

ACCELERATED SERVICE DESIGN

Enabling Businesses
to Transform the Way
Work Gets Done



NORTH HIGHLAND

|| NORTH HIGHLAND INSIGHTS

The following report draws on the results of two North Highland-sponsored surveys conducted in March 2018 and September 2018.

CUSTOMER EXPERIENCE (MARCH 2018)

To understand trends, strategic challenges, and opportunities surrounding ways of working in Customer Experience (CX), we surveyed 269 director-level and above employees at organizations with 2017 revenues > \$1 billion and that are headquartered in the U.S. or U.K.

NORTH HIGHLAND BEACON (SEPTEMBER 2018)

To analyze organizational attitudes and determine the most critical strategic priorities for 2019, we surveyed more than 700 senior leaders in seven industries at organizations with 2017 revenues > \$1 billion and that are headquartered in the U.S. or U.K.

The industries surveyed:

- Consumer Packaged Goods
- Energy
- Financial Services
- Healthcare – Payor
- Life Sciences
- Media, Entertainment, and Communications
- Retail

|| KEY TAKEAWAYS

The problem: Transformation is on the docket for business leaders across industries. To successfully transform, organizations are increasingly focused on product/service innovation (66 percent) and customer experience (CX) (56 percent) in their quest for competitive differentiation. Yet by failing to connect customer needs and internal processes, grounded in a shared cross-functional vision, organizations often fail to achieve their transformation objectives.

The analysis: To drive successful customer-focused transformation, leaders must change how work gets done—through an intentional focus on designing a shared vision and associated transformation that affects every function in the organization. This work then quickly turns into the need to define the actionable next steps of that transformation.

The solution: North Highland has developed an Accelerated Service Design (ASD) approach to improve and innovate how businesses get business done on their transformation journeys. It helps align internal services like roles, processes, and the systems and data needed to deliver an orchestrated experience, including all physical and digital touchpoints. From customer-facing features to the back office, it involves reimagining every stage and aspect of an interaction involving a customer or employee, built upon a shared vision. ASD involves five key steps:

1. Start in your current state and document what that looks and feels like.
2. Map out your desired state and what that needs to be, based on in-depth customer research.
3. Prioritize what's desirable, feasible, and viable.
4. Get alignment around your vision.
5. Build, iterate, and test with a Minimal Viable Experience.



CUSTOMER-CENTERED TRANSFORMATION STARTS WITH A SHARED VISION

Transformation is on the docket for leaders of organizations across industries. Digital transformation initiatives are widely underway, but companies need help. For example, more than half of all retail, financial services, and healthcare organizations have already launched a formal, enterprise-wide digital transformation initiative, and another 20 to 25 percent are transforming in silos.¹ And while 86 percent of senior business leaders from companies with annual revenues greater than \$1 billion forecast organizational growth for 2019, less than 30 percent feel prepared to address their top priorities.²

This push for transformation is happening amid a market shift. Companies are moving increasingly from selling products to selling services in hopes of forging ongoing relationships with customers. For most of history, raw ingredients like wood, fabric, and oil served as the basis for economies, with price being the sole differentiator. As humans began to combine raw ingredients into products and services and then learned to make products at scale, the differentiator moved from price to quality and then to the specific product features that matter most to customers. Then, when advances in production technologies enabled companies

to duplicate features easily, customers began to demand personalization and customization in the form of services—a path pioneered by IBM in the 1990s that has gained traction in recent years.

Today, this evolution in customer dynamics has leaders focusing on product/service innovation (66 percent) and customer experience (CX) (56 percent) in their quest to transform for competitive differentiation.³ To focus on customers, leaders must start with a shared vision and change how work gets done across every function in the organization. This work then turns into the need to define actionable next steps for transformation. Leaders move their attention to how their business practices and ways of working must change to accommodate the transformation.

To get there, alignment around vision is key to success. Our research shows that 67 percent of senior leaders attribute successful CX transformations to clarity of vision and business case.

This piece is for leaders who have a high-level strategy but aren't sure how to execute it. They're aware of a need to bring everyone together behind a vision for the future but they don't know how to do it.

“Most services are like icebergs: The visible part is easy to grasp while the invisible internal processes and actions that make it possible are more complex to understand.”

KARINE CARDONA-SMITS,
FORRESTER⁴



A HUMAN-CENTERED APPROACH TO WAYS OF WORKING

At North Highland, we've developed an Accelerated Service Design (ASD) approach that provides an end-to-end framework for diagnosing, solving, and scaling enhancements to experience—in other words, all the physical and digital touchpoints involving a customer or employee. It helps align internal services like roles, processes, and the systems and data needed to deliver a reimagined experience.

ACCELERATED SERVICE DESIGN IS:

Human-centered: By focusing on human needs and empathy, organizations can create experiences that are more relevant and impactful for customers and employees. ASD prioritizes initiatives that strike the proper balance of delivering against customer/employee needs, advancing business gains, and driving organizational momentum.

Co-created: It's not enough to bring service designers to a project; you also need futurists, scrum masters, change management, technology, and more. And despite all the buzz around "design-led" organizations like Netflix, Airbnb, and Virgin Atlantic, transformations shouldn't be design-led, data-led, or IT-led. Everyone in the organization needs to co-create so they can complement each other in a supporting role, rather than solely driving the project.

Holistic: Organizations too often rely on a short sighted view of what the problem is, which means they run the risk of setting out to solve 20 percent of the problem. A company we worked with began to build a digital platform without considering how people would use the tool or how it would change how its salespeople needed to work. By bringing everyone together, teams can fix the aspects they are directly responsible for—but together, not in silos.

Iterative: Many organizations could easily build something in a vacuum for months. They often spend a lot of money building on assumptions and hypotheses they don't test until it's almost too late. ASD, in contrast, relies on quick prototypes, which could be structured conversations, simulations, or digital/physical experiences, that are tested and shared with potential users rapidly. This iterative process increases speed to value (and speed to decision-making).

SERVICE DESIGN SCENARIOS

In partnering with leaders across dozens of industries and hundreds of organizations, we've identified key scenarios you may find yourself in that lend themselves to a service design approach—and a diagnostic for identifying the next steps.

DESIGN OR LAUNCH OF A NEW PRODUCT OR SERVICE

These projects often begin as more tactical. For example, a cable company wants to address how customers transfer service when they move to a new home. ASD allows you to understand what elements of the experience matter most to your customer, envision a more preferable future state, and then understand and blueprint all the components that will need to be aligned: hardware, contracts, call center, change management, marketing, and all the data and processes and tech needed to support it. Your budget may not allow you to do everything.

- **Ask yourself:** How could we know what we don't know? What gaps do we have? What is the best use of my investment/budget?
- **Where to start:** Gut-check your insights to ensure that it's a solution clients or new customers need. Then prioritize based on:
 - + Customer value (desirability):
The customer wants us to do this.
 - + Operational impact (feasibility):
We can do this.
 - + Business value (viability):
We can do this profitably.
- **Then rapidly test and iterate.**

A LARGE-SCALE TRANSFORMATION

To survive in business today, organizations need to be able to evolve, adjust, and transform. North Highland defines business transformation as wholesale change over multiple years that is aimed at reinventing multiple aspects of the business. Transformation efforts depend on people and must focus on not only the “what”—everything from an effective strategy and measurement architecture to program governance and the right portfolio of initiatives—but also on the “how.”⁵ A transformation often produces a future state, customer, or client measurably different from the prior one. It may also involve a new skill, mindset, supplier practices, or technologies that didn’t exist in the prior state.

- **Ask yourself:** Do you know how the changes you’re making to a process at one point will affect ways of working upstream and downstream?
- **Where to start:** Consider challenges in the larger context of the ecosystem rather than through a single point of view. Begin by documenting and blueprinting your current state before mapping out where you’d like to end up.

GAINING INTERNAL ALIGNMENT AROUND A VISION

Our research shows that lack of alignment and buy-in is usually the first roadblock for transformation initiatives.⁴ Alignment requires understanding the nuances, constraints, politics, and egos within an organization. Human-centered activities help you understand and prioritize users' needs and enable employees to walk a mile in their counterparts' shoes. Empathy mapping is one such exercise. Visualizing customer and employee attitudes and behaviors in an empathy map helps deliver a deep understanding of end users. Empathy mapping captures what someone is thinking through the experience, uncovers the actions he or she takes, and represents his or her emotional state. The mapping process also reveals any holes in existing user data.

- **Ask yourself:** Am I telling an effective story across the organization? Do we have a shared understanding of where we are headed as an organization or of what success is? Do we know what's most valuable to our customers?
- **Where to start:** Create a service blueprint for the new desired experience that covers the front and back office and aligns all technology and processes. A service blueprint also starts to point out scalability factors—giving visibility into all opportunities, gaps, and challenges—as well as dependencies. The service blueprint is a visual communication tool that everyone can rally around. If you're in legal, procurement, or technology, you can quickly digest and understand the plan. This speeds alignment and decision-making across the organization.

MAKING TRANSFORMATION ACTIONABLE

Service design thinking is mature, but leaders largely find it difficult to put into practice.² Forrester observed that companies often create service design artifacts, including personas, journeys, and service blueprints, but fail to use them to implement new ideas. In other cases, service design competes with other methodologies, like Agile or business process management. Instead, teams should focus on shared outcomes, similarities, and opportunities for collaboration.

Applying ASD, we've identified five key steps to overcoming the common obstacles to making transformation actionable:

- 1** Start in your current state and document what that looks and feels like. Where are the pain points, disconnects, and frustrations? Spend a little time and investment. For example, in working recently with an oil and gas manufacturer, we started with a rapid assessment of the current state journeys and their supporting people, processes, systems, and data. This effort, which was completed in just a few days, helped serve as a springboard when identifying gaps and risks later on, after the future state had been designed.
- 2** Map out your desired, or future, state and what that needs to be. This enables you to design the change in between the states, rather than having change be an afterthought.
- 3** Prioritize what's desirable, feasible, and viable to decide which changes to move forward with first to benefit customers and employees in addition to the bottom line.
- 4** Get alignment around your vision. To do this, leaders need a unified understanding of the problem to be solved, goals, success metrics, roles and responsibilities, and ways of working. What matters to one person may not matter to another. You can rely on the outputs of empathy mapping activities to message the vision and goals of the transformation to different audiences in the organization.
- 5** Build, iterate, and test with a Minimal Viable Experience (MVE) that shows, rather than tells, how ways of working will be affected. The MVE must be just enough of the experience of the total service proposition to validate the human value created and the business model required to deliver it profitably. To do that, it must also be able to test critical end-to-end service visions and components, from front stage concepts to backstage processes. This includes business models and technology capabilities, organizational structures, and operating models, underpinned by a human-centered mindset and behaviors that are essential to delivering the service.



BUILDING A DIGITAL FUTURE WITH ACCELERATED SERVICE DESIGN

A leading provider of perforating and well completion systems was ready to enter a digital future and launch a comprehensive e-commerce platform. The company engaged North Highland to create a roadmap for the customer journey, a supporting operational structure, and the structure for an e-commerce tool. When the tool launches, it will automate how the company engages customers and significantly increase the number of customers served.

North Highland borrowed key elements of design thinking—empathy, co-creation, and iteration—to keep the project's focus on people and best ensure the adoption of the future state tool. By designing and launching the prototype in phases, North Highland is helping to accelerate deployment and ongoing improvement around the tool.

Utilizing a service blueprint, the company helped all stakeholders connect the pieces of the tool and highlight high-value areas of focus. This process supported alignment and buy-in around the prototype. North Highland also guided the organization to apply the principles of service design and design thinking in other parts of the business.

TRANSFORMING FORWARD THROUGH THE WAY WORK GETS DONE

Leaders across industries are excited and energized for the future, and we're no exception. At North Highland, we believe that the path to tomorrow will be shaped by continuous, people-focused transformation, one that touches customers and employees alike. ASD can help chart a course forward.

As companies continue to evolve away from selling products to selling services, they must also drive the transformation necessary to thrive in a new service-driven business. Service design thinking offers a way for organizations to connect the front office with the back office. In the age of elevated experiences and customer centricity, service design thinking gives leaders a sustainable way to make transformation truly actionable by creating more relevant, impactful experiences—ones that deliver excellence at every step along the way.

1 ["Enterprise Digital Transformation Strategies Turning Disruption into Differentiation,"](#) 451 Research, May 2017.

2 ["Beacon 2019: Thriving in a Climate of Continuous Transformation,"](#) North Highland, January 2019.

3 Ibid.

4 ["What's New In Service Design and What It Means For CX Pros,"](#) Forrester, Feb. 13, 2019.

5 ["Humanizing Business Transformation,"](#) North Highland, 2018.

6 Ibid.

7 ["What's New In Service Design and What It Means For CX Pros,"](#) Forrester, Feb. 13, 2019.

ABOUT OUR EXPERIENCE DESIGN SERVICES

Delivering on heightened demand for experience means continuously adapting to change. These increased experience expectations create new challenges and opportunities for nearly every organization to differentiate, cultivate customer loyalty and employee retention, and create sustained business value. Experience Design is not a checklist, a recipe, or a series of maneuvers. It is a way of thinking and doing centered around a deep understanding of human needs and behaviors.

We are business creatives and strategic designers. We help companies navigate change by creating experiences that are human-centered, co-created, holistic, and iterative. Informed by Insights, we use Design and Futures thinking to design what's next together.

ABOUT NORTH HIGHLAND

North Highland is a leading change and transformation consulting firm, recognized for its deep expertise and collaborative, action-oriented approach. Invested in our **client's success** and powered by the belief that **everything begins and ends with people**, we bring together the brightest minds to create **positive change** and **transform businesses** through customer, workforce and operational lenses.

Headquartered in Atlanta, Ga., and regularly named a best place to work, North Highland is an employee-owned firm with more than 5,000 consultants worldwide and 65+ offices around the globe. The firm is a member of Cordence Worldwide (www.cordence.com), a global management consulting alliance. For more information, visit northhighland.com and connect with us on [LinkedIn](#), [Twitter](#) and [Facebook](#).

For more information about this topic, please contact:



Mark Toburen

Mark.Toburen@northhighland.com

Mark is a Director at North Highland, and helps lead our Experience Strategy and Service Design practice. In addition to helping clients design and orchestrate human-centered experiences that drive joint value for the customer and the business, Mark is passionate about building and embedding design thinking capabilities and ways of working with his clients. His experience spans across multiple industries, including financial services, consumer products, retail, and telecommunications.



Austin Kaase

Austin.Kaase@northhighland.com

Austin is a Senior Manager at North Highland. Austin has guided successful Experience Strategy, Experience Design, Data Analysis, and Transformation engagements across multiple industries, including retail, financial services, and consumer products. Specific areas of expertise include customer strategy, experience design, customer experience capability review, customer insights, and complex project management.