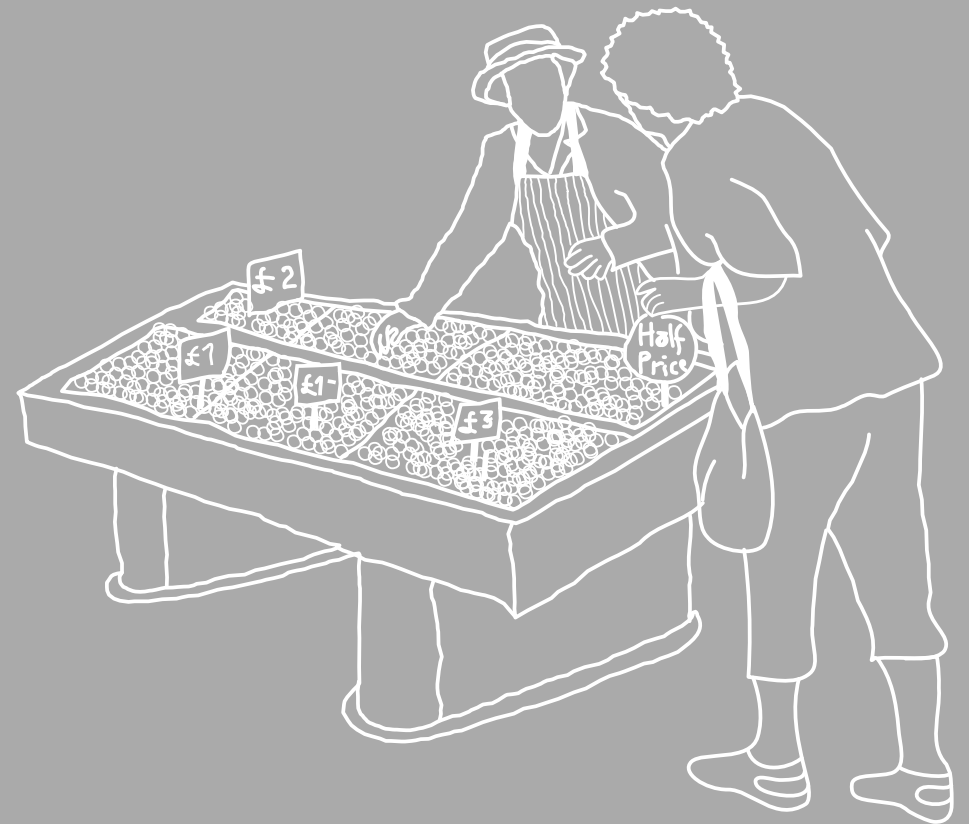# design for service

for both service and manufacturing businesses

design
for service

contents

01
Introduction

A new competitive environment

Companies are under increasing pressure to provide personalised, customer-focused services. We live in a world where products and services are getting more and more commoditised, and companies are struggling to compete solely on price. In order to stand out from competitors, companies need to recognise themselves as service providers and strive to make what they do more useful, usable and desirable for their users.

Everyone loves a great experience. Whether going to the grocer's, or shopping on-line, people always appreciate when things are easy and make sense. This makes them happy, and happy customers are worth more to every business.

This guide is intended to give an overview of how you can use service design as a tool to win the hearts and minds of your customers by providing memorable experiences.

01
Introduction

Like products, services can also be designed!

Put simply, businesses can use design holistically to identify where, when and how a service can be improved and made more valuable to those who provide and receive it.

Products and services differ in a number of ways. The main implication of those differences is that services, as opposed to products, rely on the interactions between the users and providers of the service.

The design of services must include an analysis of all the points of contact between the user and the service provider. These are usually called 'touch points', and include the brand, customer-facing staff, environments, sales and communications materials and channels.

For this reason, design for service is a very practical approach to implementing a wider, design-led business strategy. Small businesses can use design as a creative and accessible form of business planning to align their strategy, brand and communications around propositions that enhance customers' experiences.

02
Why it is beneficial to your company

We are living in the service century

Today 89% of SMEs in Europe operate in some form of service industry. Twenty million people in the UK work in service organisations. The service economy now accounts for 72% of the UK's gross domestic product [1]. The importance of services to the economy will continue to grow, especially in industrialised countries where services account for the majority of GDP. For example, services comprise 80% and 71% of the GDP [2] of the USA and France, respectively.

In this new economy, the added value created by services is far greater than that of products. As a simple example, when coffee beans are sold as an unprocessed commodity they have little value unless sold in bulk. If those beans are roasted and packaged the added value, potential price and opportunity for differentiation is much greater. Several steps beyond this would be to offer a freshly brewed cup of coffee, at which point the opportunities to add value through service become even greater. Companies such as Starbucks take this even further by employing experienced baristas to serve a wide range of drinks (but still focused on coffee) in a comfortable environment. They are no longer simply offering a cup of coffee, but a consistent experience to be shared with friends that will encourage customer loyalty, allow differentiation from the competition and increase profit.

02
Why it is beneficial to your company

Everyone, like it or not, is a service provider

The inclusion of good customer service is becoming a key differentiator for any type of company, be it product or service based. In this new economy it is the whole experience, before, during or after the sale that really counts.

Customers are willing to pay a premium for products and services that help make their lives easier, more enjoyable and exciting.

In the service century, even big product brands like Apple and IBM are developing services for their customers, realising that their products act as gateways or enablers of these services. The classic example is Apple and the integration between

the iPod and iTunes. IBM is also no longer positioning itself as a hardware manufacturer, but rather as a service provider by offering full IT solutions for its clients.

Because every organisation, like it or not, is a service provider, staff need to realise that they are service providers too. For example, the telecoms engineer who goes up the mast to make sure that everything is working properly has an enormous influence on the service experience that customers have. Or a courier, whose manners and behaviour have a significant impact on customer's experience.

03

How you can apply this to your company

Five fundamentals of good service

Services are delivered through dynamic service systems of people, processes and things – and often other services. This means they can appear complicated to improve – but they aren't.

In order to design better services, companies can look at the five fundamentals of good service to understand where, when and how things can be improved. These fundamentals can help you understand how different parts of a service system relate to each other and how each aspect of a service can affect a customer's experience.

The five fundamentals
of good service
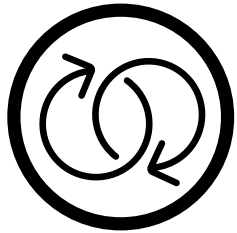
Systems

Services are provided and experienced through systems and relationships. Most services are produced and consumed within, or rely on other services. Good service design always looks holistically at the service infrastructure. This involves understanding how the different parts of a service interconnect and how the service relies on the support of other services.

This means that to improve an experience you may look to change things behind the scenes, such as implementing training programmes to customer-facing staff.

Value

Different services create and measure value in different ways, but most services try to provide the best value for both users and producers. Good service design is often about aligning the sometimes superficially different interests of producers and users to create the best value for both. Service design can be about cutting costs, but it is normally more focused on adding value.

Companies like FedEx create value and save money by helping customers help themselves. By providing an on-line tracking system, customers can check when their packages will be delivered. This helps to avoid using a busy call centre to deal with customers' enquires about deliveries.
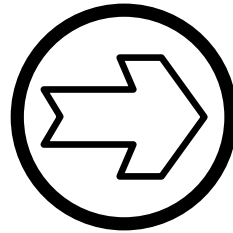
Journeys

All services are experienced over time. People also take different journeys to, through, and from a service. Good service design recognises these differences and examines what happens before, during and after the central service experience, for both producers and users.

To provide enjoyable experiences companies need to understand how each point of contact between the user and provider affects the service delivery.
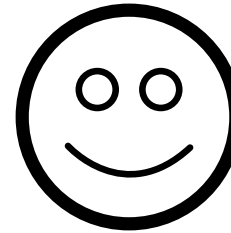
People

Services always involve people and rely on both the user and the producer working together. Some services are very product-centred, but a service is never just a product, it is always about people. Good service design always puts people first and should involve users and producers actively participating in the design process.

Ultimately, frontline staff are the face of a company. In order to provide enjoyable experiences, you might need to ensure that your customer-facing staff are properly selected and trained.
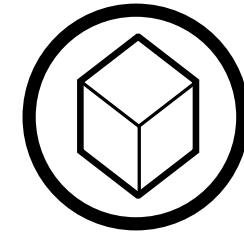
Propositions

Services are generally packaged as a 'proposition' for users to buy into. A service proposition is a useful term to describe competing service offers in a competitive marketplace. Good service design is about developing and designing valuable, innovative propositions for users and producers, and creating exciting visions to take existing propositions forward.

This means that successful companies usually translate intangible service propositions into tangible and desirable offerings. For example, Innocent, the fruit drink maker, was founded on the desire to make it easier for people to maintain their health.

03
How you can apply this to your company

Six elements of service design

We can learn a lot about how to deliver great service experiences by looking at organisations who are excellent at it. When you look at these organisations, they usually excel under six headings:

- Vision
- Resources
- Reliability
- Responsiveness
- Reassurance
- Communication

The following guide can be used to stimulate discussions about how your company can reveal areas for improvement.

How you can apply this to your company

Element 1: Vision

Excellent service organisations exhibit a clear vision about their goals and strategies.

A vision for the future has to be based on an understanding of where the business is now, who you are serving and how you came to this point.

Questions to ask should include:
• What does your business offer your customers?
• How does it afford to operate?
• How did the business start?
• What were the important landmarks (difficulties and successes)?
• What is your turnover and how profitable is your business?
• What are your core capabilities and strengths?

• Who are your customers and how can you identify which ones provide most income?
• Why do your customers do business with you?
• What are your customers' needs (in addition to what you offer them)?
• Who are – and how do you compare to – your competitors?
• Are there any legislative, technological, market or cultural trends that will impact on your business?

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How you can apply this to your company

Element 2: Resources

Excellent service organisations ensure that their appearance is appropriate and aligned with the service proposition.

In order to get the appearance right, companies need to think about how the environments, staff, equipment and branding impact on the customers' perceptions.

Questions to ask should include:
- Does your organisation design the environments that staff work in and customers are served in?
- Have you made any changes as a result of customer and employee feedback?
- Are there appropriate training programmes in place?

- What are your brand values?
- Can all employees articulate what these values mean to their individual jobs and responsibilities?
- How do they want to develop the brand going forward?
- How do staff request resources needed to serve customers?
- How often is the equipment used to serve customers re-evaluated?
- How does the organisation measure its performance, and the performance of individuals within it?

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How you can apply this to your company

Element 3: Reliability

To develop loyalty, customers and employees need to trust that the service is reliable and consistent – being the same or better each time they experience it.

Being consistent also includes making sure that you don't over-promise and under-deliver by raising expectations that can't be met in all aspects of the business.

All interactions with a customer during a single transaction should also be consistent in terms of your brand values and ease of use.

As an example, an airline that offers easy on-line booking is not being consistent in offering convenience if once customers arrive at the airport there is a shortage of check-in staff or no facility for automated check-in.

Questions to ask should include:
• What does your organisation promise your customers through your marketing and communications channels?
• Do you deliver on these promises?
• Are there any measures in place to ensure that your organisation does not over-promise?
• Can you ensure that your services are consistent over time and across different channels?
• Does your organisation deliver services that are easy for customers to use?
• How usable and clear is your organisation's website?

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How you can apply this to your company

Element 4: Responsiveness

Being responsive means offering a service just when and where it is required by a particular customer.

Being able to respond to the specific needs of a customer might be the difference between offering a mediocre or an enjoyable experience. In order to do so, employees might require some level of autonomy and flexibility at the point of delivery. If this is the case, staff will need to understand what their boundaries are and you will need to be aware of possible process barriers that might prevent a customer being happy.

Questions to ask should include:
- Does your organisation provide service when and where it is required?
- How does your organisation measure the speed and effectiveness of its services?
- Does your organisation recognise the needs of different customers?
- How well does it respond and react to these differences?
- Do staff have the necessary autonomy to deliver a personalised service?
- What are the barriers to providing more autonomy?
- How willing are staff to serve customers?
- How willing are they to go out of their way to ensure the customer is happy?
- How willing is the organisation to let them do this?

03
How you can apply this to your company

Element 5: Reassurance

Everyone in your business should be competent, credible, honest and courteous.

These capabilities and values will reassure your customers that they should be doing business with you.

Getting this right will probably require a training and development programme to ensure employees have up-to-date customer service and technical skills. As well as offering a competent and credible face to your business, appropriately trained staff are more likely to take pride in their work, be more enthusiastic and stay with you for longer.

Questions to ask should include:
• How courteous are your staff?

• How does your organisation encourage a courteous working environment?
• How does it train staff to be polite?
• How secure and well managed are your organisation's sensitive documents and customer relationships?
• How effective are staff at managing customers' expectations of the service?
• How honest is your organisation with its customers about what to expect, and how honest is it when things go wrong?
• What training programmes are in place to ensure that your employees have the necessary, most up-to-date knowledge to satisfy customers' requirements?

03
How you can apply this to your company

Element 6: Communication

In order to build long-term relationships with both internal and external audiences, companies need to be able to communicate efficiently.

Communication is a two-way channel: companies need to advertise their offerings, but they also need to listen. This means understanding the fears, concerns and expectations of customers from different segments. For example, customer-facing staff should be able to engage in dialogue with customers and pass on any potential concerns to the management team.

Companies also need to focus on internal communication. Successful companies have a participatory culture in place, where staff can share ideas and discuss how the company is progressing. This helps to keep staff motivated and ensures that everyone is clear about the company's objectives.

Questions to ask include:
- Do all people in your organisation understand the needs of different customers?
- How does your organisation categorise its customers?
- How do staff engage in dialogue with customers?
- What happens to the output of this dialogue?
- Does your organisation build long-term relationships with its customers?
- Does your organisation regularly meet as a team to discuss progress?

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