FROMHEREON

EXPERIENCE ARCHITECTURE:

TESTING THE LIMITS OF DESIGN THINKING_

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"All the world's a stage"

WILLIAM SHAKESPEARE

CONTENTS

TESTING THE LIMITS OF DESIGN THINKING

EXPERIENCE ARCHITECTURE

We are in a new era of humanism.[1] Soon, through augmented reality devices, digital information will no longer be consumed through rectangular phones and screens but will be overlaid onto our physical environment. Already customer and employee experience is the axis of business strategy for brands seeking to build loyal followers and advocates in an increasingly fragmented and volatile marketplace.

Industry leaders like Intuit, Electronic Arts and Disney are employing design thinkers in order to solve difficult business problems and to better understand the people they serve. They understand the power of forging trusted connections with their customers and staff in a targeted and personalised way. They also appreciate the challenge of bridging the chasm between a bold customer-centric vision and its realisation. Design Thinking is a key discipline for envisaging future possibilities, however, without a comprehensive understanding of the wider organisational context and a means to demonstrate traceability from the desired experience to realisation, Design Thinking is only part of the answer. Those who intend to lead in this new era also need a design-driven Experience Architecture.

THE DESIGN THINKING WAVE

The rise of design in business is happening on multiple levels. UX designers are continually improving digital experiences. Service designers are improving customer journeys. Strategic designers are helping executives to solve wicked business problems and guide strategy. Design missionaries are converting business leaders to become design-led, helping them to understand that design is not just a practice but a mindset. At its core the design mindset is about the belief that, through good design, the world will be a better place. When applied in the context of business the value of design is greatest when it is applied to those challenging problems that deliver the most meaningful outcomes.

Multinational consultancies are each investing in Design Thinking to enhance their existing toolkits. McKinsey & Co acquired Lunar, Accenture acquired Fjord and PwC acquired Stamford Interactive. IBM and Infosys are running massive programs to embed Design Thinking into their way of working and service delivery. Fast growth design-led organisations like Atlassian are struggling to find quality designers, having to relocate talent from design hubs in Europe.

"It's a good time to be a designer, but design alone is not a panacea; we must take a step back and look at the big picture. Where is this all heading and for what purpose?"

It's a good time to be a designer, but design alone is not a panacea; we must take a step back and look at the big picture. Where is this all heading and for what purpose?

BUILDING TRUST IN THE NEW ERA OF HUMANISM

We are in a new era of humanism. The Millennial generation, born between 1982 and 2000, already form 25% of the workforce in the US and account for over half of the population in India. By 2020, millennials will form 50% of the global workforce[2]. They favour brands that have personality and appeal to their core values. They seek connection to a brand's purpose, its social and environmental impact and its reason for existence. These digital natives are fickle, forthright and tribal in their behaviour. To meet these demands business needs to take a more sophisticated approach to building customer relationships. It's no longer good enough to push products to market segments. Business needs to better understand people at a human level, connecting with individual tastes, preferences and desires. Technology is providing the means to disrupt markets with new, customer-centred propositions, and it's also on a trajectory to humanise brands by delivering more natural, organic, immersive and therefore desirable experiences.

Digital technology, human-centred design and sophisticated data management capabilities now enable these kinds of relationships, delivering experiences that create delight, loyalty and advocacy. This approach engenders trust, however building trust requires more than a good experience; it requires business to understand every interaction a customer has with it and respond accordingly. Like we might expect of a friend, a business now needs to know its history with us, engage with our values, recover graciously from mistakes, be reliable and to deliver on its brand promise. In this new era brands that can uphold these expectations while also delivering superior experiences will win.

A PROMISE KEPT

Much focus is being given to customer experience by the more progressive consumer-facing organisations. However many of these organisations are missing the point. Loyalty requires more than a good experience, it requires trust. Trust comes from ensuring your value proposition and brand promise are met, or exceeded, consistently. In the recent Brandtrust survey[3], commissioned by FromHereOn and our partner DPR&Co, an issue of trust was highlighted in the Australian banking industry. While all four major banks in Australia have substantial customer experience capabilities they still rate poorly on trust, largely due to a discord between their brand and promise to the Australian consumer and the consumer perception of their behaviours. The challenge for these banks is the same challenge for the rest of industry; that is consistently delivering on their promises to build lasting customer relationships.

A brand promise kept is more than an outcome for customers; it's also an outcome for staff. Shep Hyken and Richard Branson are variously attributed with championing the notion that before you can look after your customers you must first look after your staff. Employees understand the circumstances of the organisation, living the political, financial, operational and technological realities on a daily basis.

As consumers continue to expect more humanistic relationships with brands, we seek the attributes of transparency and authenticity. For a brand to be authentic its promise must permeate all aspects of the business; the organisation must truly live its values. The actions, behaviours and motivations of staff say more about the organisation they work for than any marketing campaign. In the new era of humanism this is the competitive platform. It's why there is a shift towards social enterprise and purpose-driven organisations, because for the new consumer market it is good business to be a good business.

DOING THINGS ON PURPOSE

The bias of Millennials towards brands that have meaning and deliver social impact is matched by a trend towards impact investment. In fact a growing community of consumers, employees and investors are now consciously voting with their feet as they choose to buy, work for and invest in organisations that add value to the community and make the world a better place. This is where designers and the new breed of business stakeholders intersect and why design is now increasing in value as the trend goes mainstream.

"A business needs to complete the execution loop of brand experience, customer experience and employee experience and make that happen with integrity."

A clear purpose that is evident in every decision and action enables a business to be best placed to deliver a compelling brand promise that will activate consumers and staff, generate loyalty and advocacy and potentially disrupt an industry. However as businesses seek to achieve this state they face a challenge of alignment. How do they align their business model, brand promise, value proposition, service offering and the organisation to deliver it in such a way that they uphold the integrity of the core purpose for which they exist? A business needs to complete the execution loop of brand experience, customer experience and employee experience and make that happen with integrity.
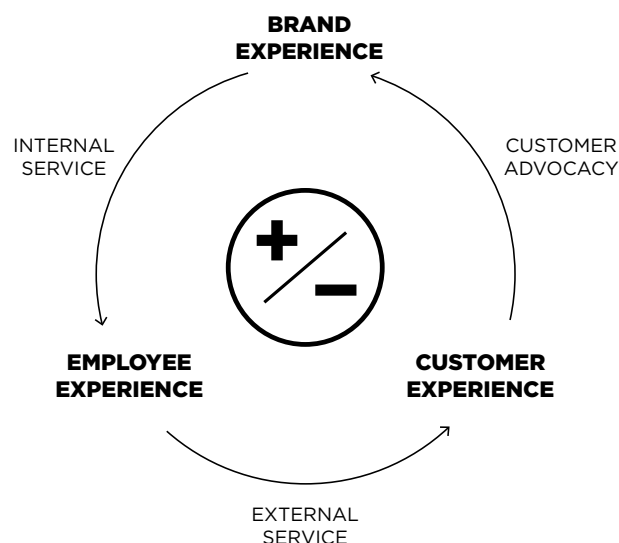
Experience Execution Loop. Source: FromHereOn

FUSING DESIGN WITH ENTERPRISE ARCHITECTURE

In progressive organisations much attention is given to a desired customer experience, with service designers fashioning digital and physical interactions to satisfy and delight. We have found there is often a disconnect between the experience vision and the ability for the organisation to execute.

Like architects, engineers and builders in the construction industry[4] there are often gaps in understanding and communication that affect the execution of a great design. This demands a fusion between Design Thinking and Enterprise Architecture[5] practice.

A formative case study: in 2014 FromHereOn commenced an ambitious project to create a single technology services organisation for a global bank based in Europe. To execute this project we partnered with a strategic design firm[6], bringing together a team of designers and architects to shape the global vision and purpose for the initiative and to deliver the operating model design and strategy for change. We knew it was going to be challenging at times as we knitted design and architecture teams together who had two very different execution approaches and engagement styles.

Our respective approaches and skill sets proved highly complementary, in most instances. Together we applied human-centred design techniques to reveal core motivation of the leadership and to richly study and understand the nature of the internal consumers of the future services. We employed business and technology architecture techniques to understand current and required capabilities and to design the future operating model for a new global technology organisation that will service their global operations. The project was not without its challenges.

Early in the project there was debate across teams about whether business capabilities should be modelled in order to inform the future service vision — or wait until the human-centred design research into consumers and their concerns had been completed. We decided to wait as the designers did not want to be constrained by a perspective of existing business capabilities at the generative phase of the project. On reflection this turned out to be a mistake as we would have strengthened our relationships with the technical teams by better understanding their concerns at that stage. This illustrates the importance

of empathising with stakeholders and their circumstances in the existing operating environment. When it comes to complex business change, design practice needs to be grounded in relevant content and context. We need to take the lead from architects in the construction industry and just as they are subject matter experts in construction, site works, and design, we need appropriately sophisticated business and technology management capability to link the design process to organisational change (construction). While overcoming some challenges, the project outcome was highly acclaimed by our client and proved a successful innovation for our respective teams. The experience was pivotal in shaping our current approach of combining Design Thinking and Enterprise Architecture disciplines, reinforcing the need for a balanced focus between the existing environment and the future vision.

THE DESIGN OF BUSINESS

Design Thinking and Enterprise Architecture are closely related but distinct disciplines. Design Thinking has its origins in product design, whereas traditional Enterprise Architecture is a strategic business and IT planning practice. Design Thinking is well suited to identifying creative solutions to difficult-to-define 'wicked' problems. Architecture Thinking on the other hand is well suited to the realisation of solutions to multilayer business problems from the top levels of strategy through to project execution.

"Business Design is the term FromHereOn uses to describe the meshing of Design Thinking and Architecture Thinking to drive the end-to-end execution of a strategic vision."

'Business Design' is the term FromHereOn uses to describe the meshing of Design Thinking and Architecture Thinking to drive the end-to-end execution of a strategic vision. Business Design encompasses creative design together with engineering thoroughness and rigour to achieve the realisation of transformative change. Business Design can be thought of as a journey that starts out with grounding in purpose and moves through progressive waypoints considering aligned business models, value creation, services, capabilities and resources and summits at the execution of a roadmap that realises the desired vision.
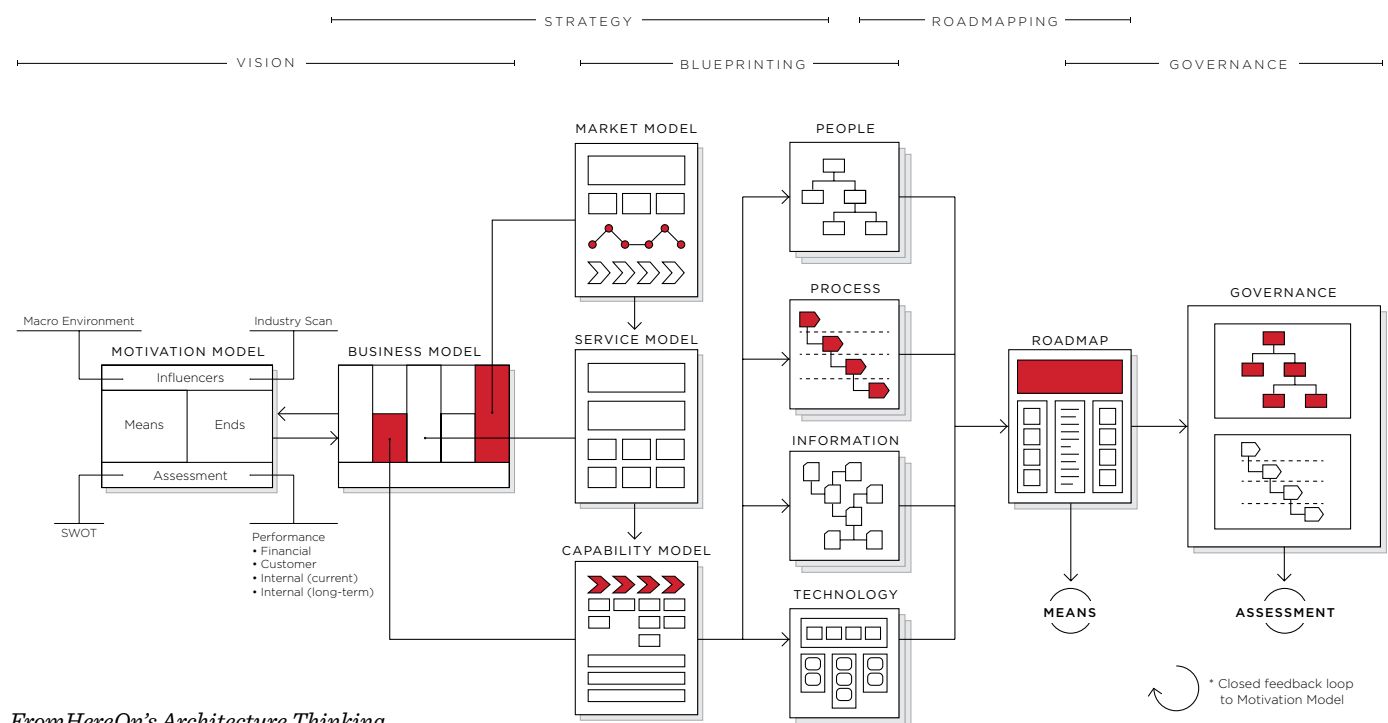
FromHereOn's Architecture Thinking

THE 7 PHASES OF FROMHEREON'S BUSINESS DESIGN

<mark>The FromHereOn Business Design Method</mark>

Our Business Design Method has evolved over 14 years of professional practice in architecture and design. It is not tightly scripted; the choreography is reshaped according to the business problem we are seeking to solve. The value add is less about the process itself but the insight, experience and judgment of those applying it to customise the steps, calibrate content and detail and choreograph the engagement process for a specific purpose.

Purpose & Motivation

This is the 'get out of bed' phase. Why should staff care about the work being done? Is it meaningful? Does it make sense? Do customers resonate with why we do what we do? It also lays out the desired vision and the means to achieve it, typically presented on a single page in a manner that is easy to understand and easily shared with stakeholders to guide actions in line with intentions.

Business Model Design

Popularised by the book 'Business Model Generation[7]' co-developed by Alexander Osterwalder and a number of strategists and design thinkers, we apply a strategic scenario planning approach that designs, prototypes and tests alternative business model configurations. Disruptive strategy is a product of arranging the elements of a business model, (the 'business model mechanics[8]') in a way that creates unfair advantages for challengers in existing markets or establishes entirely new market opportunities. This approach can also validate, or invalidate, existing assumptions about market positioning and performance and also partnership opportunities across a broader business ecosystem and value network.

Value Model Design

Understanding who we are in service of, what value we bring them and how that value is created in relation to the value network and business ecosystem is the focus of this phase. We identify who is our customer and determine the interests of other stakeholders including staff, suppliers, shareholders, the community and the environment. Importantly here we establish the brand promise, value proposition and core values of the organisation. This is designed to flow through all decisions, behaviours and actions of people within the organisation in service of customers, staff and the other stakeholders.

Service Portfolio Design

Applying human-centred design practices we take an outside-in perspective to imagine better ways to realise desired experiences and benefits for our customers and staff. We apply design research, architecture research, data analytics and continuous improvement approaches to ensure service portfolios evolve as consumers' needs and demands evolve.

Operating Model Design

The business platform that enables the services requires consideration of desired business capabilities. Capabilities are comprised of people, processes, information and technologies in support of core and support activities across an organisation's value chain. Design tools include process models, financial models, technology models, performance models, risk models, HR frameworks, and combine current and target state blueprints

to determine the gaps that exist for investment, which inform the execution roadmaps for the change program.

"We take an outside-in perspective to imagine better ways to realise desired experiences and benefits for our customers and staff."

Resource Portfolio Design

This phase covers the analysis of the human, process, information and technology resource portfolios within the organisation to identify opportunities for upskilling, as well as process, information asset or technology asset consolidation.

Transition Design

The roadmap for change that plots the changes required across people, process, information and technology dimensions of the organisation creating a design of the required program of work using transition architectures to guide and de-risk the program execution. These execution roadmaps might support whole-of-business strategy, customer strategy, HR strategy, digital strategy, information strategy, or technology strategy, and service transformation across a number of internal service portfolios, such as HR, finance, risk, marketing or lines of business.
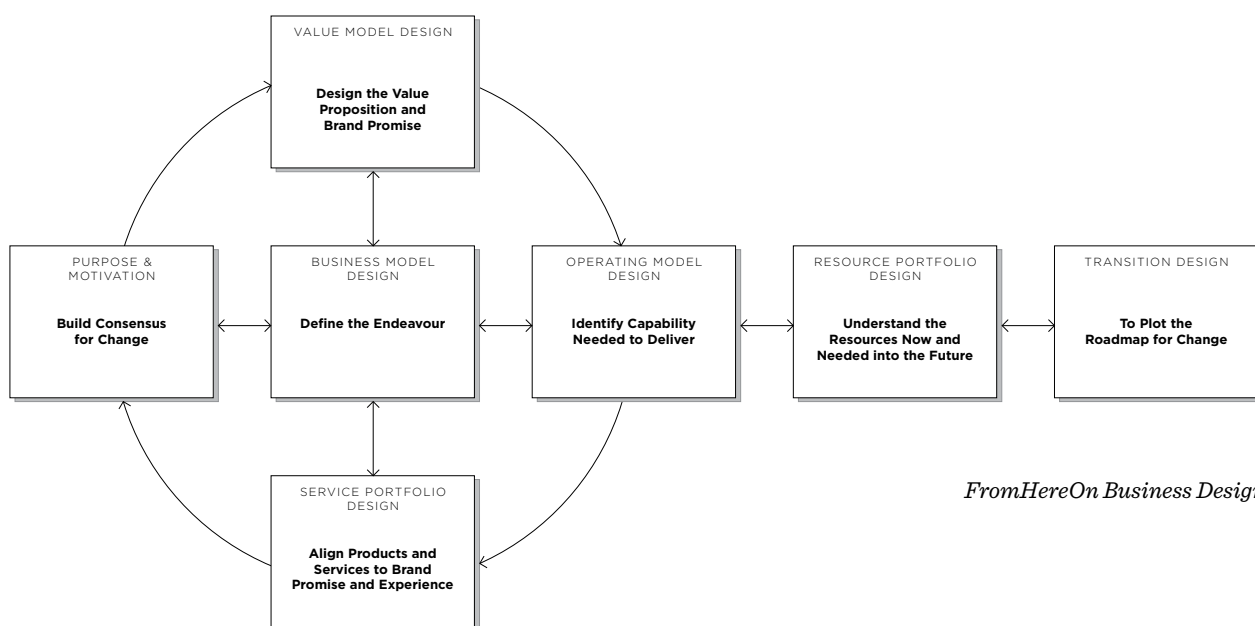
FromHereOn Business Design

EXPERIENCE ARCHITECTURE

==Threading purpose, brand promise, brand experience, services and business capabilities the Experience Architecture is the unifying framework to coherently execute on the experience vision. Without coherent execution an organisation cannot reliably produce a desired experience outcome for their customers.==

Typically there are three key gaps to address: the promise gap between brand and the customer experience; the promise gap between brand and employee experience; and the execution gap between desired internal and external services and the business capabilities that enable them.

The Customer Experience (Cx) Promise Gap

In November 2014 Victoria's Secret launched a campaign[9] presenting their Angels in lingerie and a tagline 'The Perfect Body'. After consumer backlash about unrealistic images of women the tagline was quickly changed to 'A Body for Every Body'. When brands forget who they serve (in this case it's not catwalk supermodels but women of all ages, shapes and sizes) they are at risk of sending messages that are implausible or even offensive. The result is a loss of trust, and thus a loss of equity. The challenge is to understand who we serve, what we stand for, why consumers should trust us and how to ensure we deliver on this promise every time.

The Employee Experience (Ex) Promise Gap

Despite investing more than £43m a year developing its people McDonald's ranked relatively poorly against its UK peers in a poll held in 2015[10]. Staff identified culture, senior management, career opportunities, work/life balance and compensation as factors affecting their job satisfaction. In response to the findings a spokesman for McDonald's said "Our people enjoy flexible hours, allowing them to fit work around their studies and home/social life. They receive fantastic formal training as well as the development of essential soft skills."

The issue in this case is whether McDonald's staff believes and supports the commitment that has been made to them as employees, which occurs as a consequence of their experiences, and how that flows through to the customer. Especially in a customer service organisation, the experience of the staff naturally

"The challenge is to understand who we serve, what we stand for, why consumers should trust us and how to ensure we deliver on this promise every time."

affects their attitude and thus the customer experience delivered. This holds true for non-customer facing staff too as to be truly authentic and transparent a business must make good on their promises through appropriately designed and executed internal services and working conditions.

The Execution Gap

Too often a service vision is undermined by an organisation's inability to execute. This can be attributed to

many factors including technology constraints, workforce readiness, and issues of complexity, culture, capacity and capital. To address this challenge we apply a combination of service design and enterprise architecture techniques, where we take an 'outside-in' approach to designing the services from the perspective of the customer and an 'inside-out' approach to understand what changes are necessary in the operating platform. We call this fusion the 'FromHereOn Realisation Process' as it ensures an executable outcome, resolving matters of desirability, feasibility and viability.
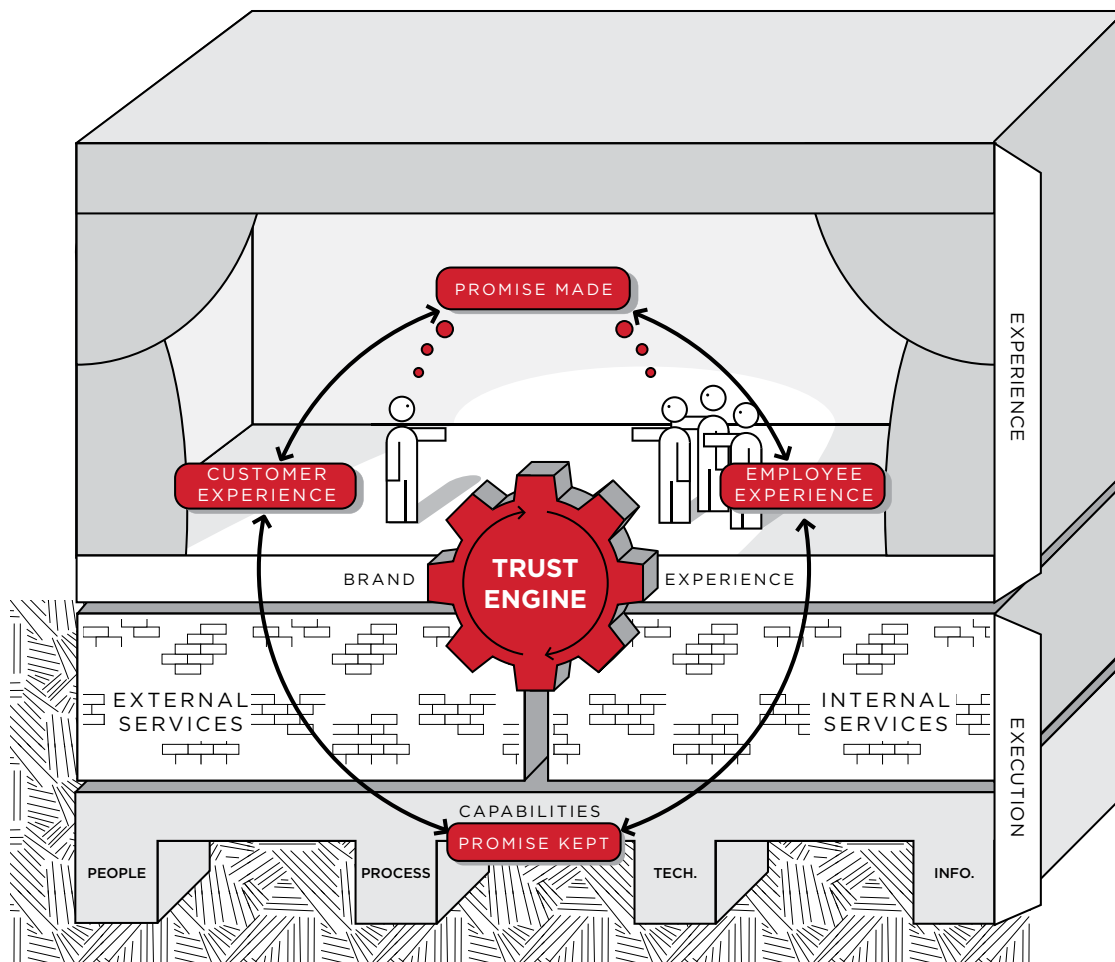
Addressing the Execution Gap: The Trust Engine

Experience Architecture is designed to strengthen brand equity by building trust between employees, customers and the business. The Trust Engine illustrates the relationship between the elements of execution and how they support experience outcomes. An organisation must develop the capabilities to support the culture and build and deliver the services, which enable the customer experience (Cx) and employee experience (Ex), and thus keeping the brand promise.
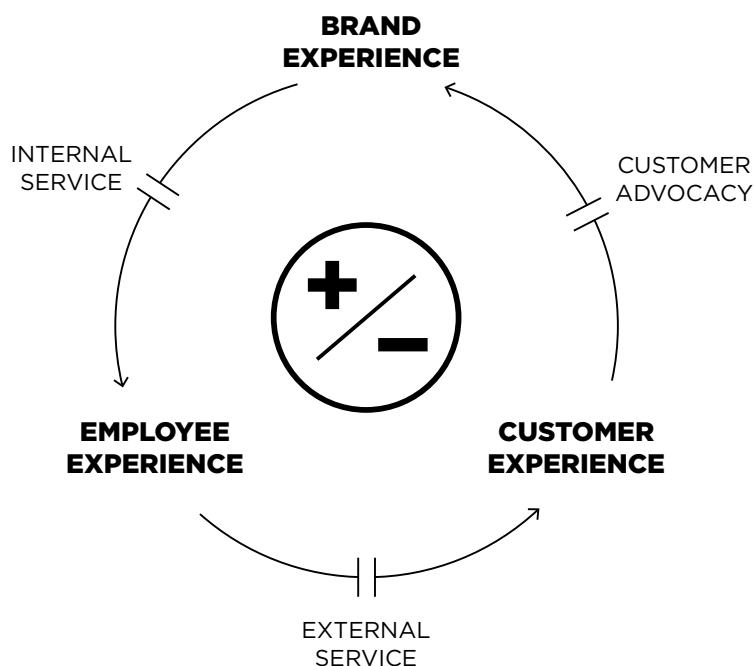
Experience Gaps and their effect on brand equity. Source: FromHereOn

A ROADMAP FOR EXPERIENCE

To realise the transition from a product-centric business model to a human-centred one requires a comprehensive understanding of an organisation and a roadmap that plots the changes required across the people, process, information and technology dimensions of business capability. The Experience Roadmap is a means for tracing the dependencies from desired choreography, to services and business capabilities, as they currently are and how they need to be. The roadmap identifies the change program required, specific

"In this world the human body will become the operating system with technology providing a natural extension to our physical bodies."

intermediary transition states, and allows an organisation to understand the type of experience offered at waypoints during the transition journey. Organisations seeking to compete on experience now require an Experience Roadmap to synthesise all of the elements of humanistic, physical and digital experiences.

AN EXCITING FUTURE AWAITS

In his recent TED talk[11] 'A Glimpse into the Future Through an Augmented Reality Headset' neuroscientist Meron Gribetz illustrates the road ahead for human technologies. We are about to enter a time where data will no longer be consumed through rectangular phones and screens. We will experience an overlay of data onto our physical environment with technology providing a natural extension to our physical bodies. The human body will become the operating system. In this world the businesses that can deliver the most desirable, intuitive, consistent and complete experience that merges

digital and physical environments will lead. Experience design as we currently know it will not be enough. Organisations will be challenged with executing an incredibly sophisticated synthesis of business and technology design to achieve these outcomes. This will require a complete, end-to-end, 'Experience Architecture'. ∎

The Microsoft Hololens[12] is one of the consumer-ready Augmented Reality devices set to change the way we interact with digital technologies: microsoft.com/microsoft-hololens/en-us
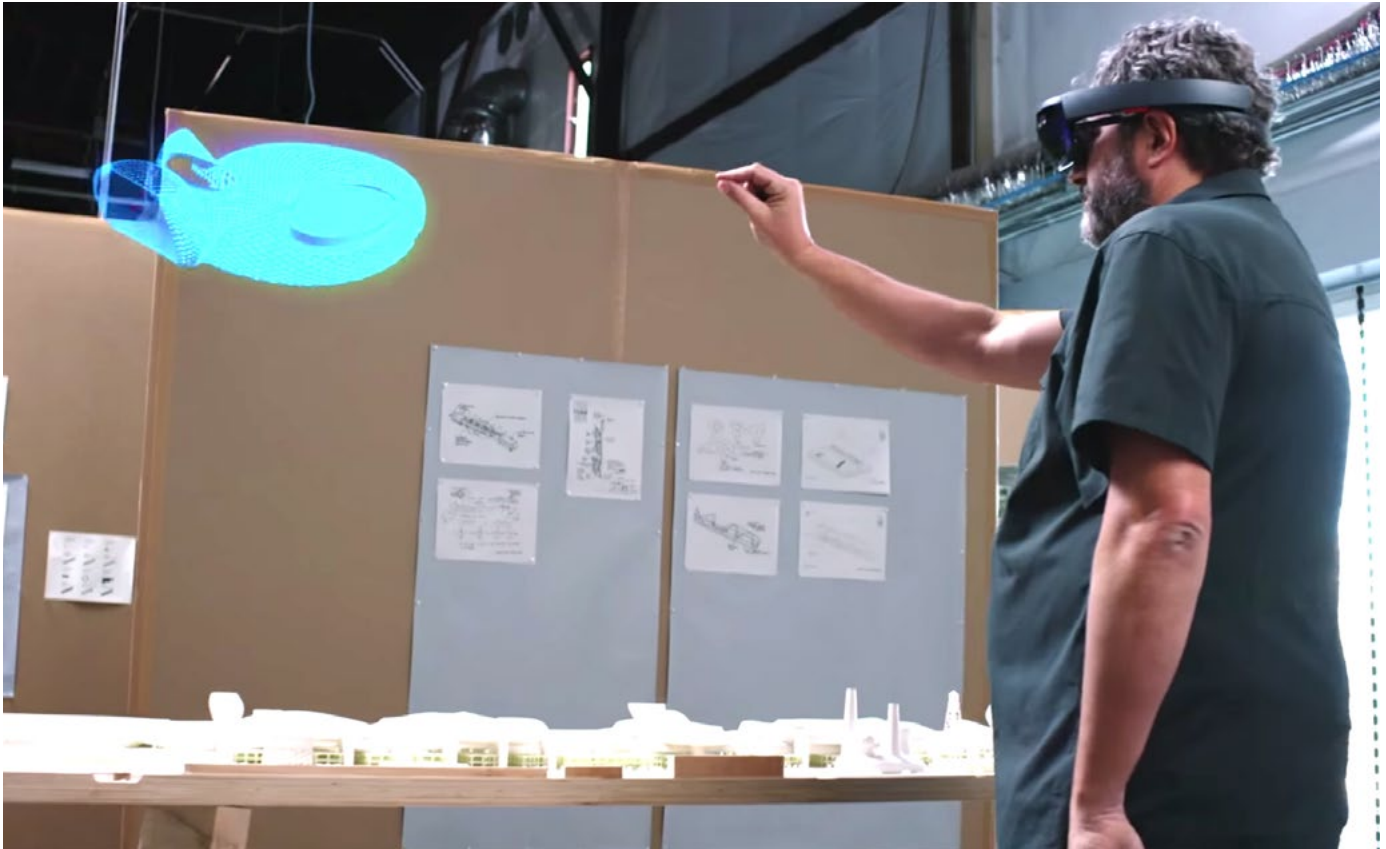
An architect using the Microsoft Hololens

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[4] A beam designed by an architect alone may be elegant and delightful. A beam designed only by the engineer might be dull but effective. When combined the tension between these mindsets can produce an elegant AND effective result. So it is with Business Design.

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