twice in the lifespan of the organisation, but are a constant feature in any healthy and thriving organisation. Design has not only become a market differentiator for Steelcase, it has influenced they way they operate and most importantly how they manage continuous change in the organisation.

Design roles that enabled change in Steelcase



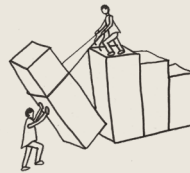
Types of changes achieved through design

Since 1997

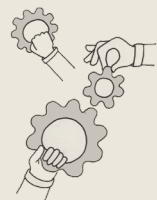
Changing products & services



Changing organisation



Changing the process of change



What has a design-driven approach brought to Steelcase?

- Learning and embedding design thinking in their business language gave Steelcase a competitive edge.
- Design helped formalise and cement Steelcase's historical focus on being human-centred. It provided them with a framework to turn user insights into market leading strategies, services and products.
- Steelcase is using their knowledge of design thinking and offering it as part of their service to clients.

Applied Research and Consulting Group

While most of WorkSpace Futures' activities are focused on internal teams at Steelcase, the Applied Research and Consulting (ARC) group was set up to explicitly work with external companies. In a sense, ARC is similar to SAP's Design and Co-Innovation Centre where a design-led organisation has leveraged their design expertise and insights and offered it as an external service. The key difference in their approach is that they use their own domain expertise (place making for ARC and software development for SAP) to help organisations change.

ARC started life as the Workplace Strategies group in 1998. At that time Steelcase already had a well-established research culture and process and they decided to offer their expertise to external clients in a consulting capacity. ARC now incorporates design thinking methodologies and approach to provide consulting on physical and behavioural change in the workplace in order to help companies create a culture of innovation.

ARC has a globally distributed team of 30 people. They have offices in Latin America, Asia and Europe. Their modus operandi is to use local expertise to support senior experts in order to understand the specific cultural aspects of the workplace. ARC's mission is to optimise behavioural and cultural performance by taking a strategic view of the workplace. ARC's focus in every project is to understand how both place and place making processes can be vehicles for intentional change.

ARC utilises a holistic human-centred approach that is designed to impact the systems at work within an organisation and at the same time engages people at all levels of the organisation. When we interviewed Izabel Barros, ARC Lead for Latin America, and former member of the WorkSpace Futures group, she spoke about how they help people understand their needs, and how to better support them, and the organisational purpose.

ARC transformational approach has four distinct stages. Starting with 'Plan', co-construction sessions are conducted to review scope and fine-tune strategies to corporate culture. The general outcomes usually involve setting tactics, timings and responsibilities. Moving on to 'Diagnose and Define', they first set out to determine the context, intent and success metrics using leadership workshops and interviews. Then, 'Engage and Develop' involves ARC working to engage employees at different levels through workshops, surveys and photo missions. They observe and study people at work in order to yield insights and action steps. They foresee what the future could be through co-design. Finally, there is the 'Deliver and Measure' stage where ARC offers direction and support with coaching, training and protocols. Results are measured qualitatively and quantitatively, and adjusted to requirements.

ARC uses a number of approaches and tools depending on the needs of the project, including ethnographic approaches, surveys, direct observation during field work, workshops, making sessions, as well as scripted and open

design interviews. Perhaps most potent are the participatory exercises where users explore ideas in an informational and physical way, pushing abstract ideas and changes into tangible prototypes. These classic design thinking approaches provide tools and techniques that give possibilities a clearer expression for further dialogue, refinement and alignment. This fuels the community to coalesce and work together, using design in a *Community Builder* role.

Using design to broker relationships and build communities

It's clear that ARC uses design as a *Power Broker* and *Community Builder* by bringing people from different parts of the organisation to work on a problem together. This happened for Boeing, one of the largest plane manufacturers in the world. An earthquake in Renton Washington in 2000 rendered many of their traditional engineering office buildings unusable. While this was devastating for the company it was an opportunity for Carolyn Corvi, the General Manager of the 737 platform to introduce a new way of working. The traditional way of separating the engineers and office workers from the mechanics and manufacturing employees had resulted in a divided culture with a huge gap between the people who design the product and the people who make it on the factory floor.

Corvi saw the opportunity to get people working together in a better way. Steelcase and the architectural design firm, NBBJ were asked to find ways to solve this problem. ARC assembled a team of 35 Boeing executives, managers and engineers for a three-day workshop at the start of the project. They asked participants to photo document their offices, looking for things that did not support their needs and work patterns. This visual, ethnographic approach coupled with interviews, workshops and first-hand anthropological techniques allowed ARC to tap into the knowledge and creativity of Boeing's people to reveal issues often hidden in the day-to-day activities. This process was the starting point in bringing different people together, acting as a *Power Broker* and *Community Builder*. The process of user engagement extended into many workshops bringing disparate groups together to explore new work approaches, video and in situ field observation by participants, extended piloting of new ideas for space and technologies, etc. Finally it resulted in a solution that moved 2500 employees (engineers, mechanics, executives) into a newly completed workspace towers inside the factory. The focus was on the plane, people and processes of building them. In conjunction with other production system change, Boeing now achieves 50% more efficiency (it now takes 12 instead of 24 days to complete a 737). The culture in the plant has completely changed. The engineers work in the mezzanine-level directly in sight of the planes being built and are on the production floor regularly. As a result relationships are stronger and understanding is deeper. Problem solving is real time and quick. Physically, the production and engineering staff now



ZOOM Education for Life: Catalysing a shift in the Brazilian education sector

Delivering innovative learning solutions to a Brazilian market

Since 1996, ZOOM education for life based in Sao Paulo, Brazil has developed innovative learning solutions that range from product sets, educational booklets, tablets and teaching support materials and services. ZOOM has partnered with LEGO® Education since 1998 and has been a LEGO® partner in Brazil, serving more than 2 million children and young people with an active base of 150,000 students every year. Around 8,000 schools have used ZOOM's products, with an active base of about 450 schools. They also have 14 franchisees across Brazil.

ZOOM has been focusing on the private sector since 2015 due to increasing demand from the growing middle classes. ZOOM has several educational programs that are curricular and extracurricular for a broad target audience (from as young as 3 years old to adults) and are specifically targeting 21st-century skills through performance in the STEAM (Science, Technology, Engineering, Arts and Maths) subjects.

ZOOM has always strived to innovate in the education sector and their changing business model illustrates this. In 2003, they launched their ZOOM program and opened up their ZOOM education methodology for life to small schools as well as large educational networks. This provides educational establishments (especially private schools) a market differentiation for their students without requiring a huge amount of investment.

Throughout its history, ZOOM has always tried to exploit different market niches in order to find new competitive advantages and ensure

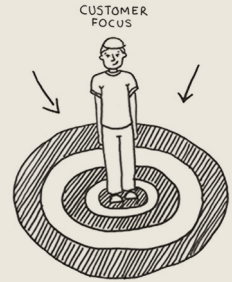


Who we spoke to

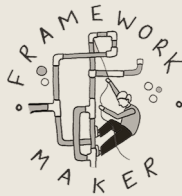
Erick Augusto Moutinho, Product and Innovation Director
Victor Barros, President

Why change?

A design driven-innovation process was brought to ZOOM because they wanted to revolutionise their product development process to help them exploit the challenges and opportunities in the Brazilian education sector, which is experiencing increased investment. They want to extend learning beyond the classroom, allowing students to take more ownership of their learning and challenging the fundamental relationship between student and teacher. The innovation process has led ZOOM to develop a complete learning ecosystem with a well-defined journey through a digital platform. Shifting focus from products and services to an ecosystem-centred business model has put the customer/user at the centre of their solution and given them a strong foundation for how and why they innovate.



Design roles that enabled change in ZOOM



Types of changes achieved through design

Since 2014

Changing products & services



Changing organisation



What has a design-driven approach brought to ZOOM?

- Products that meet the markets demands.
- Increased profits.
- Helped them anticipate challenges in the market.



The Heart team also explored ideas around personalisation of services and finding ways to quickly understand the preferences of high-value customers. Although this was a feature already present in the current customer database, it was not widely used since the staff did not initially recognise its need. However by developing personas that specifically deal with the requirements and expectations of a high-value customer, the team understood how important it was to be able to recognise returning customers and to have their prior preferences logged and easily accessible to staff servicing them.

Another really interesting idea that has emerged from the workshop, with wider implications beyond the Heart Centre, is the volunteer porters' rewards scheme. The hospital has a porter team that provides wheelchairs for customers who are unable to walk. When a customer arrives requiring a wheelchair, the counter staff has to call the porter, who may be busy at the time and as a result the customer may have to wait for the wheelchair arrives. The team suggested a reward scheme for any free staff member who wants to 'volunteer' to fetch the wheelchair for that customer. This idea proved so successful and popular that has since been implemented at the Heart Centre for the last 6 months and the Patient Experience team is looking to implement this scheme across the hospital.



The prototyping phase enabled the team to quickly test if a service is viable or not. One idea that was eventually rejected was the snack bar idea.

'We had to stop the snack bar service at the heart centre, after four months. We were getting patients from the other clinics using the bar and as a result it's not an additional service anymore. No matter how much we were adding more food it was never enough. Instead of being a good service we were getting feedback that we were not providing enough food. So from being a positive add-on, it became a negative experience. So the Heart Centre team decided to stop it.'

Scaling up

'The hospital has more than seventy centres so, based on what we have been doing, it will take a long time to complete the process with all seventy centres. But we can help speed it up by having a service design library because as we work with more centres, we have more ideas and prototypes, which can be implemented directly in other departments.'

The Patient Experience team has now worked with a number of different centres, using a similar model of working. However, despite the success they have been having, they recognise their limitations. As they are a small team, they are only able to work with one centre at a time, and even though the 2-month cycle is fairly short, it would still take another year or more to run the same process with the other 31 centres operating in the hospital. To help speed up this process of service transformation, the team has decided to create a Service Design Library—essentially a repository of the service design process, methods and tools used by the team as well as a repository of service prototypes that can be used in other centres to respond to similar customer needs. So instead of reinventing the wheel twice and three times, the team is able to direct the centre's staff to the library and to see if any of the ideas resonate with their customer journey maps and personas. It also gives them a chance to improve on a previous idea. For example, the volunteer wheelchair reward scheme has been developed into a different solution. The Emergency Wheelchair idea came from the Women's Centre and requires the porters to park two or three wheelchairs at specific locations for emergency use, rather than trying to store them centrally. This idea is now being trialled and illustrates how other teams are encouraged to consider and improve on ideas in an iterative manner.

Value of service design

It is evident speaking to Varanya and hearing her stories that the service design approach is really valued by not just the Patient Experience team, but also by the hospital's executives and the other key business functions. From a management point of view, Varanya finds the persona and the customer journey map to be particularly useful in helping her understand the range of customers expectations and needs, beyond the generic customer survey and questionnaires. She sees it as a perfect counterpoint to the lean process, which is simply focused on cost improvement. The service design approach has offered them a user-focused approach that is fun, easy to understand and to use. The iterative prototyping cycles have enabled them to try out new ideas that can be quickly evaluated and implemented if found successful. They have found a way to be nimble and agile in a large organisation that is service focused. The co-creation nature of service design has also helped achieve buy-in from the staff in delivering new services. The staff also feels enabled to come forward with ideas that will be taken seriously and trialled.

'The business improvement viewpoint was just focused on following a lean process, about cost improvement and improving productivity. But the view is changing now. Service design has been very useful because it helps us understand what the customer wants. The customer journey is very important.'

A framework for innovation

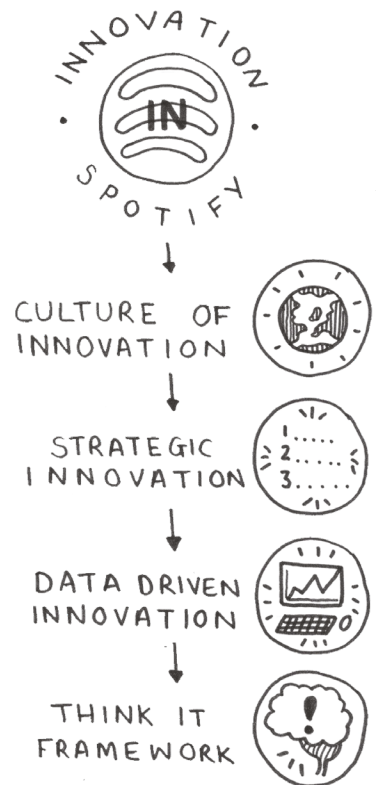
Innovation in Spotify is structured through four work streams: 'Culture of Innovation', 'Strategic Innovation', 'Data-driven Innovation' and the 'Think It Framework'. The first stream is related to creating a culture of innovation, which in itself is a huge challenge. Spotify recognises the importance of supporting a culture of innovation because without it, practices will not happen.

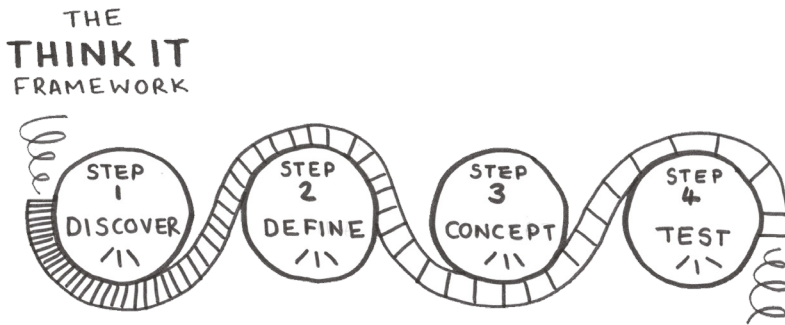
'This is the one I struggled the most with because culture can be such a fluffy thing and it's hard to measure if you're making an impact or if the things you're doing are successful.'

Sofie Lindblom, Global Innovation Manager

They have two key ways to build innovation practices. Firstly by communicating all the great things they are already doing to inspire and motivate others in Spotify. Secondly to engage everyone in activities that foster creativity and create forums for innovation to happen. The benefit of Spotify coming from a start-up background is that they already have pockets of innovation happening throughout the company. For example, they have been running Hack Weeks where everyone is given a week off to work on something they are passionate about. This has been very successful and in the past many new ideas and products have been born during these weeks. They are building on activities like these and providing further support in the form of sharing articles, talks and books about innovation.

The 'Strategic Innovation' work stream focuses on looking at what will happen with the music and the tech industry in three, five and ten years from now, and how they can influence its direction. The aim is to identify which micro and macro trends to focus on, what technology to invest in and who their future customers would be. It's about stepping back from the day-to-day operations and casting their net into the future.





The third stream is 'Data-driven Innovation'. Sofie's Innovation team are not directly involved but are working as a bridge between their analytics and implementation teams. It's about identifying what they know in order to make knowledge available and subsequently being able to pull the right teams together.

The final work stream is the 'Think It Framework', which is essentially Spotify's innovation process. Design's influence has been most keenly felt in this area. The 'Think It Framework' has been developed with a design thinking approach and designed to help teams navigate more effectively through the early generative phases of a project. It is part of Spotify's product development process that consists of 'Think It, Build It, Ship It and Tweak It'. The majority of Sofie's work has been to facilitate the use of the 'Think It Framework' with different teams. The 'Think It Framework' consists of four steps: 'Discover It, Define It, Concept it and Test It'. Each step has its own set of tools to be used, depending on the type of problem. Many of these tools are recognisable and commonly used tools in a design process such as personas, customer journeys and storyboarding while some tools have been developed specifically for Spotify's use such as 'How might we' cards, Concept cards and Pitch template.

'I worked very closely with a designer in London to build the Think It Framework, the different tools in it and to upscale it in the early stage. The framework is based on design thinking. The interesting thing is that designers are already very familiar with this way of working. But for other parts of the organisation it's not necessarily true that they have ever worked in this way or knew of this way of working. So I think in terms of transforming the organisation with design, I think that's where it's been having the most impact. It's teaching people a design and creative thinking framework.'

Sofie Linblom

Sofie's team acts a centralised resource working like an internal consultant that can be called on by any team. This model is helpful for a company that is globally distributed and it also means that they can help prevent potential



Itaú Bank: Learning, building and dreaming a new innovative culture

Introduction

Itaú Bank is a long-established bank in Brazil with over 5,000 full-service branches and 28,000 ATMs. It is the largest bank in Latin America and is amongst the 30 largest banks in the world based on market value. It is the leading, privately-owned bank in Latin America and has approximately 100,000 employees, 140 million clients and operations in 20 countries throughout the Americas, Asia and Europe. They are a universal bank with a range of services and products serving a varied client profile: both individuals and companies of all sizes, from major transnational groups to local micro-entrepreneurs.

Similar to other sectors that we have touched on in the book, the banking sector is ripe for disruption and change. This case study illustrates the importance of having an explicit and clear innovation strategy, especially important in a sector that is conservative and adverse to risk. By using design as a *Framework Maker*, the organisation is able to embark on this process with confidence despite not being able to predict the outcome at the start. Following a framework is only the start, since the overarching aim is to catalyse a more innovative culture in the bank. Itaú was not only using design as a *Cultural Catalyst* for its own organisation but is aiming to have an impact on the banking sector in Latin America through a broader innovation agenda to build partnerships with different industries and companies.

Who we spoke to

Ellen Kiss Meyerfreund, Director, WMS Innovation Team



Why change?

The merger between Itaú and Unibanco in 2009 raised three questions: how does the bank retain its market leader status in Brazil, how does it continue to stand out in an increasingly complex and regulatory-driven market place, how can it continue to develop ever-higher levels of financial services products and services while still increasing the levels of client loyalty? The answer—to create and follow an innovation process and at the same time put in place a strategy, structures and resources to support the growth of an innovative culture.



Design roles that enabled change in Itaú



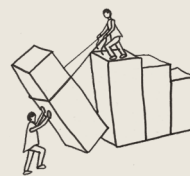
Types of changes achieved through design

Since 2009

Changing products & services



Changing organisation



What has a design-driven approach brought to Itaú?

- Identify new opportunities and develop them into market ready products and services.
- Help silos work together better.
- More effective anticipation of future challenges and customer needs.



collaborations with universities and other organisations), prepares Itaú for challenges ahead. Secondly, it was important to link innovation with their business strategy model. This meant working closely with the different business units in Itaú to understand what they do and how they do things. The third factor is to work with these business units on hands-on innovation projects. It helps teams experience using the tools and processes first-hand and, as a result, to learn what innovation is. It was also important to support teams throughout their innovation journey from the start (the concept stage) to the end (the implementation stage). Finally, it is really important to establish success metrics for each project to ensure there is a way to evidence value.

Challenges ahead

Although Itaú's Innovation Team has had a lot of success in building and supporting an innovative culture at Itaú for the past five years, Ellen knows there are still three main challenges ahead. Her immediate goal is to initiate and work on more strategic projects. Although the Innovation Team has been working on many projects, Ellen wants to focus on larger more ambitious projects that will help Itaú be at the forefront of the sector. She wants to focus on longer-term value creation for the bank. The second challenge is to have more impact across different industries by building a unique innovation agenda. She wants Itaú to be a leader across different sectors and build synergies with other organisations. And her final challenge is to continually find ways to challenge and change existing systems and culture in the bank to ensure faster implementation of ideas. Ellen believes that things will really start to change when well-established companies start to work closely with start-ups.

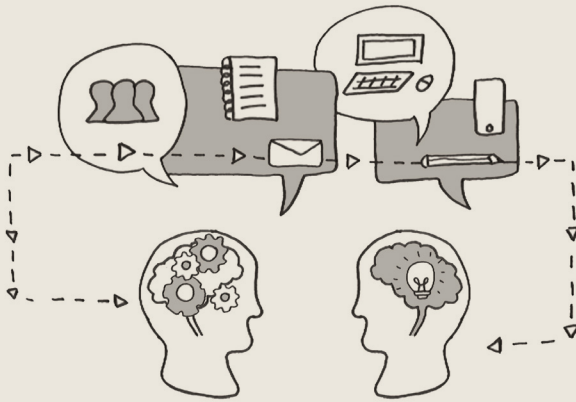
Innovation is recognised as a key asset for Itaú and is considered part of their internal culture. This was evident as early as 2010 when Fast Company voted it one of the top ten innovative financial companies, the only bank to be on the list in that year. Itaú places great importance on creating products and services from a client-focused point of view and is continually thinking of ways of making them more simple, efficient and practical. While it remains a challenge to be innovative in a highly regulated sector, Itaú has illustrated the importance of adopting an innovation strategy that is strongly driven by the philosophy of helping people learn through doing. This is also helped by having a framework and process that is easily understood, implemented and, importantly, that can be adapted to suit the specific culture and mindset of the organisation.

Notes

1. TED stands for Technology, Entertainment and Design is a global set of conferences run by the private non-profit Sapling Foundation, under the slogan "Ideas Worth Spreading". TED was founded in 1984 as a one-off event; the annual conference series began in 1990.

What type of change still needs to be achieved?

- Faster implementation of ideas and quicker to market.
- Focus on longer-term strategic change projects.
- Building an innovation agenda and setting up synergies with different industries and companies in their network.



to ensuring its integrity. Design is not a panacea to all the organisation's ills. Cecilia knows it is important to start defining for the business when and where design thinking should and shouldn't be used. Everyone talks about it now, but running a workshop with post-it notes does not represent 'design thinking'.



'I think now what we need is to find internal champions throughout the business that we can really train up and who will become designers within the business, not necessarily to do the design work, but to talk about design and how it connects to the business. And to create that design community throughout Telstra.'

Cecilia Hill

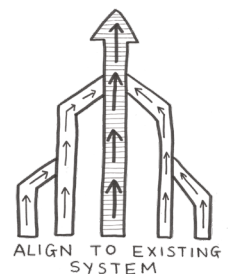
Building capability is only a start. You then need to build a supporting culture to enable people to act differently. For example, the general operating model of a company is to work on a cycle of a yearly budget. However new product development or strategic projects are rarely contained within a one-year cycle. So there is a need for a more flexible funding model.

For design to flourish and maintain its relevance to the business, it has to truly drive strategy. For example all new products and services should have a customer-centric focus and if they don't, then they should not be funded. Design shouldn't be confined within a centre of excellence, but instead be sitting at the same level of capital planning. Design competencies should be found in all levels across different silos and teams.

'Ultimately we want to have a mandate and a sign-off from the top to say design is one of the ways we are going to do things around here and this is how we're going to do it. So that's what I'll be working towards, to get that mandate, essentially.'

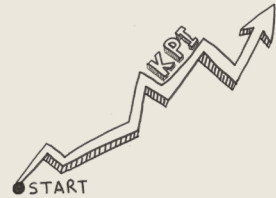
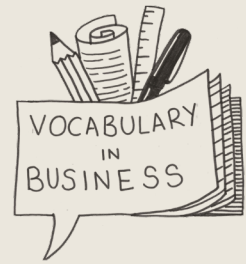
Cecilia Hill

What the Telstra example has shown us is that it is really important to frame the use of design with the goals of the organisation. Telstra's new vision is to become a world-leading technology company. Cecilia's and the Design Practice team's continuing challenge is to help Telstra realise this vision using design as a framework.



What are the conditions for impact in Telstra?

- Finding support and sponsors from the organisation at all levels.
- Understanding the business and its aims.
- Using an approach that can align to existing systems.
- Using language that the business understands.
- Evidencing and measuring impact through KPIs at the start of the project.
- Acknowledging and planning for a long-term engagement since transformation takes more than 5 years to achieve.



What have been the challenges so far?

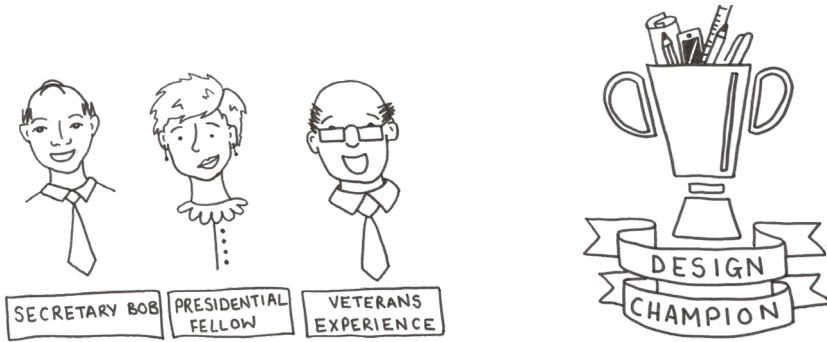
- Design has historically been limited to usability and user experience in the organisation.
- Making the case for the value of design as a strategic tool and then continually demonstrating through outcomes.



What type of change still needs to be achieved?

- Ensuring a consistent approach to using design.
- Building design competences across different silos and teams.
- Establishing resources, structures and processes to support the new design-led culture.





Everyone we spoke to acknowledged how difficult it is for an organisation the size of VA to change. However, Secretary Bob, Tom and Sarah were incredibly positive and buoyed by the fact that they have witnessed noticeable change, assuring them that they are on the right track. For Sarah, she has observed a growing understanding of customer experience and increasing interest in HCD as people are exposed to its theories and methods. More people are using vocabulary from HCD and are also comfortable explaining it to other people. And while this is only the start, it does offer early evidence that design can catalyse culture change through a clear focus on peoples' needs and deep empathy as a means of approaching sensitive, cultural challenges.

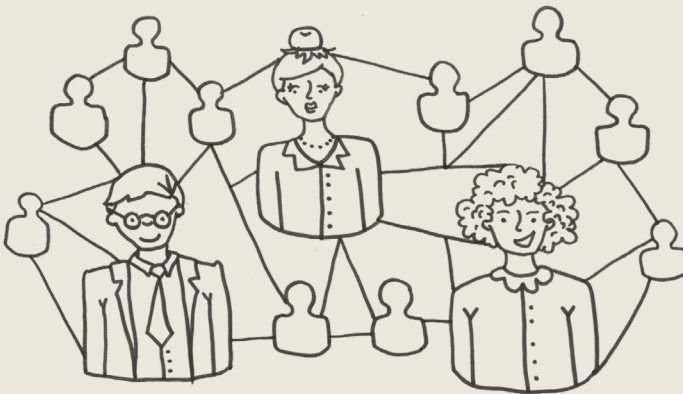
VA and the Customer Experience Office have only just started on their transformational journey and still have a lot to do. The most immediate pressure is to 'get as much done as possible' before the next election-cycle where a change in administration might undo all the good work they have done thus far. It's important for the Office to achieve proof of concept and evidence that design does have a significant and measurable impact directly on improving veterans' experiences. For that reason having the right kind of measurable impact such as veterans' satisfaction and trust is important to track progress made. Ultimately measurable progress only matters when the veterans' experiences change for the better. The team at VA are quietly optimistic that they are moving towards achieving this goal.

Notes

1. www.va.gov/ofcadmin/docs/VA_Functional_Organisation_Manual_Version_3-1.pdf
2. Statistics as of August 2015

What type of change still needs to be achieved?

- Strengthening the impact of the Customer Experience teams in the five field offices across the US.
- Showing measurable impact quickly and before the Presidential transition.
- Establishing an organisation-wide understanding and application of design to help them become more customer-centric.



in how people work to convince him of design's effect as a *Cultural Catalyst*. For example teams are working in a more iterative manner, working in shorter developmental cycles, weeks rather than years. He has also observed that people collaborate better and are more comfortable with teamwork. They are also much more user focused and devoting much more of their time to talking and working with clients collaboratively.

'Realistically it's not always easy to gain access to users, but since the overall perception is that users are important, we have to find ways to talk to them, however difficult.'

Teams are also more comfortable showing unfinished projects in the form of first and rough prototypes at an early stage to clients to get their feedback and to learn whether the idea could work for them. Teams have adopted the mantra of 'fail early to succeed sooner'. Compared to how a traditional software engineering process works, this is indeed a huge shift in the mindset and behaviours of the staff. The physical spaces in the SAP offices have also changed. There are now a lot more creative and flexible spaces available for teams to sit and work together, both internally and also with customers.

'Traditionally in big companies like SAP, there are normally never ending discussions about everything. While it's important in some cases, in many cases it's more important to act. Our attitude is becoming less about talking and more about doing.'

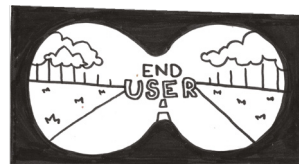
Jochen also observes how attitudes towards design have changed in SAP, especially amongst the software developers. Previously, design was merely thought of as adding to the visual aspects of the user interface. However, they now see design as a holistic engineering solution and as playing an important part in creating the overall experience of their product. He sees this attitude as part of SAP's DNA now.

For Jochen, the change did not happen overnight. Of course he was aware of the drive by Hasso and the executive team to push design thinking. However, it only really clicked for him when he was given the opportunity to be involved in a concrete design thinking project. In 2010 Jochen moved from a development role to a research role and he started work with the German



Sailing team on an innovation project. They wanted to use design thinking in the project and colleagues from the Hasso Plattner Institute were asked to train and support them in using design thinking. It was a revelation to Jochen—for example, he learnt so much by talking to sailors and their coaches during the Kiel week, a big sailing event in the north of Germany. Prior to that, although Jochen was told it was important to speak to users, he was never given the opportunity to do this first-hand. After this experience, he realised how powerful yet simple this approach was. It was also the first time he experienced a multi-disciplinary team working with design, marketing and business experts. This project and experience completely changed the way Jochen viewed and understood what design can do.

Jochen believes that if you have this positive experience with this new way of working, then there is a very good chance (provided it is continually supported) that you will apply it to your daily job. He also believes that design thinking is not only useful for innovation projects but suited to incremental development, which is what a majority of the SAP teams are involved in on a daily basis. Small changes like faster testing cycles with key users will make a huge difference to the way they work.



‘This is not a mind-blowing fact. True change only happens if you try it and experience it for yourself. This was a key aspect in how design was introduced and embedded in SAP. Hasso really pushed for it and SAP invested a lot of money to provide training and supported projects using design thinking. Although not all projects were successful or implemented in the end, it did not matter since the key benefit was that people had the opportunity to experience what design can do.’

Humanising aspect of design

One of the most important roles of design in SAP is to act as a *Humaniser*—challenging the techno-centric way of working and enabling a closer connection to consumer needs. For example, Jochen ran a project retrospective session after the end of a project. During the session one of the developers in his team remarked that this was the very first time in his 10-year career in SAP that he truly understood the reasons why he had to implement certain features in the software. And it was the first time he had direct contact with users right from the start. He was really engaged in the project and was highly motivated simply because he understood the needs of the users and why it was important to them. He was able to see the direct impact of his work on them. This was extremely powerful and often taken for granted in terms of someone’s agency in a project.

'We're talking about really questioning how we operate, what's the role of the citizen, what's the role of the community, what's the role of volunteering, what's the role of community and voluntary sector in achieving this outcome.'

Government as platform

'The platform model is about going away from the vertical line of business systems and onto a horizontal platform which extends beyond the organisation.'

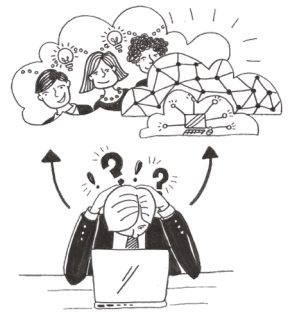
There are number of compelling reasons for councils to rethink their role and how they operate due to the public sector spending squeeze in the UK since the 2008 financial crisis. It has become widely accepted that the role of local government will increasingly change to one of a facilitator, commissioner and curator, rather than just a service provider.



Adur and Worthing Councils are situated in the south coast of England and actually made up of two separate councils²: Adur and Worthing with a combined population of around 160,000 people according to a 2011 census. The council is responsible for providing services like rubbish collection, recycling, Council Tax collection, housing and planning applications for the local area. Rapid growth in certain sectors and changes in local demographics are putting pressure on the council to change the way they do things.

Adopting a 'council as a platform' model requires an approach to technology different from what has been the norm in government. Historically IT systems designed for local government were bespoke, delivered by large IT suppliers on long-term contracts. They are standalone software and do not connect nor overlap with other software used for different functions. However, the reality is that while parking and council taxes are two separate services, they both share similar requirements. For example, they both need a payment system—the same person might be unfortunate enough to pick up a parking fine and at the same have to pay their council tax. It's not surprising that there are currently 440 databases that the council needs to access on a daily basis.

It is not hard to see why an overhaul of the current system is required. But how can this be done?



Stages of transformation

1. Fundamental review of technology led to the creation of the Digital and Change Strategy.
2. Setting up the Design and Digital Team gave a focal point of change.
3. Digitising systems and processes led to more collaborative and open ways of working.
4. Redesigning user-centred services with the aim of making them easier to use, having a common interface and saving cost.



What can we learn from AWC's story?



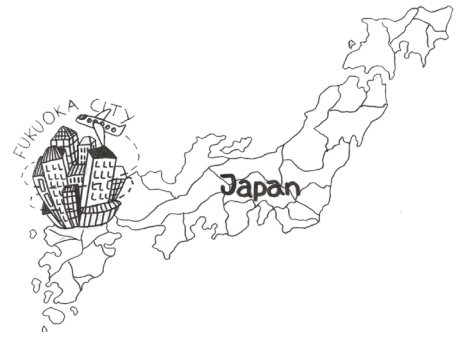
Ensure that the organisation is ready for change.

Clear out the 'gubbins'—spend time sorting out the mess before beginning the transformational journey.

Getting the right people to champion and embody the change is crucial.



user needs. The focus on the user activates the *Community Builder* role to enable and support the community that is formed around the purpose of doing social good.



Context

Fukuoka is the capital city of Kyushu island, located in the south of Japan. It has a population of 1.5 million in the city and around 4 million in the surrounding area. It is the largest city in Kyushu and has historically been considered Japan's gateway to Asia. It is the only city in Japan that currently has an above average birth rate while everywhere else in Japan has seen a drop. In comparison to Japan's other largest cities, it is able to maintain a high standard of living with comparatively lower cost of living. However despite these benefits, the city (like many other regional cities in Asia) has often struggled to keep its best talents in the city as many seek to move to larger cities like Osaka and Tokyo for job opportunities. The city council recognises a need to create conditions for ideas and new businesses to flourish and also to build on the growing IT community in the region. This will in turn create more job opportunities for the local population reducing the need for local talent to move away.

Citizen ownership through participation

At the core of the Innovation Studio Fukuoka's eco-system is Citizen Ownership. It is about creative values and transforming lifestyles through the use of bottom-up, citizen-led innovation. It leverages the knowledge and experience of informed citizens and couples these with the growing technology community in the city. The platform aims to transform the culture of the city into one that is 'innovation friendly'.

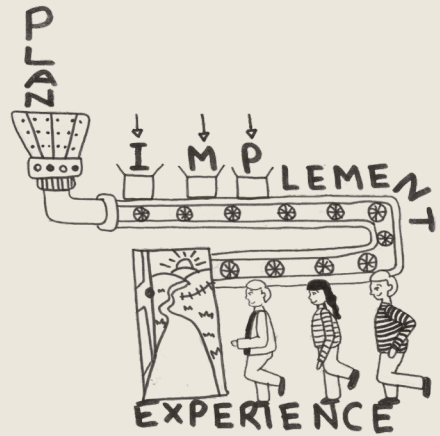
'The platform is not just focused on creating start-ups. We are not limiting the type of innovation to business innovation. It's also about social innovation and changing the way people think of innovation in their everyday life. And that's why its unique and also very challenging.'

Hiroshi Tamura, Director of Innovation Studio Fukuoka, Director at Re:public

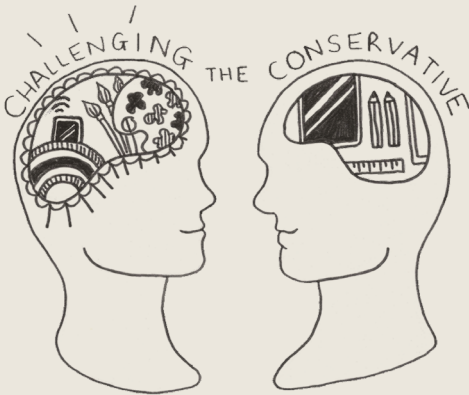
The Fukuoka Directive Council was very keen to explore the impact of using a citizen-led approach for a number of reasons. They wanted to encourage an innovative culture that grows what the urban theorist, Richard Florida calls 'the creative class' in the hope that it will attract talent that will contribute to the economic and social growth of the city. They were also aware that many of the issues faced by the city and its citizen cannot be solved simply by relying on company-led innovation, which often can be slow but also

Stages of transformation

1. Planning–Discussion with Fukuoka Directive Council.
2. Implementation–Pilot projects and 3 live projects.
3. Experiencing–Supporting the network beyond the project phase.



What can we learn from ISF's story?



The importance of design as creative tool to challenge and question the status quo, particularly in a culture that is conservative and deferential.

The importance of rallying citizens around user-led social issues to help motivate and direct efforts.

The challenge of maintaining the community once it has been developed beyond a project phase.



since the term has become quite popular in Japan in recent years. However, the Re:public team was also wary of the baggage that the term brings and wanted to go beyond what they perceive to be its limited framework. Despite their reservations regarding how narrowly design thinking has been understood and operationalised, the team was still conscious that they were using design-inspired approaches and tools to help them foster a citizen-led innovation culture.

Design has offered the project partners an approach that enables them to focus and leverage the humanistic aspects of society. This approach challenges the dominant logical approach and also offers a powerful counterpoint to it. As mentioned earlier, while the explicit aim was to create new businesses to generate economic growth, the longer term and more transformative aim was to inculcate a culture of innovation and creativity in the citizens through participation. Focusing on the emotional core as the anchor and driver of change has been a key strategy to build and hopefully maintain a culture of innovation. Participants recognise the value of user research and tools; a customer journey map was cited as an important tool to help them understand how a person experiences a service in their context.

‘Many of our participants joined the programme because they were either in a life-changing situation or wanted to change the direction of their life. We are challenging not just their rational mindset, but trying to involve their entire being, tapping into their emotional side. It’s really about the ownership of their life and we believe that the design approach helps them connect with their humanity and also helps them connect with others in a more humane way.’

Yuki Uchida

Design research does not set out to prove a hypothesis but rather to uncover hidden insights, challenge assumptions and to highlight new opportunities. Participants were asked to consider the new behaviour, methods and values that they wanted to evoke in their lead users during idea generation. This ‘Future Visioning’ process has helped give participants a focus that is not just about revenue generation but also about creating a better life for their users. Design tools have also been helpful in changing the way people respond to certain types of situations. For example, when being asked to come up with ideas, participants were encouraged to find more visual and playful ways to communicate their idea. Working visually and by ‘learning through doing’ have opened up new creative spaces for the participants.

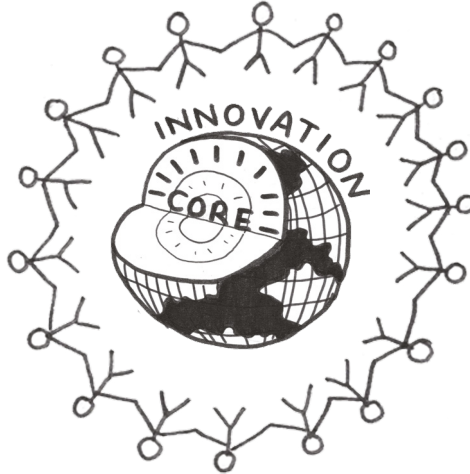
'We use design research methods because they are very much focused on revealing and understanding the end user. It highlights the pain points of the customer and what core values they embrace. This helps us see the potential customers and to organically help us take ownership of their problems and values as well.'

Hiroshi Tamura

'Sometimes the participants' research findings are not so cutting edge, but they really benefit from having gone through the process so they are able to change the way they view an issue or approach a problem.'

Takeshi Okahashi, Director at Re:public

It's clear that one of the key roles played by Re:public and the Innovation Studio Fukuoka platform is one of *Community Builder*. It has enabled a community of like-minded people to meet and form informal networks and help build a socially-focused vision of Fukuoka city. While it remains to be seen how the initiative goes forward beyond its current funding period, it's clear that design has an important role to play in catalysing a culture of innovation. It has brought communities together and humanised the process of innovation.



Organisational change through design

Peter Coughlan

Peter Coughlan is an organisational design and change consultant. He has over 20 years of experience working with a variety of organisations in strategy, innovation and design. While at IDEO (a world leading innovation and design company), Peter established and led their Transformation by Design practice, helping client organisations such as Kraft Foods, eBay, Eli Lilly, Hewlett Packard, McDonalds, Memorial Sloan Kettering Cancer Center, the NHS, Proctor and Gamble, Steelcase, and Turner Broadcasting, to imagine and implement futures of their own design.

What is a change consultant and how did you end up being one?

My role as a change consultant is to help clients envision and implement new futures for their organisations. This can result in new products or services or a change in the way the organisation is run. I started my career by learning to apply ethnographic research to design whilst working in multidisciplinary teams at the Doblin Group (www.doblin.com) in Chicago. At IDEO I moved to an organisational change role because we saw how organisations struggled to implement new ideas and solutions throughout the innovation pipeline. We realised that it was really about building internal empathy and resistant teams.

Between working at the Doblin Group and IDEO, I finished graduate school and worked at Nissan for a short while. My experience at Nissan showed me how important user needs are. Nissan was just beginning to embrace a user focus at that time so I had to find ways to demonstrate how user needs could inspire and inform our designs. I realised the importance of involving people very early on in my career.

At IDEO, even though the ideas we came up with were often quite compelling, it was sometimes difficult for our clients to implement them. I began to realise that generally the problem of implementation was related to our client's existing organisational structure rather than the quality of the ideas. And so from that early work I helped develop a group within IDEO that started to focus on helping organisations with change using a design-based process. We started the Transformation by Design group in 1999. Our premise

was that all change should stem from some human need that is not being met. Our approach was to observe how our clients were working, managing and communicating so we began to uncover the gaps between what they were currently doing and what they could be doing to achieve the end results they desired.

We started playing with the notion of organisational prototyping and moving it towards what we would later call 'experiments' which is similar to the approach and process of the LEAN start-up model. It was real world, in-context feedback as opposed to controlled, closed-environment feedback through means of focus groups and the like. These experiments helped our clients to try out new products and services in the field and to collect meaningful feedback. It was also a useful way for the idea to gain traction in the organisation, not just from the employees but also from the actual users. Having this direct interface with the customers helped them overcome the organisation inertia they had.

So in summary, I became an organisational change consultant because I realised that in order for innovative products and services to be successful, we need to focus on how organisations are structured to create and deliver these products and services. Design provides a mindset that can help organisations understand and embrace the change needed to bring new things into the world.

What role does design play in helping organisations change and what is its key contribution?

Creation of experiences

For me, design is, in its most fundamental sense, the creation of experiences, whether they are through products, services, spaces or organisational structures. So it's really important for innovation because it helps reveal either gaps in the current experience that is being designed or it helps reveal experiences that could create additional value for new and existing customers. The most valuable part for me is using design to help an organisation frame what it does and this will then enable them to see the opportunities beyond the experiences that they are currently creating. Innovation is the 'why' but design is the 'how'.

Humanising the organisation

Going out into the field collecting discrete data points by observing how people behave is a really valuable design habit. It is incredibly valuable because you take these discreet data points and use them to identify opportunity areas. You can also use them to identify principles that can then be used to generate and evaluate ideas. The process also helps clients visualise experiences, and typically at a much broader scale than

Design is now the key driver of innovation and change within organisations across the globe. Learn how, when and why to use design to drive change in your organisation.

TRANSFORMATIONS: 7 Roles to Drive Change by Design documents how design is being used to support change across different organisations, countries and sectors, sharing the stories of experts in their fields at varying stages of their transformative journeys. We feature 13 organisations including Steelcase, Spotify, Deloitte Australia, SAP, Telstra, US Department of Veterans Affairs and Accenture & Fjord.

Business readers now have a smart and practical primer on design thinking. This book is easily navigable and layered so you can mine it quickly for the headline, dig deeper through the case studies or go further in to the tools and methods on-line. They present seven well-evidenced roles that unfold in the book as a check-list for anyone in business concerned with turning complex systems into simple effortless services for customers. This book gets my vote as a great new addition to the pantheon of writings on why and how to design change in your company.

David Kester, Founder, Design Thinkers Academy, London

We have heard a lot about “design thinking” in recent years; this book helps us think about “design doing”. Fascinating case studies and interviews with design consultants, industry leaders, and key academics provide the foundation for an intriguing investigation into the various roles that design plays in transforming cultures, products and infrastructures. Whether you are looking for a way to communicate or reflect on your design practices and ideas, or if you simply want to glance into how design is practiced in a number of disparate organisations, this book is for you.

Elizabeth F. Churchill, Director of User Experience, Google and current Secretary/Treasurer of the ACM

This is a useful book for anyone who wants to embed design as a core approach in their organisation. It clearly articulates seven roles and related activities that enable organisational transformation, as well as well-documented case studies that show how design strategies can be successfully activated in different types of organisations. This book will be a useful guide for leaders, managers and front-line employees who want to understand and implement design transformation.

Dave Gray, Founder of XPLANE and author of Liminal Thinking

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