



# Achieving Innovation through Outcome Engineering

In today's rapidly changing technical and competitive environment, the onus is on organizations to continuously develop innovative digital products. But, first they must ensure that both their design and digital product engineering teams are aligned from the beginning in a way that not only promotes innovation, but also improves business outcomes – using an approach we call outcome engineering. Here, we offer eight absolutes of outcome engineering to support the pursuit of innovation and digital product engineering and – more importantly – better outcomes.

# Executive Summary

The somewhat nebulous pursuit of “innovation” has become a cultural phenomenon of sorts; from being the topic du jour for speeches,<sup>1</sup> to being parodied<sup>2</sup> in pop culture, to being shortlisted on most CEO agendas. With all of this in mind, the term “innovation” can easily be considered one of the most overused terms in modern business. However, the cult following this term carries weight. People are pursuing innovation; if digital product innovation is what they seek, then how do companies achieve it? What does innovation entail? Where does it begin?

The digital product landscape today boils down to this: competitive. The bigger, faster, shinier, better, you-name-it, organizations are clamoring for a piece of the action to get the target consumer in through the door and on the way to acquiring them (or rather, keeping them) as a customer. How companies do that – is up to them. But how do companies get to the golden egg of introducing an innovative digital product? How do companies get to the kind of digital product innovation that is sustainable and disruptive for all the good reasons? How can companies confidently deliver engaging digital products that are actually used? What’s the right approach?

Developing a new digital product requires a plan, diligence and a knack for understanding what it takes to see an innovative idea come to fruition – in this case meaning traction or adoption. And that idea doesn’t start with a product plan – it starts with an opportunity. An opportunity to grow

revenue, increase engagement and optimize operational efficiency.

In this white paper, we outline the traditional approaches to innovative digital products while introducing our specific model, “outcome engineering,” a refined approach that aligns product, design and engineering to work together to create value, drive growth and unlock innovation. Upon conclusion, readers will get the opportunity to score themselves against eight key areas to outcome engineering, ensuring that their pursuit of digital innovation is on the path to success.

# Customer-led versus product-led companies

There are two common approaches to a company's path to digital product design and delivery, product led or customer led, and both have track records of success and failure. Companies can have a yearning to deliver an exceptional product armed with the hottest technology that they see as a strong differentiating factor ready to introduce to the world. Or, they can recognize gaps in the experience, areas for new approaches, and apply the technology that happens to solve the need. When there is a preference for either a product-led or customer-led approach, there's a rhyme and reason why companies choose to lead with one and not the other. Typically, this is an earnest, emphatical value placed on their respective method in the belief that the chosen approach will help them cross the finish line.

Product-led organizations could be poised to truly innovate in disruptive ways; it generally depends on the mood of the market. They see how technology can be applied to shake up models, and they build in advance of consumer demand. When the iPhone made its debut in 2007, there was little to no user input on the product as Apple is notoriously

famous for its secretive development of new products, yet it completely changed the cell phone, or smartphone, industry as we knew it. Henry Ford famously said: *"If I had asked people what they wanted, they would have said faster horses."* But, product-led mindsets also suffer from a common problem: translating marketing and demand into results. You're building without user input and hoping for things to stick. Does this work? Yes, certainly sometimes in big ways. There are numerous companies that stand out today (either from heralded success or tragic failure) by being first-to-market on previously unexplored ideas. But that's not to say it's the right approach, or the common outcome, especially when the average cost of a new product launch has soared.<sup>3</sup>

Organizations - Fortune 500 enterprises and startups alike - tend to shift more toward customer-centric thinking over product-led thinking to mitigate risk in many ways. They focus on listening to the customer, building for their needs, and improving experiences. It's a value focus, an instinct to always be improving, and bring better experiences based specifically on the end-user's preferred outcomes.

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Customer-led businesses build for existing demand. Perhaps that's why this mindset is becoming so popular. It's a safer approach to develop with up-front validation. To incrementally improve means to take things slow, ensuring that you are improving, rather than trying to build a product quickly without regard for the bigger objective, which is growth. While earth-shaking disruptions are rare in this environment, safe, sustainable innovation is achievable.

Neither product-centric nor customer-centric concepts fully suit the challenges of successful innovation today. There's a missing piece to the puzzle that both of these approaches leave out. The proverbial elephant in the room that stands between an innovative digital product and a truly successful one is engineering for growth. Not just revenue growth, but building for overall business growth. After all, what good is an innovative digital product if it does nothing for your company other than showcase it as a thought leader rather than helping to define its business future? Can you really call your digital product successfully innovative if it doesn't help your company achieve measurable growth?

# A new approach

The value in product-led engineering is its appetite for disruption, its hunger for big ideas. The value of customer-led engineering is its focus on what people actually want. But is what the people want aligning the company for profitable growth? And, with either approach, is it possible to achieve sustainable innovation that allows the company to evolve and grow?

The real solution is something not in-between, but an equalization for both product- and customer-led approaches. We call this outcome engineering. This approach follows five foundational principles to deliver business outcomes:

- I Understanding the user.** Your customers are your livelihood. They have the ability to make or break your business. Get to know them from a very deep perspective – what they feel and what they hope to accomplish during each step of their experience with you.
- I Valuing the role of design and usability.** Design and usability don't trump one another. You must find a way to make them work cohesively, succinctly and in such alignment that can shape perspective.
- I Engineering based on business impact.** Build your product with a heavy emphasis on what type of business impact (good or bad) the new product brings.
- I Acknowledging the current technology stack.** Technology informs design, but it doesn't dictate

it. A good design can arm technology to be effective.

- I Building teams and a culture for success.** Acknowledge your in-house skill set, but don't be afraid to bring in new expertise – especially if that allows your organization to engineer at speed.

It's where new business models are realized, new revenue sources developed, and disruptive digital products invested in not blindly, but with existing market validity.

Outcome engineering is redefining the paradigm of digital innovation. This is a huge shift where real constant value is created, which allows companies to embody a much longer lasting, sustainable competitive edge. For a company to pivot to this methodology, it must comprehend that building a really great product (in its opinion) doesn't translate into a great impact, nor does building strictly off experience because experiences that don't engage are meaningless.

Outcome engineering is a hyper-focused approach that incorporates both the product-led and customer-led ideologies' best components. Those business outcomes are defined by the organization – an increase in revenue, amplifying customer engagement – to name a few. It's a build process that understands user behavior, takes smart risks with new technology, and validates disruptive vision quickly to bring successful digital products to fruition. This is where innovation becomes achievable.

# Elements of Outcome Engineering

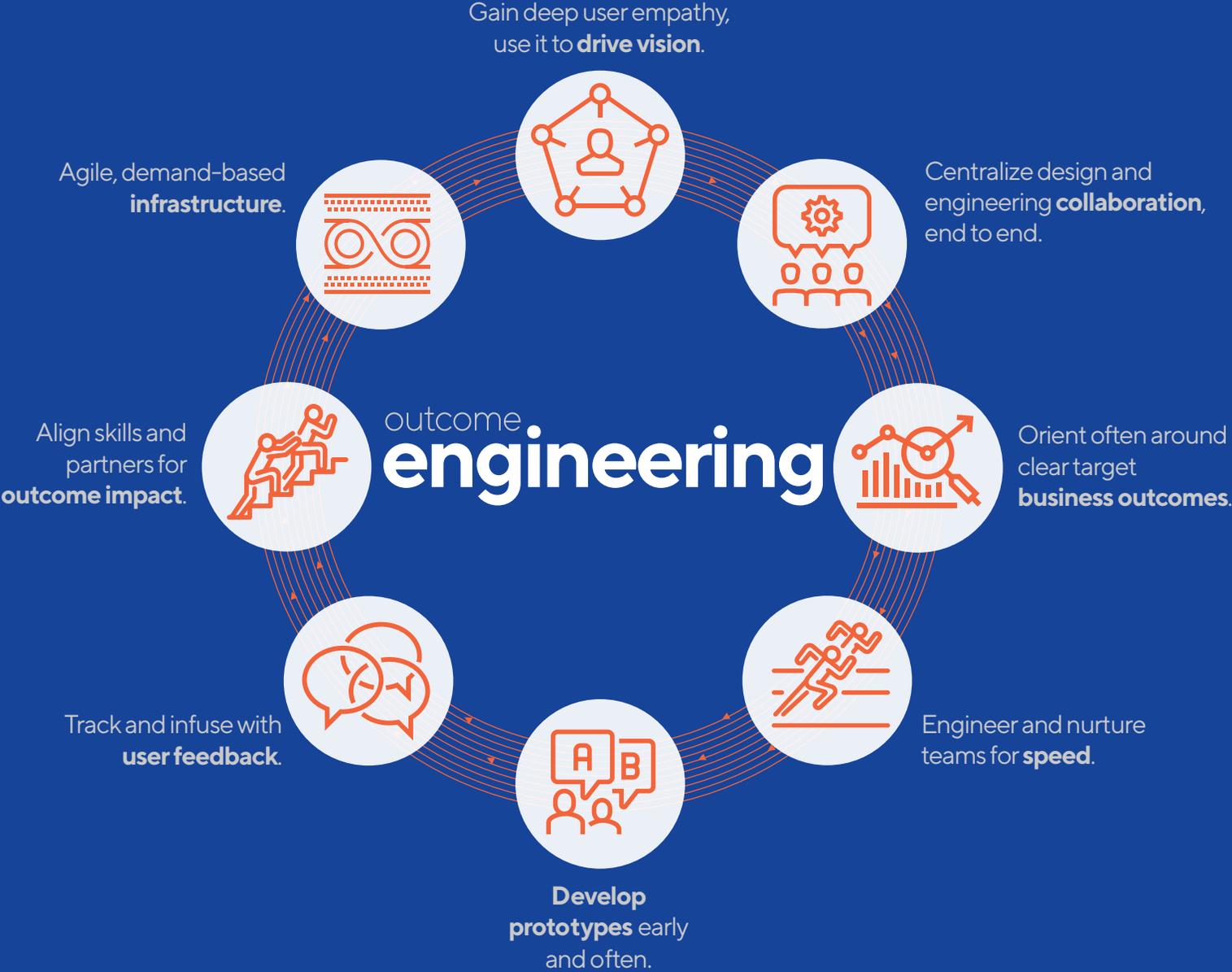


Figure 1

# The hardships

To zero in on an outcome-engineering strategy, and ensure that digital innovation is on the horizon, companies must first focus a keen eye on the start of digital product engineering. Given that 95% of all new products fail,<sup>4</sup> many organizations suffer from a huge disconnect from inception to execution. The challenges are plenty. Company leaders are under constant pressure to address the growing set of challenges innovation brings and why companies can't successfully innovate. Common, familiar challenges include:

- Lack of planning and digital strategy.
- Budgetary restrictions.
- Talent and expertise restraints.
- Antiquated technology environments and delivery models.
- Architectural complexity.

All of these can be pared down to a summation that a company's own architectural innovation is the culprit. Architectural innovation is the pursuit of innovating on internal processes and models first – to enable innovation. Not really surprisingly, 54% of innovating companies struggle to bridge the gap between innovation strategy and business strategy.<sup>5</sup> This becomes more common the more that new digital products are invested in and the larger the organization. A company architecture wrought with blockers, or things that slow down or derail the path to innovation, will continue to struggle with moving quickly and innovating in the digital age.

Outcome engineering is designed to address these hardships with intention, with strategy, with purpose, and most importantly overall alignment. There should be companywide alignment on goals and potential blockers that may cause a deviation to success and alignment on the strategic vision for the company – e.g., what type of business impact will this product have on our company?

# Measure your team: Is it an outcome engineering organization?

The first step toward pivoting to an outcome engineering approach is understanding where exactly your company falls on the scale of being an outcome engineering organization. Once you have a better understanding of where your company lands on the spectrum, you can assess how to move toward a better pursuit of digital product innovation. [Click here to take the quiz now](#) or score yourself below.

## Understanding the user

**1** What would you say is your starting point to innovation product development?

- My company always has an idea for the technology we want to build. Upfront consumer research isn't typically done on a per-project basis. (1 point)
- We loosely define end-user segments and the design team builds our products. (2 points)
- We rigorously work to understand and gain user empathy to help define the vision for all of our products. (3 points)

**2** How does your team utilize journey mapping?

- We partnered with an outside company years ago to create one or some of these, but they've not been updated recently. (1 point)
- We annually do some journey mapping, but it's usually a marketing initiative focused on various engagement metrics. (2 points)
- Journey mapping is a critical component to understanding what motivates, engages and satisfies our targeted consumers. (3 points)

## Valuing the role of design and usability

**3** When designing a new product, my company:

- Prototypes early in conception, only to envision the eventual product and get team buy-in. (1 point)
- Prototypes after development and before final production to showcase progress. (2 points)
- Prototypes throughout the entire development process, getting frequent user feedback on functionality and features. We "kill or fill" ideas and create the perfect end-product through constant user input. (3 points)

**4** When do product designers get brought into the planning stage of a new product?

- After we have built the functional code and laid out specifics on how we want the product to perform. (1 point)
- Once the engineering team has scoped out the project, passing it off to the design team to make sense of user flow and cross the finish line. (2 points)
- Designers are involved in every stage, helping to understand the user journey, define new products we want to build, consider improvements and ensure that the end vision matches the goal. (3 points)

**5** How does *negative* product feedback from users affect a new product concept?

- We look at the ratings, but we don't let them influence us in meaningful ways. Typically, the executive team dictates priorities. (1 point)
- It's not quite what we want, but a good lesson learned in defining and understanding the user demand to build a better product. (2 points)
- Any feedback (negative or positive!) is useful and is incorporated into our roadmap, and our product must be updated in an Agile way that allows for continuous improvement. (3 points)

### Engineering based on business impact

**6** How does your company approach a new digital product?

- We weigh what that means from a competitive and innovative standpoint and begin to build the product in order to remain innovative. (1 point)
- We figure out what we are trying to solve and how we can build the answer successfully either by building ourselves or hiring a company to build for us. (2 points)
- We align cross-functionally and assess what we are trying to solve, but with a heavy emphasis on what type of business impact the new product can have on our company, bringing in a partner that can help us grow and benefit from combined strengths. (3 points)

### Acknowledging the current technology stack

**7** How does your legacy technology environment impact your team to build new products?

- We build based on our current capabilities and bandwidth. (1 point)
- We build with and invest in the newest technology without consideration for legacy infrastructure. (2 points)
- As a digitally transformed organization, we're Agile in our approach while not breaking architecture. We build with existing technology in mind, but always open to new investments validated by user demand. (3 points)

### Building teams and a culture for success

**8** How does your team build and enable digital teams to succeed?

- We build our teams from within the company pushing them to learn new digital capabilities. (1 point)
- We build our teams with the standard project manager role, delegating out digital responsibilities based on workload in an effort to make duties fair and manageable for the existing team. (2 points)
- We bring in new digital expertise, through partners, to provide the necessary skill set and structure to design and product engineer at speed. (3 points)

## SCORING:

**< 10 points:** Digital innovation novice. You're in the very early stages of digital innovation. Take a step back and evaluate which approach works best for your company goals.

**10 - 20 points:** Digital innovation apprentice. Your approach works here and there, but it's still holding you back from achieving long-lasting digital innovation.

**21 > points:** Digital Innovation visionary. Successful innovation is achievable! Careful though; it's important to factor in the sustainability and longevity of your digital innovation, both of which will be based on your preferred approach.

# Engineering for success

For organizations that are pursuing innovation, the art of becoming an outcome-led organization isn't learned overnight. Outcome engineering is a fast-moving partnership that synergistically combines digital product design *with* delivery as opposed to having the delivery be the afterthought to your digital product design.

Simply put, pressing the boundaries of innovation and engineering, a successful digital product requires a full understanding of a company's foundation - and a vigorous commitment from every single person, top down, to transform the way they approach innovation. Being labeled as "innovative" doesn't guarantee long-lasting success. It solves one purpose: to be a leader, showcasing originality.

Innovating based on outcome engineering is multipurpose - it showcases originality, but with the higher intent of *delivering* on growing your business. Once a company can master this notion, then successful, sustainable and innovative digital products can be effectively designed and delivered.

# About the author

## Andres Angelani

Andres Angelani is the Chief Executive Officer of Cognizant Softvision.

He has extensive experience building strategic partnerships that create new revenue streams, realizing innovative business models and market offerings through new ways of developing software, and building high-performance teams and the right culture to bring the best of what design and technology have to offer to industries. Andres is today at the epicenter of the digital economy, leading programs that have reshaped businesses and industries. His passion for music, science and technology helped shape his life and professional career, and has become an integral part of what he brings to his leadership in fostering innovative culture, inspiring and growing talent in new, transformative ways.

Andres is a frequent speaker and thought leader. In 2016, he co-authored *The Never-Ending Digital Journey: Creating New Consumer Experiences Through Technology*. His latest book, *Transforming While Performing*, is his second. Andres can be reached at [Andres@softvision.com](mailto:Andres@softvision.com) | [www.linkedin.com/in/andresangelani](http://www.linkedin.com/in/andresangelani).

## Endnotes

<sup>1</sup> "Cognizant Softvision at Forrester's Digital Transformation & Innovation," May 13, 2019, <https://www.cognizantsoftvision.com/news-posts/cognizant-softvision-at-forresters-digital-transformation-innovation-may-14-15-2019/>.

<sup>2</sup> *The Onion*, "Word 'Innovate' Said 650,000 Times At SXSW So Far," November 3, 2013, <https://entertainment.theonion.com/word-innovate-said-650-000-times-at-sxsw-so-far-1819574674>.

<sup>3</sup> Lora Cecere, "New Products: More Costly and More Important," *Forbes*, December 11, 2013, <https://www.forbes.com/sites/loracecere/2013/12/11/new-products-more-costly-and-more-important/#3c599f596b90>

<sup>4</sup> Carmen Nobel, "Clay Christensen's Milkshake Marketing," *Harvard Business School Working Knowledge*, February 14, 2011, <https://hbswk.hbs.edu/item/clay-christensens-milkshake-marketing>

<sup>5</sup> "Reinventing innovation - Five findings to guide strategy through execution," PwC.com, 2017, <https://www.pwc.com/us/en/services/consulting/innovation-benchmark-findings.html>

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## Cognizant Softvision

Cognizant Softvision is a leading product engineering company, creating impactful end-to-end digital products and solutions that connect brands with customers. Delivering sustainable innovation, agility and a connection that inspires engagement and business transformation, we've worked with some of the world's largest leading brands. Cognizant Softvision has over 10,000 product, design and engineering professionals across a network of 25 studios in 11 countries and 5 continents. Learn how Cognizant Softvision designs experiences and engineers outcomes that result in memorable interactions at [www.cognizantsoftvision.com](http://www.cognizantsoftvision.com) or follow us [@softvisionteam](https://twitter.com/softvisionteam).

## About Cognizant

Cognizant (Nasdaq-100: CTSH) is one of the world's leading professional services companies, transforming clients' business, operating and technology models for the digital era. Our unique industry-based, consultative approach helps clients envision, build and run more innovative and efficient businesses. Headquartered in the U.S., Cognizant is ranked 193 on the Fortune 500 and is consistently listed among the most admired companies in the world. Learn how Cognizant helps clients lead with digital at [www.cognizant.com](http://www.cognizant.com) or follow us [@Cognizant](https://twitter.com/Cognizant).

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