Part II

Digital Business 2020:
Getting there from here!

Human-Centric Design
How Design Thinking Can Power Creative Problem-Solving, Drive Change and Deliver Value
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Through an iterative process of observation, ideation, rapid prototyping and testing, design thinking can help organizations craft a meaningful experience that seamlessly meshes the physical and digital interactions of people, processes and things.

Creativity and problem-solving are not individual endeavors, nor do they occur in isolation. Fortunately, these myths are slowly fading as companies embrace new ways of fostering innovation across their organizations. In the past, a company may have approached the creation of a new product or service by defining a set of requirements. Today, many now seek to first understand the actual human needs behind the product or service, to develop an overall experience.

This approach – often called “design thinking” – is based on developing a thorough understanding of what the user goals are from multiple viewpoints – emotional, psychological and behavioral. Through an iterative process of observation, ideation, rapid prototyping and testing, design thinking can help craft an experience that is meaningful to the person engaged with it, one that seamlessly meshes the physical and digital interactions of people, processes and things. Design thinking is not as simple as stringing together a set of methods or tools; rather, it’s a mindset that draws upon the interaction of all these components (see Figure 1, next page).
Especially as the world gets increasingly digitized, design thinking will be critical to defining the user experience, and it is that experience – rather than slogans, logos and marketing messages – that defines the brand. Today, user experience design delves much more deeply into creating an entire experience that meets users’ unacknowledged – and often unarticulated – needs, and mirrors how we straddle both the digital and physical worlds (see Quick Take, page 19).

Avoiding Design Thinking Mistakes

It is far too easy to focus on one component of design thinking, and downplay the rest. For example, we often see project teams start off by sketching concepts and developing prototypes and then exclaiming that they have incorporated design thinking into their process. Recently, we met with a company that was working to develop a new concept for its stores; it showed us a list of cutting-edge technologies and several interesting concepts for prototypes to take back to its senior managers. While some of the ideas were interesting, the company had skipped the customer research step and hadn’t spent time with actual users. As a result, the experiences were not built around an in-depth understanding of the needs and goals of customers, resulting in wasted time and money.

Conversely, we also encounter companies that directly listen to and observe their customers, but rather than spending time ideating and sketching, they quickly jump to a list of requirements. In this case, the project begins well, as team members jot down observations on sticky notes and group them on a wall. But instead of exploring the ideas in a visual manner, the team ends up translating the notes into a spreadsheet.

Performing any one of these activities in isolation – observation, ideation, prototyping and testing – misses the critical point of design thinking, which is both a journey and a mindset. As the Gestalt psychologists once said, “The whole was other than the sum of its parts.” By picking and choosing certain elements, the project team is likely to miss critical insights that could change the product or service from barely acceptable to delightful.
Design Thinking = Design Doing

While many see design thinking as a new way of thinking, it is really a new way of acting and behaving. Design thinking becomes real when it is embodied in the team and is expressed as a new way of “doing.” Even though many people say they can’t draw and are reluctant to create a simple sketch, the very act of “doing” dramatically changes not only your team members’ understanding, but also your own. We call this “thinking aloud on paper,” and just as talking to yourself can help crystalize your thoughts, the act of sketching – even stick figures – alters your thinking.

Testing and validating concepts or prototypes doesn’t always have to be approached as formal usability tests, in which end-users are brought into a lab and asked to go through a series of tasks – that they fail or complete – as others take notes behind a two-way mirror. With design thinking, testing and validation are often more informal and participatory. The testing need not, and should not, be held off until the prototype is complete; rather, user feedback should come at all stages of ideation – process sketches, simple mockups, simulations, etc. A prototype or experience simulation can be taken into the field, where potential users (customers, business partners or employees) can playfully interact with it and provide genuine feedback.

At this point, many teams focus on a minimal viable product to generate quick user feedback on product features and usefulness. Unfortunately, this shifts thinking toward “what can be obtained from customers,” rather than “what can be created to delight them” – something we call a minimal delightful product.

Extending the Experience to Gain New Insights

Design thinking doesn’t end when the product or service is launched; it can and should be incorporated into the experience itself, and used to continuously refine and enhance the experience. While the human element is critical to design thinking, intelligent devices and sensors can provide additional eyes and ears to what happens when the individual is actually engaged with the product or service, in a way that would otherwise be impractical, intrusive and unwelcome.

With the Internet of Things (IoT), increasingly sophisticated and real-time analytics and other emerging digital technologies, companies can virtually observe the consumer, uncover unmet needs and incorporate those insights as part of their experience, further blurring the borders between the physical and digital worlds.

The IoT will be an increasingly powerful aid to organizations looking to design a better experience (see related article, page 48). Devices and objects instrumented to collect and share intelligence on product usage and user behavior, both online and offline, will yield a treasure trove of real-time insights that can help organizations anticipate customer needs, inform continuous product improvement and serve up contextually relevant content and experiences.
Rethinking a product or service through design thinking is all about interacting with the customer in a new way, based on learning and anticipating never-before-unearthed insights into what the customer actually needs. We took this approach when we recently worked with a leading health insurance company to reimagine the experience it delivers to customers across a myriad of touchpoints.

To begin the process, we conducted in-person home visits to gain a firsthand understanding of the challenges that members faced when interacting with their insurer. We observed how they used various websites, not only the insurer’s website but also the larger ecosystem, which included pharmacies, healthcare providers, medical information sites, such as WebMD, and even Facebook.

Contrary to the insurer’s perception, the member experience was the entirety of all their healthcare interactions. The fragmentation of digital and physical tools in the healthcare and insurance space means members are forced to interact with many different systems to get an accurate understanding of their wellness.

For example, one member who was looking to treat a specific condition first went to WebMD to find treatment options, then used Google to search for specialists and treatment centers in the area. After finding several doctor names, the individual toggled between Healthgrades for reviews and the insurer’s portal to see which ones were in network and then picked up the phone to check several specialists’ availability. After meeting with the specialists, she had to go to the pharmacy website and billing portal, and then check her bank’s website. Clearly frustrated with the entire process, she exclaimed, “I can go to an airline website and book my flight, cars, hotels and even restaurant reservations – why can’t they just put everything in one place?”

Using that rich insight, we created a series of customer personas representing the priorities, concerns, behaviors and characteristics of various customer segments. We also created and tested new experience concepts with the members, such as finding a primary care physician based on the member’s lifestyle – i.e., physically fit, tends to get sports injuries, vegetarian, etc. – that refined and prioritized customer needs and concerns. Spending time with the health plan members surfaced many examples of distrust, uncertainty, confusion
and frustration around insurance and healthcare, especially in the areas of understanding coverage and billing. We targeted ways to improve the experience that would overcome negative perceptions by making coverage, cost and billing information clear and consistent for members across all their physical and digital touchpoints.

We also advised the company to boost the contextual awareness of the user experience, particularly in the areas of the member’s health and life stage context. Members needed a clear and easy way to get the right information where and when it was needed, based on their personal health situation, such as determining whether to go to the emergency room.

The new user experience also needed to incorporate a greater sensitivity – and even a sense of empathy – toward members regarding major life events (such as the birth of a baby or the death of a spouse), by enabling personalization and proactive engagement from the insurer. We advised the insurer to leverage real-time data analytics, correlated with the member’s profile and historical data to surface this type of contextual insight. This data should be leveraged for insights that allow the insurer to design experiences that reflect an understanding of the subscriber’s coverage, medical history, financial situation and current or recent life events.

Critical to this journey are digital channels that:
- Promote simplicity and clarity.
- Have contextual awareness.
- Guide members through complexity.
- Consolidate disparate but related health information.
- Keep members informed of insurance processes.

By harmonizing its digital and physical subscriber touchpoints, the insurer will eventually be able to transform from an adversarial opponent to a trusted and caring partner.

By harmonizing its digital and physical subscriber touchpoints, the insurer will eventually transform from an adversarial opponent to a trusted and caring partner in the eyes of its members, breaking down years of member distrust and uncertainty. Not only will these investments increase revenue and profitability for the insurer, while decreasing errors and inefficiency, but they will also increase member loyalty and satisfaction.
Creating ‘Digital Oil’

Glimmers of these transformative types of user experiences are emerging at forward-thinking enterprises such as Disney. The entertainment giant has created what it calls the MyMagic+ experience, using a website, app and smart, connected wristband, to learn more about guest preferences and tailor a personalized experience for them. Before their trip, guests can share information through the website about their personal preferences, favorite characters and resort features, and then use the app after their arrival to adjust their plans. The MagicBand, meanwhile, helps guide visitors through the park, manage ticketing and act as a wallet when paying for dining and shopping. It can unlock the guest’s hotel room when needed, order food in advance of arriving at a restaurant and enable staff to greet him by name upon arrival.

Without changing a single feature about the park itself, MyMagic+ is transforming the amusement park experience by enabling data to flow to and from guests, allowing Disney to get to know its guests even better through their every interaction at the park. Disney has succeeded in merging the physical and digital worlds by turning a previously inert object – the wristband – into a gateway through which it can both understand and deliver what its guests want, when they want it.

The MagicBand blurs the lines between the physical features of the park, the digital capabilities of the band and the insights that Disney now has about the guest, which are also available to employees (or “cast members”) in real-time, when it means the most. For example, proactively preparing a room with a portable play crib for a family traveling with a toddler goes far toward winning the guests’ appreciation and loyalty, long after that child has grown up.

The experiences that result from a design thinking process are not superficial; they necessitate changes to be made in supporting business processes, technologies and organizational structures.

For Disney, MyMagic+ is not only creating curated experiences, but it is also generating “digital oil” for Disney, in the form of richly refined insights from each guest wearing a MagicBand, revealed through their patterns of behavior and preferences throughout their stay.

Getting Ready for the Future of Experience Design

While there is much road to travel between today’s capabilities and the emerging vision of the future, businesses should get started now on the journey to embrace and integrate design thinking throughout their organization. The experiences that result from a design thinking process are not superficial; they necessitate changes to be made in supporting business processes, technologies and organizational structures. The new customer experiences that arise will require an integration and re-orchestration of how the company relates to customers on all channels.
Our recommendations include:

- **Simultaneously apply all elements of design thinking**, such as observation, iterative ideation, rapid prototyping and frequent testing.

- **Understand every aspect of the user experience** (from the user’s perspective) before selecting which technologies will be used to enable the new product or service.

- **Establish interdisciplinary teams and processes** that put customer needs, desires, emotions and motivations at the center of the product and service design.

Lastly, never lose sight that underlying all of these activities is the unwavering focus on, and empathy for, the person for whom the experience is being created in the first place.

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Footnotes


2. With design thinking, project teams should be interdisciplinary, with members coming from multiple functions in the organization, such as engineering, finance, operation, design, IT, etc. Some team members should also be trained in design thinking principles in order to lead the stages of observation, ideation, prototyping and testing.

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