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USER-DESIGNED DESIGN

In the previous article of the Australian Innovation report (Summer 08), we spoke of customer-centric innovation being the management discipline for the new millennium and provided an inside look into a number of Australian companies that have excelled as a result of taking a customer-centred approach.

In this article, we will take a step further and delve into the emerging discipline of user-centred innovation – or user-centred design, as it has come to be known – and investigate how some of Australia's leading companies are using it to advance their growth agenda.

Web designers have had a focus on usercentred design and have used it successfully as a discipline for many years and any Google search you care to undertake will be littered with web page and digital references. So what is 'user-centred design' and why hasn't it taken off in the mainstream of Australian business? Why haven't Australian businesses embraced using a methodology that allows them to get up close and personal with their customers and truly understand their customers' unmet needs and wants for both products and services? And what is the process for user-centred design and how can companies employ it to keep hold of their most valuable customers in a market where every customer is increasingly precious?

This article intends to examine the answer to all those questions and hopefully shed some light on an increasingly powerful process that is driving substantial growth for some companies ahead of their competitors.

The term user-centred design was coined by Donald Norman from the University of Southern California in the 1980s. He defined it as "the process in which end-users influence how a design takes shape. It is both a broad philosophy and a variety of methods." The most important concept, he believed, was that users were involved one way or another along the entire journey and not just at the end of the process.

Over the past two decades user-centred design has developed greater recognition and is now seen as a philosophy and a process in which the needs, wants, and limitations of the end user are given extensive attention at each stage of the design and development process.

From a commercial perspective, IDEO, the leading innovation consultancy globally, has successfully employed this approach for over twenty years and call it 'human-centred design' defining it as "a process and a set of techniques used to create new solutions for the world. When we say solutions, we mean products, services, environments, organisations, and modes of interaction."

The reason the process is called 'humancentred' (user-centred) is because it starts with the people who the products or services are being developed for. The starting point of the process is to examine the "needs, dreams, and behaviours of the people we want to affect with our solutions". This is a very different lens than most companies start with. Normally they only use a business lens that asks "How can I sell more phones/insurance/movie tickets etc to my current and future customers?"

By comparison, user-centred design seeks to listen to and understand what customers may want. Once it is clear what customers are looking for from the universe of what is desirable, the next phase is to view the solutions developed through the lenses of feasibility (what is technically and organisationally possible) and finally viability (what is financially viable for the business).

It is the solving of the business problem through these three lenses that creates significantly increased value for the companies employing the methodology.

Early users of user-centred design included Proctor & Gamble back in the 1970s. As a pioneer of in-situ or user-centred research, they sent researchers into customers' homes to observe them directly as they went about their daily chores. Interestingly, what they found was that P&G's in-situ market research helped to solve problems that the customers themselves were not aware of.

In one of the earlier examples, P&G, when conducting in-home research, observed that some liquid laundry detergent ran down the front of the bottle when it was being poured. Soon, P&G came up with a simple redesign of the spout that funnelled any drips back into the bottle. This simple user-centred innovation led to a dramatic increase in sales.

As with most of these things, customers had been happy to use a workaround and to wipe the drip away with a piece of cloth. This is a classic case of being able to improve the product based on user needs, something that will unlikely come out of a traditional research program that employs focus groups. Why? Because often the elements that make for inconvenience are perceived as so small that they never bubble to the surface using traditional research methods. For an approach that sounds so compelling and has produced so many commercial successes overseas, why hasn't it taken off in Australia and why aren't companies using it to advance their growth agenda?

Interesting research conducted by David Tunnicliffe of Arnold & Bolingbroke last year went some of the way to answering that when he found that there is not much in the way of innovation in research methodology in Australia. In his findings, dynamism was rarely a quality attributed to market research. Across the sample, there was a palpable sense of there being little drive, from within the research community, towards genuine innovation.

At worst, respondents felt qualitative research methods, in particular, to be verging on hackneyed and predictable but also a more general feeling of there being "little new under the sun" was commonplace. The perceived absence of methodological innovation served to increase reliance on individuals.

One respondent from a well-known brand consultancy said that "Even the young clients tire of the routine of the groups behind the glass. I often feel this too; I'm not sure how to move toward more of an ongoing conversation with consumers rather than this artificial kind of intervention from time to time in a group discussion."

Across the sample, there were calls for greater innovation from both marketing services companies and clients with one respondent saying: "What I don't want to do is some standard research that is going to result in the same old debrief. I would welcome a more creative approach to methodology." And another, looking for a more innovative approach: "I'm always keen to see new methodologies; out-of-the-box thinking. What everyone does is no longer interesting. If I can see that someone would add to the pot, that's more interesting."

In addition to well-worn and decreasingly valuable research methods, we believe most Australian companies take a more confined approach in attempting new products innovation versus taking a wider, more expansive view of how successful innovation can be achieved and where the greatest value for their organisation can be created. A trap a lot of companies fall into is to think of innovation too narrowly – they define it merely as the thing your firm offers. Another more powerful option and one which successful companies use is to use reframing as a tool, by using a different lens and turning that lens onto other aspects of their business to reveal new possibilities and value creation.

The Doblin Group helps companies look at creating greater value by innovating not just in one area like 'product', but by applying a lens across ten different areas, which then forms a multiplier effect when applied to a firm's business problem.

Across the ten types of innovation, they include 'inside-out' categories such as core and enabling processes, product/service performance, service systems and customer service.

There are also what they call 'outside-in' categories which include channel, brand, customer experience, business model and value networks. The inside-out perspective is similar to the traditional understanding of value chains. It asks the question, "What strategic assets and/or core competencies does our organisation possess and what products or services can we produce with them?"

This is the framework that a lot of companies use and is normally quickly followed with a generative project to develop a range of new products and services which the company hopes will be seen as innovative by the market.

What is missing is the outside-in thinking that inverts and complements this traditional perspective, asking instead, "What do our customers want and need and how can our organisation construct new business models, a new ecosystem of partnerships or external relationships or a significantly improved customer experience to deliver it to them?"

This second step of truly understanding consumers' unmet needs and wants is where the value is created and where user-centred design plays a valuable role in helping organisations achieve that value.

NEEDFINDING
Which draws the inevitable question of why focus on needs?

Dev Patnaik and Robert Becker, who are the founders and principals of Jump Associates in the USA, are probably among the leading experts in 'needfinding', one of the key planks in delivering commercially successful user-centred design. They have proved that an understanding of people's needs can be leveraged across an entire business activity, providing increased value beyond the development of any single product. They see four compelling reasons for companies to focus on uncovering needs as the starting point of a user-centered design approach.

The first is that needs last longer than any specific solution that may be developed which is often the focus of most companies. They say that thinking of the company as a provider of a solution may encourage the company to continue improving that solution, but it rules out creating entirely new offerings that satisfy the need in different ways. Conversely, focusing on needs encourages companies to continue innovating better ways to serve those needs, independent of current solutions.

Second, needs are business opportunities waiting to be exploited by companies that understand that although solutions may come and go, needs are generally enduring and are satisfied by a range of solutions over time. A good example is the need for humans to enjoy music wherever they go. Over the past few decades that need has been satisfied by cassette players, compact discs, Walkmans, computers and most recently MP3 players. Same need, different solutions.

Third, focusing on needs provides a roadmap for development and a method for determining what corporate skills and new offerings should be developed to grow their businesses. A company may not currently possess the capabilities necessary to satisfy all those needs, but by identifying the ones that cannot yet be satisfied and working toward meeting them, the company can plan the appropriate medium to longer term investment to be able to deliver against those consumer needs. Twenty years ago, Eastman Kodak realised through customer studies that people didn't just want film and photo processing, their underlying need was to capture and enjoy images of daily life. As we know today, Kodak has maintained a strong competency in this area and, where in the 1990s they found themselves facing significant contraction of revenue due to the introduction of digital cameras, they continue to be a dominant force in the imaging value chain.

Lastly – and this is probably the most important – people become accustomed to their problems, often developing workarounds to circumvent a need. In doing this they become oblivious to the needs' existence and as a result, traditional research and marketing approaches will never uncover this problem, which is potentially very valuable if companies are awake to the opportunity. A good example of this is the requirement for cooks over decades to either bend over or raise up the measuring cup to eye level to read the measurements on the side of the cup. The OXO measuring-cup now allows you to look straight down and see the quantity of what you are measuring and is an excellent demonstration of developing a product which is truly human-centred.

The feedback from the Australian marketing community on the lack of innovation in research approaches in combination with the lack of outside-in (or need-finding) focus by companies potentially presents a real issue not only for manufacturing companies, but more importantly for service-based companies that make up 80 per cent of the GDP of the Australian economy.

Unlike product-based companies, which can (but don't always) invest significant attention and investment upfront into product development prior to manufacture, service-based companies rely more heavily on needing to use a range of service innovations, because the very nature of services means they are intangible. As they are normally consumed over a passage of time across a number of interactions, consumers use these additional cues to judge the quality of the offering when they are consuming the service.

So how do those companies, who wish to develop more compelling products and services utilising user-centred design on their own company's business problems, start?

The first step of the process is to identify who your users are by asking a number of simple 'who' based questions. These include: Who pays for it? Who uses it today? Who told someone else to buy it? Who installs it? Who sells it to the customer? And, who looks after it if it goes wrong?

Next, companies need to spend some time observing their users and ask a lot more questions because you will find out things that consumers would never normally tell you using traditional methods. What patterns do you find from things that keep appearing? What opportunities present themselves? What things really surprised you? What are the things that people want or think they need? What are the things that people find difficult about your product or service or cause them trouble when using it? And finally, what works and can be built upon to make the experience even better?

Too often consumers are asked to pass judgement on products and services that have been developed in isolation from them and as a result quite often they provide a failing grade. User-centred design involves consumers from a very early stage and understands that there are core users and extreme users who are quite often looking for very different experiences. Seeking to understand both sets of needs can provide really rich input for the further improvement of your offer.

A key part of being user-centred is about prototyping your ideas and having users start to show you how they would use them. IDEO uses the term "build to think" to emphasise the value in undertaking prototyping, or doing whatever it takes to communicate the idea to users and allow the developers of new products and services to walk in the footsteps of the end users. Wisely, they say that the value lies in building very rough prototypes. Make them quick, dirty and early and don't be afraid to throw away early prototypes and build new ones because at the end of the day, that's what they are for.

And finally, understand and appreciate the value of a multi-disciplinary team that brings great breadth and depth to solving your business problem. Most companies have industry and company orthodoxies that are hard to see beyond. User-centred design relies on assembling different points of view and people in order to solve your most pressing business issues.

So, if you are up for going on the journey, remember that success will require leadership that provides absolute clarity about which customer problems the firm is dedicated to solving; the ability to assemble deep insights into the unmet needs and wants for your customers; the skill and focus at developing new customer experiences along with new ecosystems and business models to deliver those experiences; and good change management processes and systems to turn unfamiliar business designs into fast-growth businesses that can scale quickly.

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