How does service design work?

Methods & Tools

Tools of service design thinking

It is an iterative process

Marc Stickdorn outlines a reiterating four step approach for designing services.

AT-ONE

Simon Clatworthy presents an example of a service design workshop series.

This is a toolbox – not a manual

With the help of the service design community, STBY describes a collection of service design tools.

This second part describes how service design actually works.

The first text explains the service design process along four iterative stages and the difficulty to define a standardised procedure to design services. The subsequent article however introduces an example for a rather structured approach for the early phases of a service design process. In the following a toolbox of 25 service design methods and tools are illustrated and assigned to respective process stages.

MARC STICKDORN, AUSTRIA
Iterative process

SIMON CLATWORTHY, NORWAY
AT-ONE process

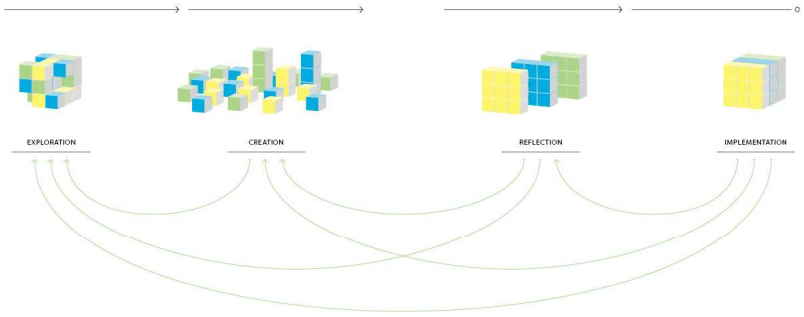
THE COMMUNITY, ALL OVER THE WORLD
Tools

GEKE VAN DIJK,
THE NETHERLANDS / UNITED KINGDOM
Tools editing

LUKE KELLY, UNITED KINGDOM
Tools editing

BAS RAIJMAKERS,
THE NETHERLANDS / UNITED KINGDOM
Tools editing

It is an iterative process

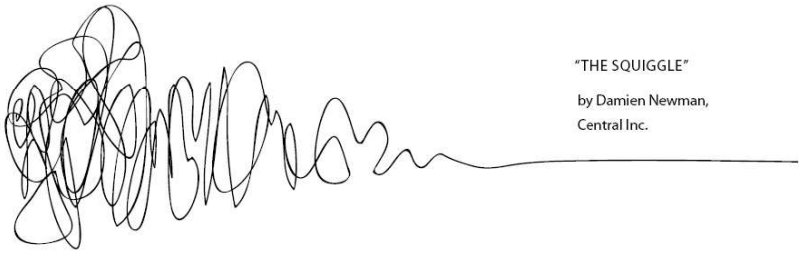


Marc Stickdorn

The iterative process of service design thinking

It is rather simple to imagine the process of designing a physical product such as a car. It might start with market research to discover what kind of car potential customers would prefer; which features, body, colour, interior design and what engine. Obviously, only if there is a market for a product such as this, is it worth designing. Based on these explorations, designers start creating ideas. Through various design sketches and later through virtual 3D or even tangible clay models, a fundamental idea takes form. Based on the creation of a first design concept, technical components need to be integrated and various aspects of the concept need to be re-modelled and improved. Prototypes are built and tested in terms of functionality, usability, production feasibility, cost and pricing, market response and so on. Only if these tests remain positive will the new car be produced and brought to market. Any mistakes during this process may result in enormous costs and possibly even damage to the image and reputation of the manufacturer. Such reputational damage can be witnessed in any recent callback situation by big automobile manufacturers. As this simple example of an exploration-creation-reflection design and implementation process illustrates, a well-thought-out approach to the design of a new product is crucial for its subsequent success. While the design processes for physical products such as this are well established, is it similarly possible to implement a structured approach to the design of services?

The following pages illustrate such a framework for service design processes. Although design processes are in reality nonlinear, it is possible to articulate an outline structure. It is important to understand that this structure is iterative in its approach.



Although design processes are in reality nonlinear, it is possible to articulate an outline structure. It is important to understand that this structure is iterative in its approach.

This means that at every stage of a service design process, it might be necessary to take a step back or even start again from scratch. The single but very important difference is in ensuring that you learn from the mistakes of the previous iteration. Thus, the proposed process is just rough framework and should not be considered a prescriptive, linear how-to guide. In fact, the very first step of a service design process is to design the process itself, since the process ultimately depends on the context of the service being designed and thus varies from project to project.

The iterative four steps of exploration, creation, reflection and implementation are a very basic approach to structure such a complex design process.

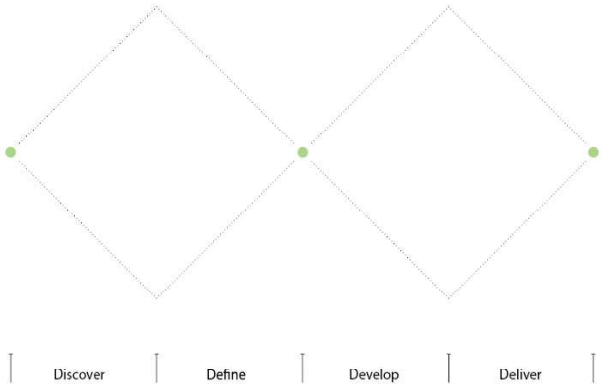
“Designers need to be critical towards any theory or model of a design process” (Hegeman, 2008). With this acknowledgement it is perhaps also worth noting that whether the process is intentional or not, it will assume a significance upon the final design outcome. The benefit of clearly articulating the design process is that it enables a greater degree of reflection upon the influence that the designer has had on the designed outcome.

The iterative four steps of exploration, creation, reflection and implementation are a very basic approach to structure such a complex design process. Literature and practice refer to various other frameworks made up of three to seven or even more steps, but fundamentally they all share the same mindset (Best, 2006; Mager, 2009; Miettinen & Koivisto, 2009). The wording also varies: identify-build-measure (Engine, 2009), insight-idea-prototyping-delivery (live|work, 2009), discovering-concepting-designing-building-implementing (Designthinkers, 2009), to highlight just a few.

When considering the design process it is important to keep a few fundamental considerations in mind. It is necessary to make recurrent leaps between designing in detail and designing holistically. This means that whilst working on the details of a touchpoint you need to keep in mind where that touchpoint sits within the whole customer journey, or when working on redesigning employee interactions you need to consider the organisational structure as a whole. Furthermore, you will always have to cope with dilemmas and paradoxes. Since you cannot pay attention to every aspect, insight or point of view, you will have to make decisions according to your budget, resources and the views of your clients.

THE DOUBLE DIAMOND

as described by the
British Design Council



Stage 1 – Exploration

EXPLORATION

Discover

Although service design aims to put the customer at the centre of its process, the process seldom starts with the customer.

The first task of a service designer is to understand the culture and goals of the company providing a service. Do they understand what service design thinking is? Is the company prepared for such a process? Since a service design process commonly involves co-creativity, it is important to agree on the extent to which the service designer has sovereignty within the creative process. Furthermore, the process starts by identifying the problem a service designer should work on; this problem is usually an organisational one or is initially viewed from the organisational perspective. It is important to understand the company's point of view on a certain problem, and in fact it could be argued that much of a service designer's role is in articulating the organisational problem from the perspective of the customer.

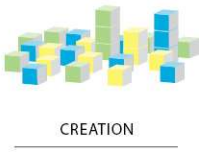
The second task is not finding a solution, but instead iden-tifying the real problem. Gaining a clear understanding of the situation from the perspective of current and potential customers of a certain service is crucial for successful service design. Again, it is important to keep the big picture and as

far as possible ascertain the true motivations behind customer behaviour. To this end, it is important to look for insights beyond simply gathering of empirical data. Service design uses a vast collection of methods and tools from various disciplines to explore and understand the behaviour and mindset of all people involved. Ethnographic approaches from the social sciences have thus been adopted as one of the most commonly employed research approaches in the design of services. Put simply, it is not about trying to find the solution immediately – it is about finding the problem first!

Gaining a clear understanding of the situation from the perspective of current and potential customers of a certain service is crucial for successful service design.

The third task is to visualise these findings and as far as possible the underlying structure of the previously intangible services. This helps simplify complex and intangible processes and promotes a sense within the design team and amongst the service stakeholders that it is possible to change aspects of the service proposition that might not appear to be functioning appropriately. Again, there are numerous methods and tools from various disciplines that can be adopted to assist this.

Stage 2 – Creation



Concept design

Creation represents the generative stage within this iterative process and is closely related to the proceeding stage of reflection. These are the two stages between which most iterations take place. It is all about testing and retesting ideas and concepts.

One of the main features of service design thinking is that this approach is not about avoiding mistakes, but rather about exploring as many as possible mistakes. The crux is to make them as early as possible in the process and learn from these as much as possible before you implement or adopt the new concepts.

The cost of an additional iteration during the concept design stage is marginal compared to the cost of failure with this concept after its launch.

If there is one prejudice against service design thinking it is that service designers share an obsession with sticky notes!

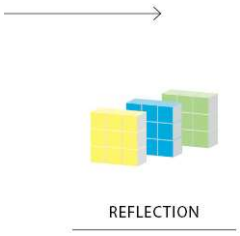
There is a good reason for this; sticky-notes are a simple and quick tool to visualise processes, illustrate associations and relationships or provide mnemonics during co-creative ideation pro-cesses. Service design thinking is not only iterative during the process of the presented four stages, but also within each stage, within each workshop, within each brainstorming session.

Sticky-notes provide a visual support to keep track with this quick and iterative approach to development. The task is to generate and develop solutions based on the identified problems and in-depth insights generated in the exploratory stage; the identification of customers' needs, motivations, expectations, the service providers' processes and constraints, and the illustration of the customer journey, consisting of a sequence of touchpoints.

One of the main features of service design thinking is that this approach is not about avoiding mistakes, but rather to explore as many possible mistakes.

In order to achieve holistic and sustainable solutions it is crucial to include all the main stakeholders and work with interdisciplinary teams that include customers, employees, and management as well as engineers, designers and other stakeholders involved in both the service design and service provision process. Achieving co-creativity among interdisciplinary teams is a key feature of a good service designer. Following the five principles it is important to work user-centred to co-create solutions which consider the whole touchpoint sequence, provide evidences and create holistic concepts. Again, there are a variety of methods and tools for doing this.

Stage 3 – Reflection



Prototype

Building on the ideas and concepts from the previous creation stage, it is time to test them. As mentioned earlier, there are many iterations between these two stages of development. Testing physical products is rather easy and consists of building prototypes based on these previously visualised ideas and then testing these prototypes with a few customers or experts to gain feedback and consequently improve the prototypes and retest them until they match their expectations. Service design shares the same iterative approach of testing and retesting. However, applying prototyping techniques in the development of intangible services needs distinctive methods from those implemented in product design prototyping.

The main challenge at this stage in the process is dealing with the intangibility of services, since you cannot simply put a service on a table and ask customers what they think about it. Even using rather plain ways of gathering feedback through interviews and questionnaires is confronted by this problem. Customers need a good mental picture of the future service concept. Generating such a vision of a service concept in the

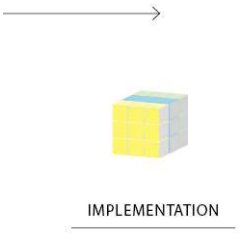
mind of customers is the task at this stage. In this context it is important to consider the emotional aspects of a service. A mere description is seldom enough to create a clear vision. Providing a conceiv-able story through a comic strip, storyboards, videos or photo sequences helps generate the necessary emotional engagement but still lacks meaningful user interaction.

Therefore, it is important to prototype service concepts in reality or circumstances close to reality. Service design thinking uses different staging and roleplay approaches from theatre to play through certain service situations and helps incorporate the emotionally important aspects of personal interactions with the service proposition. Using such a playful approach not only elicits fun and emotional engagement for users, but also represents a strong method to test intangible service concepts at low cost and with the opportunity for quick interventions and testing of iterative improvements to these concepts.

It is important to prototype service concepts in reality or circum-stances close to reality. Service design thinking uses different staging and roleplay approaches.

Since it is not always possible to prototype service moments in their real environment, the environment in which service situations take place needs to be constructed as a kind of scenery. Keeping the scenery simple and rough is not a disadvantage, but instead can result in increased imagination and creative response from the participants.

Stage 4 – Implementation



Implement

The implementation of new service concepts by necessity demands a process of change. The management of change is an art in itself. Key to this art are a few basic principles of change management that need to be considered at this point. In this context the basic sequence of planning change, implementing change and reviewing change is a rough and easy guideline and is supported by many basic theories of change management (Cameron & Green 2009).

The change should be based on a consistent service concept formulated and tested during the previous stages. A clear communication of this concept is essential and needs to include the emotional aspects of a service – the desired customer experience. Besides customers, the employees are also important actors from now on in the process. Their motivation and engagement is crucial for a sustainable service implementation.

For this reason it is important to involve employees from the beginning of a service design process. Making the mistake of disrespecting their input in these earlier stages can prove

costly later. It is essential that the employees understand the concept and support it. Communication with them can be mediated by various tools from staff guidelines to comic-strip storyboards, photo sequences and videos. Ideally, employees should contribute to the prototyping of certain service moments and therefore have a clear vision of the concept. At an organisational level, it is important to keep an overview of the improved processes and deliverables. Service blueprints are the standard method to illustrate these processes and evidence.

Ideally, employees should contribute to the prototyping of certain service moments and therefore have a clear vision of the concept.

Implementing change relies on the fact that the management is convinced of the service concept and does not flinch from any resulting problems while implementing the change. Employees need to be accompanied during the implementation process and problems need to be solved quickly and creatively. There will always be some unconsidered aspects that create friction, but the more resources that are invested in the earlier stages; the more likely a smooth transition will be.

Reviewing change refers to the control of its success. Ideally, the change implementation is followed by another exploration to evaluate its progress. This leads to the iterative process of service design thinking.

AT-ONE: Becoming AT-ONE with your customers

Simon Clatworthy

AT-ONE is an approach to assist project teams during the early phases of the service design process. It focuses upon the differences between pro-ducts and services, and has a clear user-experience focus. AT-ONE has been developed during the past four years as part of a research initiative to improve service innovation.

The AT-ONE process is run as a series of workshops, each with a focus upon the letters A, T, O, N, E, described below. The workshops can be run separately or can be combined, such that the method is easily scalable.

Each of the letters of AT-ONE relates to a potential source of innovation within the service design process.

Each letter can be planned individually or in conjunction with one another. The metaphor for the workshops is that each is a different "innovation lens" used to view and explore the same design challenge. Thanks to the five different lenses, the goal is to stretch and explore the solution space as early in the design process as possible.

Each workshop has three phases, and is based upon commonly used creative processes (Isaksen et al 2000):

- Start: establishment of a common knowledge platform for all participants (1/5th of workshop)
- Divergence: exploration and generation of ideas and solutions
- Convergence: synthesis, prioritisation and decision-making

A key aspect to the workshops is the combination of participants representing stakeholders from the client organisation, their domain-specific expertise and the abilities of the service designers. As a designer, busi-ness expert or researcher reading this, you will probably be familiar with some of the elements utilised in AT-ONE. It does not introduce radically new tools to the development process. Instead, it combines best practice from business, design and research. Its relevance and novelty comes from the combination of the various elements in a customer-centric way and their introduction to the start of the design process.

A is for Actors, collaborating in value networks

One of the major changes in the past ten years has been a shift in understanding of how value is created. Value is created more and more in networks of collaboration rather than in traditional silos of expertise, so it is important to look at who needs to collaborate with whom to create the compelling experiences that will satisfy customers. Even though they are overused examples, the iPod and iPhone are examples that show the importance of integrating actors together when launching a service such as iTunes (payment, promotion, content, admin). The successful integration of an otherwise complex ecology of partners needed to satisfy customers was one of the contributors to this success. This is the core background for the letter A in AT-ONE – Actor networks.

The basis of the Actors part is a recent development in the area of value networks as an alternative to the value chain.

Value networks are more prevalent in services. The key is to see the potential that lies in the reconfiguration of roles and relationships among the constellation of actors, to facilitate the creation of value in new forms and by new players.

The underlying strategic goal is to create an ever improving fit between the network's competencies and its customers. The Actors section investigates users as co-creators of value and one key aspect here is to replace an organisation's company-centred mapping of actors to one in which the customer is at the centre of the network and to consider how a different actor set can give improved customer value.

Making touchpoints work as a whole

Think through the different ways you can access your bank balance.

You can probably do this by calling someone at your bank and asking them, calling an automated computer generated system, by sending an SMS, directly from your smart-phone or PC, by reading your last bank statement, going into a bank or even by using an ATM. Each of these is a touchpoint between you, the customer, and your bank.

There is considerable potential to innovate through careful consideration of touchpoints. For one, experience shows that within an organisation, different parts of the organisation are responsible for different touchpoints. Who formulates the bank statement, who designs and maintains the online system,

who is responsible for the bank building and personnel behaviour? Most likely, the answer will be; different parts of the organisation, who use different terminology, different tones of voice, and probably different interaction styles. So, just playing the game of “whose touchpoint is it anyway” will probably unearth quite a potential for improvement.

Service design is about choosing the most relevant touchpoints for service delivery and designing a consistent customer experience across these many touchpoints. It looks for opportunities to introduce potentially new and more effective touchpoints, remove weak touchpoints and to coordinate the user-experience across touchpoints in relation to brand message and user needs. A major aspect of touchpoint innovation relates to the total experience that the service gives the customer upon completion of his journey through the service. Like a chain that will break at the weakest link, the customer experience will break at the weakest touchpoint.

The service offering is the brand

Service brands are unlike product brands. Often there is little brand differentiation and the service has a monolithic brand culture. This means that the service and the brand are very closely linked. If you consider a bank, even one with significant financial services, you will find that from a customer point of view, it offers a limited number of related services. Contrast that with an organisation such as Sony, and you will see that by comparison the bank has a limited

diversification of services. It is only recently that service brands have begun to diversify. Virgin and Tesco (UK retailer) are good examples of organisations that offer a broad range of services under one brand. Common to both of these organisations is a clear understanding of what the company offers and that offering tends to be more of a philosophical orientation than closely related to physical products.

When brand and service are so closely linked, then service innovation will undoubtedly influence the brand in one way or another, and therefore as a result how your customers will perceive you. AT-ONE focuses upon understanding how the service offering is experienced at a functional level, an emotional level, and a self-expressive level. As part of the project we have developed a process model that helps to understand the brand DNA, and then use this to innovate the company offering. A central part of this is the creation of a service personality that describes the brand as if it were a person. Once the personality is described, it becomes easier to describe how the touchpoints should be designed, and the behaviours that each touchpoint should have. This process model is called the brand megaphone.

How do you know what customers want, need and desire?

Talking to your customers has become popular again. A few years ago, the focus for organisations was upon obtaining quantitative information (i.e. facts) about how customers viewed your service. This does of course give valuable data, nice graphs and a feeling of control, but it only answers what

you want to know. It doesn't reveal what customers want to tell you, which might well be something quite different. Somehow, in terms of innovation, quantitative measures didn't give the answers that a project team needed. Talking to customers, observing customers and listening to customers can often reveal a different set of needs that escape traditional quantitative methods. Deep-seated or hidden needs and cultural trends can all be identified from dialogue with customers.

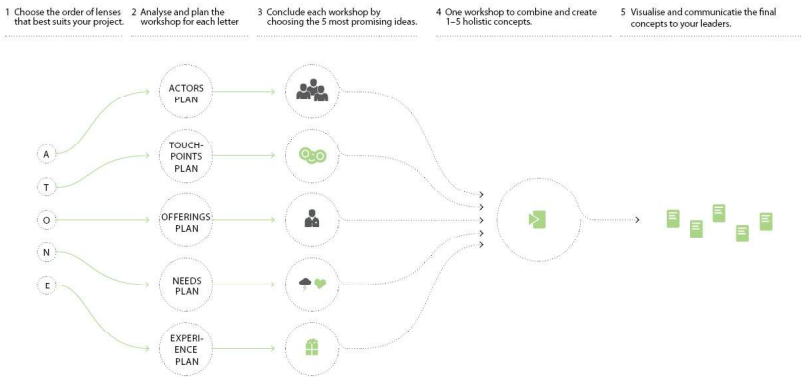
The Need part of the AT-ONE approach takes a user-centred design perspective from which to explore customer-needs. It uses personas as a vehicle for introducing a user perspective and adds input from a wide selection of user-centred methods, such as interviews, observation, participatory design sessions or observation. The main questions that the need tools attempt to address are those of whose needs the organisation should focus upon, how well do you as an organisation understand your customers' needs and to what extent are you as organisation satisfying them. Understanding, and involving customers at this stage, and ensuring that customers need, want and desire your service is probably one of the best ways to ensure the downstream success of your service.

Experiences that surprise and delight

Experiences are what customers have when they use your service, and when they recall it afterwards. The experience phase of the AT-ONE process builds upon recent developments in our understanding of the way people

experience services. Customers in the western world today are not only looking for functional solutions to problems but also desire pleasurable solutions to our everyday problems. Apple became more desirable than Microsoft, Nokia more than Ericsson, Nike more than Adidas and Starbucks became the place to buy coffee. Why? Not because of their functional offering, but because of how they make us feel. Joseph Pine and James Gilmore describe this as “The Experience Economy” (Pine & Gilmore, 1999). Functionality and usability are not enough in our lives; they have become to be expected as a baseline. What customers are looking for are emotional bonds and experiences. Experiences are now a valuable differentiator and not only offer a pleasurable service experience, they help us create and express our identities.

Several tools have been developed to assist in using experiences as a starting point for design. Ideally we aim to design service experiences at the start, and then reverse engineer the offering, the touch-points, the service and even the organisation to be able to reliably produce the desired experience. This can be termed an experience “pull” approach.



A — New combinations of ACTORS who together provide the service

T — Coordination and development of TOUCHPOINTS between customer and service

O — The design of what the service is actually OFFERING

N — The NEEDS that the service satisfies

E — The EXPERIENCE that the service gives the customer