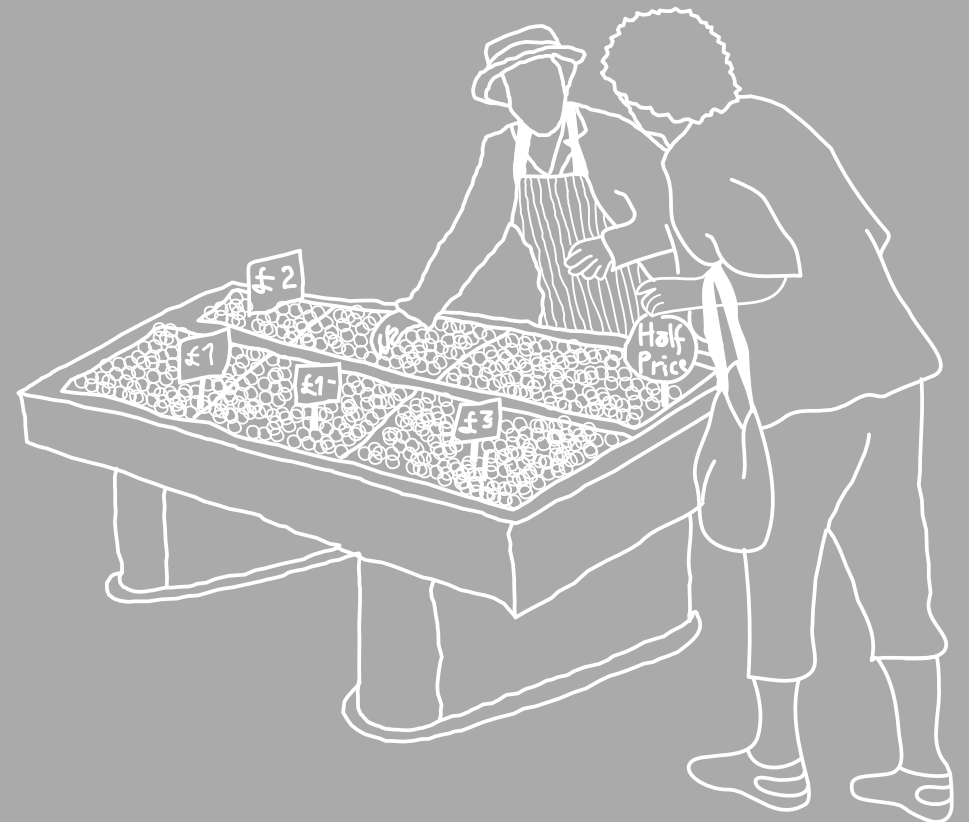


# design for service

for both service and manufacturing businesses



# 04

## Using design to improve service: examples

These fictional examples are intended to be inspirational, not exhaustive. Service design could exist in many forms and be delivered in many ways depending on the business context. In these near-future case studies we have assumed that each SME worked with an experienced service design consultant or consultancy.

Each case study will start by outlining the company's current position and its business strengths and weaknesses. It will then go on to outline what a service design consultant might suggest so the company can capitalise on its service strengths, negate its service weaknesses and push the business forward in the service century.

Broadly speaking, design for service can help SMEs in six ways:

- Developing a service vision and strategy
- Focusing on customers
- Designing the new service
- Developing internal processes
- Creating better experiences
- Creating and maintaining a brand.

Outlined in the table on the right are some specific activities which companies can benefit from. In order to exemplify how service design can be applied in practice, these methods and activities are highlighted in **orange** on the side of each example.

## How design for service can help



### Developing a service vision and strategy

- Assisting organisations to become more service focused
- Developing and communicating a service-led vision and strategy
- Designing-in service innovation processes



### Focusing on customers

- Working with senior managers to explore customer focus
- Developing new insights into customers and the means to use them
- Developing methods for customer-facing staff to provide feedback to senior staff
- Developing customer-centred business metrics and designing-in the means to measure



### Designing the new service

- Helping organisations to visualise the services they offer and how they offer them
- Identifying new opportunities for innovation by looking at the whole system of service delivery
- Working with internal teams and customers to innovate new services
- Generating ideas, modelling, visualising and specifying new services
- Managing risk through service prototyping



### Developing internal processes

- Looking at what customers value most as a means to organise resources
- Focusing internal processes around the needs of customers
- Developing organisational structures that support staff who have direct contact with customers
- Identifying opportunities to reduce overall costs to serve customers



### Creating better experiences

- Measuring customers' experiences across all the touch points of an organisation
- Developing service values and principles that can be applied across the business
- Designing the experiences that customers have of customer-facing staff
- Working with customer-facing staff to improve these experiences
- Designing the opportunities for customers to provide feedback and to participate



### Creating and maintaining a brand

- Developing service brands
- Helping internal teams to interpret their brand into new services and customer experiences

# 04

## Using design to improve service: examples

### 4.1 TildaTech

Using a better understanding of their customers to inform the design of the service and to inspire new products and services.

# TILDA**Tech**

### **Business context:**

Based in North Wales, TildaTech has 55 employees and a turnover of €14.8 million. At their factory they manufacture an electrical beauty therapy product. The equipment sells for €3,000 and requires annual servicing. Effective use of the equipment requires one day of training. Current customers of TildaTech are mainly beauty treatment salons and boutiques. These range from very small hair or nail salons wanting to offer a broader service – to established chains of private sports and health spas.

### **Strengths:**

TildaTech promote their product via adverts in trade journals and attendance at key beauty therapy and health trade shows around Europe. The company have a website that is essentially an on-line brochure with technical details and regional agent contacts – a well-established network of distributors comprising 28 approved suppliers in 15 different countries. TildaTech were one of the first into the market and have an established presence. Their brand is known and respected in the beauty treatment sector.

### **Weaknesses:**

Unfortunately for TildaTech, developments in technology are now lowering barriers to entry – meaning more competition. Until 18 months ago TildaTech's product was one of only three products available for this treatment. Now more companies are offering inferior quality products at a lower cost that can achieve similar results. So far, TildaTech have focused on getting the technology and manufacturing quality right and developing a network of agents to aid distribution. The owners and senior management have all come from manufacturing backgrounds and consider TildaTech to be a manufacturing company.

# TILDA Tech

## Working with service design consultants

Through a workshop with TildaTech's marketing team and three beauty therapists, the service design consultants helped the company to develop a customer segmentation model. This allowed them to understand the attitudes and behaviour of end-users – the people that actually use their products. After checking this model with some of their larger long-standing customers, the service designers helped TildaTech put together a panel of experienced end-users who now meet once a month. TildaTech use this panel to understand more about how, why, when and where people use beauty and health products and services.

In a parallel project the service designers worked closely with the product development team to understand how they design and innovate products. It was essential that the user panel was integrated into the development process. The designers also helped the product development team to commission a customer insight programme that enabled them to learn even more about the people that use their products.

Although initially surprised by some of the ideas and opinions coming from the insight programme, the product development team came to see the value of putting users at the heart of their



Developing new insights into customers and the means to use them



Working with internal teams and customers to innovate new services



Designing-in service innovation processes



Looking at what customers value most as a means to organise resources



creating the segmentation model



# TILDA Tech

development strategy. After six months the user panel was helping TildaTech to impress their customers by suggesting new service features and product functionality that the salons, spas and gyms had never considered.

In a further workshop the development team looked at the sales processes that take place in salons, spas and gyms. The team identified an opportunity to provide more support to staff in their customers' businesses. The designers were commissioned to carry out a detailed analysis of user journeys and to develop some simple support materials and web pages that helped to train staff when and how to explain the benefits of using TildaTech products. The brief to the designers was aimed at helping everybody to get the most out of TildaTech.

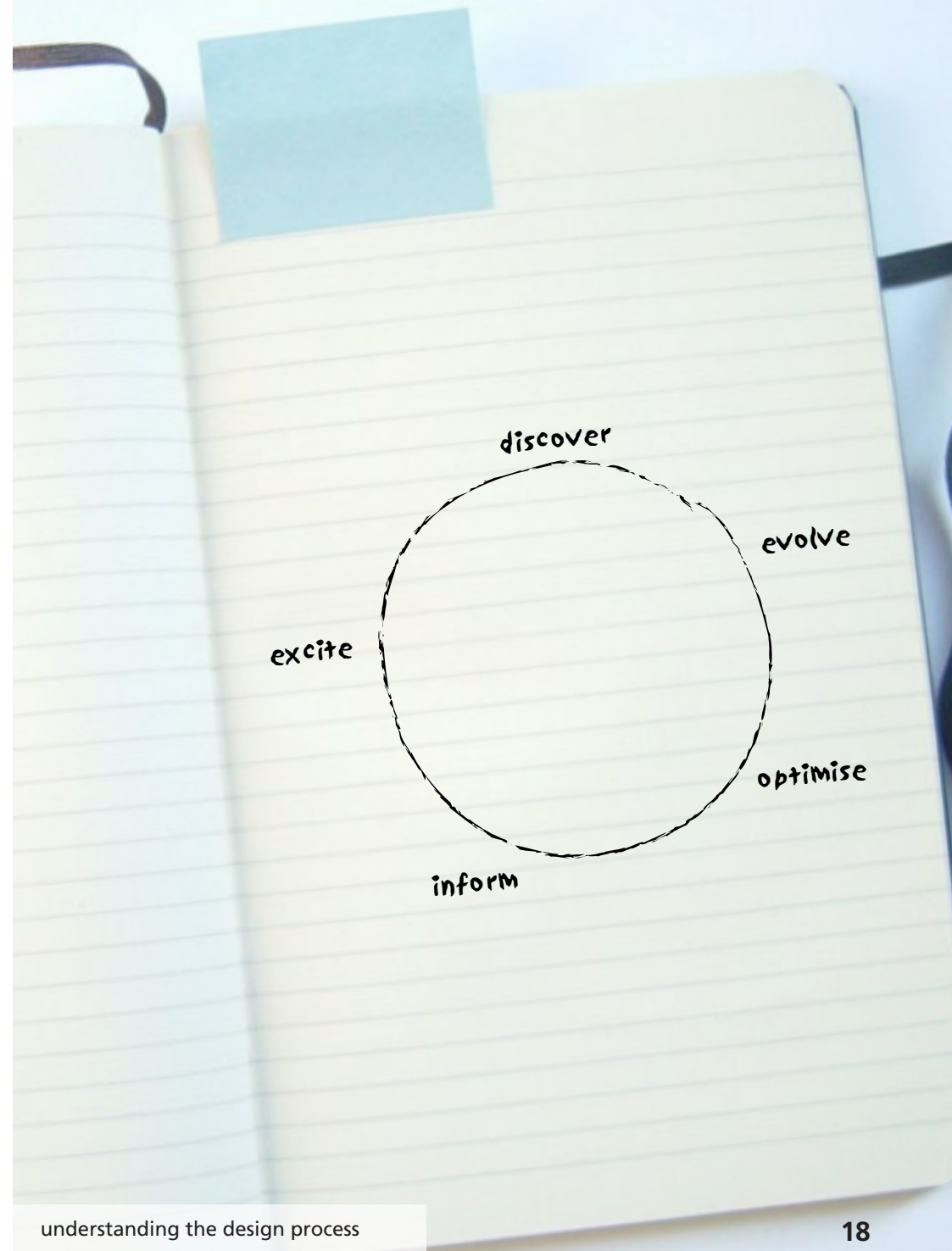
The success of the user insight programme gave the management team the confidence to hire service designers again a year later to help identify new customers for new higher-value products and services. Working closely with management and the sales and marketing teams, the service designers ran a series of customer-spotting workshops where they invited a range of people from diverse sectors to help anticipate future needs and markets. TildaTech identified cosmetic surgeries and other medical



Developing organisational structures that support staff who have direct contact with customers



Working with senior managers to explore customer focus



# TILDA Tech

practices as a high growth, high margin sector. With their user panel already in place TildaTech were able to test early product and service ideas quickly, reducing risks and time to market.

TildaTech has now established a well-deserved reputation amongst its customers for its user-focused product development, and is now a regional leader in the use of user insight and service innovation in manufacturing.



Working with internal teams and customers to innovate new services



Managing risk through service prototyping



Developing service brands



# 04

## Using design to improve service: examples

### 4.2 Brecon Furniture

Remaining competitive by translating a reputation for quality products into quality services.

## *Brecon Furniture*

### **Business context:**

Brecon Furniture manufacture high-end task seating for offices across Europe. Principal customers include corporate buyers of task seating for the office, independent office furniture retailers, and architectural and interior design specifiers. Seventy-five employees work in modern premises in Mid Wales, and last year the company reported turnover of €26.7 million.

### **Strengths:**

Brecon Furniture have a strong in-house design team. They have a clear design-led approach, with excellent attention to detail on product design and advertisements. They occasionally use high-profile external designers, and have effective ergonomic design techniques and good brand awareness amongst customers. They sell directly through their website, and they also have a single London showroom. However, most sales come through a network of independent, approved suppliers across Europe.

### **Weaknesses:**

On the downside, Brecon Furniture have high manufacturing costs as all assembly and 50% of component manufacture is based in Wales. There is little scope for cost reduction on the UK manufacturing side of the business. Meanwhile competition is increasing as larger multinational manufacturers with foreign production bases are driving prices down. In addition, Brecon Furniture faces a new competitive threat from office solutions provided by companies such as IKEA, whose products are now of higher quality than before.



# Brecon Furniture

## Working with service design consultants

Brecon Furniture have an established and deserved reputation for quality that comes from the high standards they employ at their manufacturing facility in Mid Wales. Quality in manufacturing can be mirrored by quality in service, but only if a company understands and supports its customer-facing staff – as Brecon Furniture found out to their advantage.

With new and large competitors closing in, Brecon's management team knew that they had to avoid competing on price, and that they risked losing competitive advantage on quality as the standard of their competitors' products increased. They identified 'service value' as an opportunity to remain distinctive, to evolve their brand in the light of new entrants and to retain share at the mid-volume, premium end of the market.

Through Design Wales they invited a service design consultancy located in the region to organise a series of open workshops with Brecon's employees to explore how they could add 'service value' to their products.

Many of the staff that serve Brecon's customers directly were invited. The furniture delivery agents, not normally included in management decisions, identified 'help and advice with installation' as a major customer need.



Assisting organisations to become more service focused



Developing organisational structures that support staff who have direct contact with customers



open workshops





# Brecon Furniture

with installation, were commenting that they wished they had asked Brecon Furniture more questions in advance of placing their order. As Brecon already had significant expertise in ergonomic and human factors design, they realised that they could also assist (and profit from) offering customers office design and layout services to match their furniture product portfolio.

During the following year, sales and delivery agents were trained to offer advice to customers to determine their requirements. Brecon developed expertise in advising on storage, the design of furniture solutions for flexible and multi-use spaces, and in the commercial analysis required to justify investing in quality.

With a reputation for manufacturing quality and a new reputation for service, Brecon Furniture's new 'Total Office' service proved very popular. Brecon Furniture's expertise in translating human factors research into office environments, combined with their ability to design, supply and install office furniture, has won them new, larger contracts. The company now plans to extend their 'Total Office' service to a growing number of smaller customers by opening retail stores in three of the UK's fastest-growing small-business districts, with customer service specialists as managers.



Generating ideas, modelling, visualising and specifying new services



Developing service brands



# 04

## Using design to improve service: examples

### 4.3 Green Taxis

Using service innovation and design to overcome the barriers to entering a well-served market with a new idea.



#### **Business context:**

Green Taxis is a very small start-up company in Cardiff, Wales' largest city. The company wants to operate Cardiff's first eco-taxi service with a fleet of hybrid petrol/electric vehicles. They aim to have 10 cars within 12 months.

#### **Strengths:**

The company's principal target market are corporate clients interested in demonstrating their corporate social responsibility through the use of environmentally-friendly services. It is intended that a relationship can be developed with corporate clients so that the majority of fares are paid for on account. In addition, Green Taxis want to target the public who want to book a taxi for travel around the city with the minimum impact on the environment.

#### **Weaknesses:**

Due to the significant cost for buying a licence to pick up from the bus, train station and airport, all passengers will need to be pre-booked. There are 12 other well-established taxi firms operating in Cardiff. Green Taxis is the only eco-taxi service in the city. This gives them an advantage but also exposes the risk they are taking, as there is no sustained demonstration of demand. As they can't pick up passengers at the kerbside, they rely on word of mouth, their brand, and a well-designed experience for their passengers of booking Green Taxis.



# GREEN TAXIS!

## Working with service design consultants

Understanding the co-productive nature of service branding means working closely with customers. This is especially important for a service such as Green Taxis where their core service offer is based on selling a 'lifestyle' choice rather than low prices or efficiency. Service design helped Green Taxis understand this from the very beginning, making their approach a model for many new eco-service companies across Europe.

Initially, the service designers helped Green Taxis research the environmental position of large local corporate organisations. Once they had identified the most progressive organisations in the area, they contacted the personnel in charge of corporate social responsibility to tell them about the new service.

Prior to the meetings they worked with the service designers to develop and visualise a range of marketing propositions they could offer the companies. After the meetings they went away and developed unique, co-branded service options for the companies. Some firms opted to sponsor individual taxis, some wanted a taxi outside their offices at all times, others decided to use their PR teams to highlight the relationship to the local media.



Helping internal teams to interpret their brand into new services and customer experiences



Developing new insights into customers and the means to use them



Helping organisations to visualise the services they offer and how they offer them



Generating ideas, modelling, visualising and specifying new services





# GREEN TAXIS!

This carefully co-produced service branding meant that Green Taxis' marketing and PR budget was completely financed by their customers – with plenty of profit left over to invest in acquiring more cars and drivers.

The publicity from the large companies led new private customers to contact Green Taxis through their website, asking how they could be sure of always getting a Green Taxi. Working with the service designers again, Green Taxis identified two ways they could help these new customers access the taxi service, whilst keeping overheads low for the new company.

First, Green Taxis' knowledge of green activities and organisations in the area meant that they could set up a new website to promote green initiatives in Cardiff. The website encouraged smaller businesses to sign up to the site to receive tips and ideas on going green (and profiting from it). The site helped to build awareness of Green Taxis. Data on smaller firms was then used to identify the 'greenest' areas of the city, and Green Taxis began to directly market their service in these neighbourhoods.

Second, working closely with several volunteer 'green users' who regularly hired the taxi service for private use, the service designers helped Green



Identifying opportunities to reduce overall costs to serve customers



Working with internal teams and customers to innovate new services



Designing the opportunities for customers to provide feedback and to participate



Developing new insights into customers and the means to use them



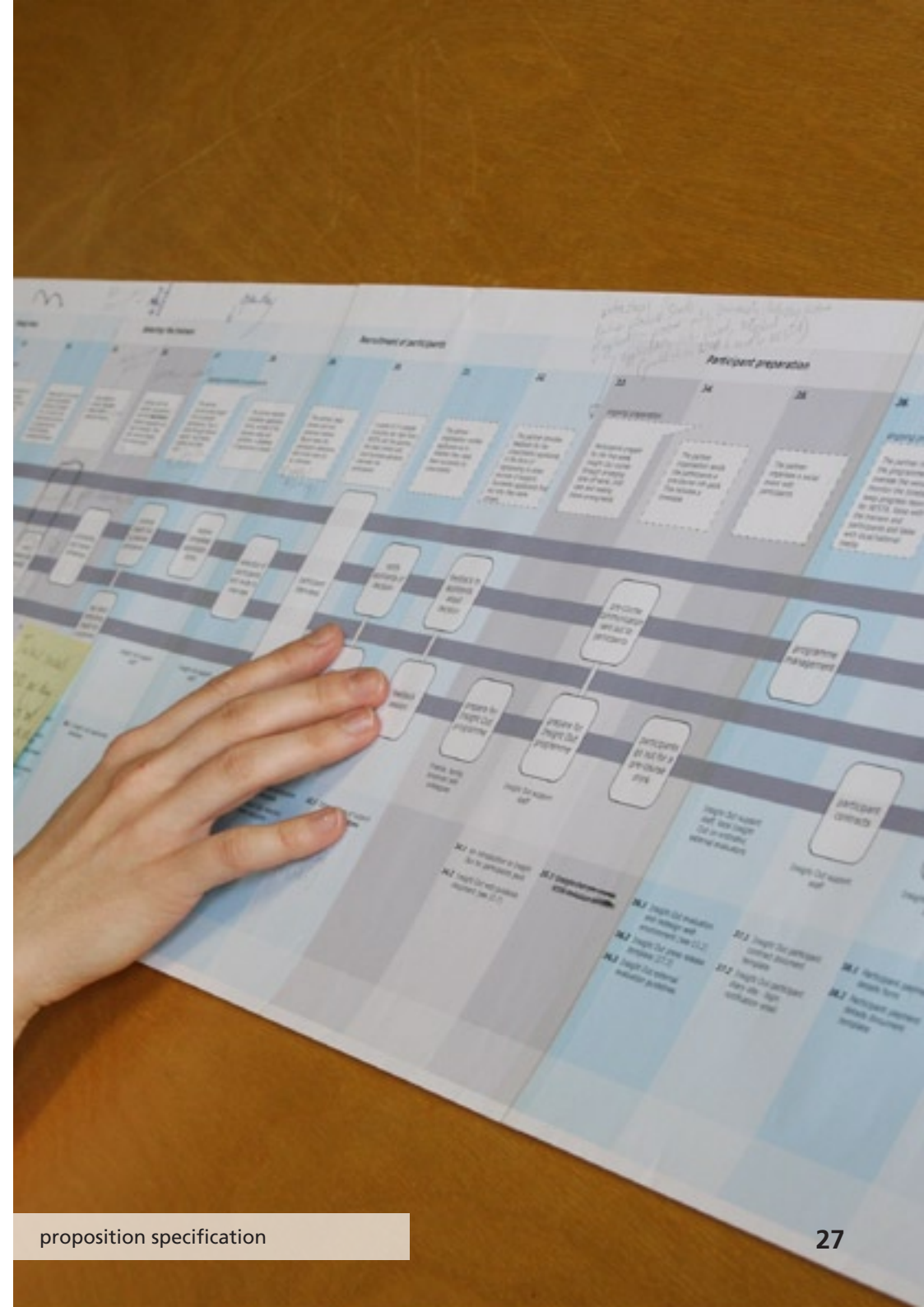
# GREEN TAXIS!

Taxis identify the barriers for private individuals using the service. They discovered that although these customers would prefer a Green Taxis to a normal taxi, they weren't prepared to wait more than five minutes longer for a Green Taxi than a normal taxi. They also found that customers resented having to wait on hold when booking any taxis by telephone.

Green Taxis worked with the service designers to design and implement a service for customers allowing them to use SMS to indicate their approximate location to be picked up from (a street name or a postcode). Provided the customer is near the city centre, Green Taxis can then reply by SMS immediately to reassure them that they will not have to wait more than five minutes. Green Taxis can now dispatch a car and call the customer back within five minutes.



Generating ideas, modelling, visualising and specifying new services



# 05

## References

The list opposite details those who are developing and working with service design and where to find more information and guidance.

This project has been commissioned by Design Wales and produced by Engine Service Design.

### Academic

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<http://www.dmi.org/dmi/html/index.htm>

### Established Service Design Consultancies

Engine  
<http://www.enginegroup.co.uk>

Ideo  
<http://www.ideo.com>

live|work  
<http://www.livework.co.uk>



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