

Service design



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Design thinking is the ability to think of something that the world didn't know was useful - it makes people's lives better in some way

Dan Pink on 21st-century business, page 2



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Introduction

Experience matters

In the competitive world of business, what separates an industry's players is often the service that comes with the product offering - the customer experience. Quality of service determines whether a customer will be loyal, or leave.

Service design is a relatively new discipline that asks some fundamental questions: what should the customer experience be like? What should the employee experience be like? How does a company remain true to its brand, to its core business assets and stay relevant to customers?

Design is a highly pragmatic discipline. That is why it is of such interest to business: it gets results. But if at its heart lies the idea of experience, then, as this supplement shows, the methods and ideas behind service design can equally be applied to the public sector. We reveal how service methods can help design experiences that are more efficient and more effective.

We also take a look at developments in sustainability for transport and water systems, as well as at changes in the voluntary sector, where the question: "Can design help change the world?" is increasingly gaining relevance.

Gaynor Aaltonen

The Service Design Conference 2010 will take place in Berlin from 13-14 October 2010. For further information go to service-design-network.org

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Commissioning editor Gaynor Aaltonen

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Community in, commodity out

Businesses and public services alike face huge change in the new information era. They need to shift their emphasis back - to what people really want, says **Gaynor Aaltonen**

And now, the shipping forecast ...” Despite a worldwide financial crisis that hit the shipping industry particularly hard, last year the shipping arm of Sweden’s Meteorological and Hydrological Institute (SMHI) saw its income suddenly leap by 20%, a sum which will probably rise to 45% by the end of 2010.

It is a complex story, involving a Swedish government innovation grant, a young designer named Andrea de Angelis, and something quite new - service design.

The pundits argue that we are not just living through a time of great change but moving into an entirely new economic era. Whereas an industrial economy focuses on physical things, such as a car or a light-bulb, we are about to enter the age of the information economy - a post-industrial economy based no longer solely on manufacturing but more on knowledge, service and information industries. Businesses can best exploit this new economy by developing new services and expanding brand loyalty still further than today. The conceptual challenges are complex and include the integration of the physical and the virtual worlds, as well as a desire to live more sustainably.

It is partly the expansion of the internet that has prompted this explosion in service innovation. On the net it is easy to compare services and products and to voice dissatisfaction. Companies have been pressured to shift focus. Rapid erosion of technical advantage in a fierce global marketplace has also had its effect: expensive new technologies and fancy new con-

sumer products will still be dreamed up, but with emphasis on pleasing customers and stamping their loyalty to a brand for life. People are becoming far less interested in “stuff” alone - products or commodities - and far more interested in an all-embracing experience as they interact with a product or service. Owning an iPhone, for instance, is just the beginning: it’s what you can do with it - the “apps” - that matter.

David Kester, chief executive of the Design Council, chooses Apple to illustrate the point. “Why Apple? Because a company like that epitomises great innovation. And yet they are not a company of inventors. They were the first company to take a user interface or a mouse to market, but they didn’t invent those things - Xerox did. Technology is just ideas. Design is about taking those ideas and making them work for people. Apple placed design right at the heart of the business - and then reinvented the music industry. They may be about to do the same with books, and the iPad. With Apple, the product becomes emblematic of a system and a service.”

While product design exists in the realm of tangible objects, service design deals with the intangible and the conceptual: advice, music and maps at our fingertips. And, increasingly, designers are being

‘The basic needs of consumers - speed, convenience, choice, cost - are already met. People demand more’

asked to identify service improvement in the public sector. An important factor here is the way that, at its best, the design process involves taking a problem apart, as if it has never been looked at before. London Transport’s Oyster card, although first developed to fight fraud, has become a much more convenient and speedy way to travel. The NHS’s innovation unit has used service design to improve clinical processes. Innovation can happen anywhere, in any public or business sphere, from improving post-diagnostic services for people with multiple sclerosis to better community strategies for the police.

User engagement

“Service design involves a high level of user engagement, which is what we need,” says Matthew Taylor, chief executive of the Royal Society for the Encouragement of Arts, Manufactures and Commerce. “I like the idea of bringing those design principles to public services. Good design process brings in a good understanding of the context: financial constraints, processes and how human beings behave.”

Extraordinary examples of service design are cropping up everywhere. And not just in the UK. In the Netherlands, service design agency DesignThinkers was commissioned by the Dutch government to work on a national branding programme. In Korea, US design group Continuum finds that its Seoul office has one in 10 projects geared to service design, particularly in retail.

So where did the story start? The answer lies with consumers. Youngmihm Kim, co-founder of Continuum Korea, says: “The basic needs of consumers - speed, convenience, choice, cost - are already met.

People demand more.”

Fast food company McDonald’s is just one example of a company under intense and often hostile scrutiny that has had to use the close customer understanding and fast prototyping typical of service design to transform itself. It has really embraced the practice, explains senior vice-president of brand strategy at McDonald’s Europe Pierre Woreczek, because it had to. “In France, in particular, we faced strong debate around globalisation. The decision was to work very hard to improve integration.”

Similarly Virgin Atlantic faces huge competitive consumer pressures in its industry. The company’s head of design, Joe Ferry, says: “This is just the tip of the iceberg in terms of service design’s potential. It’s like design generally: 10 or 20 years ago it was seen as an add-on. And now look at companies like Apple and Dyson: their entire company is built on the ethos of good design. I think that will happen with service design.”

So, what of the shipping forecast? While mariners struggled even to navigate before the invention of the astrolabe, today they have access to extraordinary levels of information. After Andrea de Angelis introduced the idea of service design to SMHI, he developed an integrated web service which allows ship owners to keep track of an entire fleet, in real time. They can also keep watch on their ships’ speed and environmental performance compared to their last voyage (read more on pg 9.) The system helps choose the safest route to take, depending on the specific ship, the value of its cargo, and the weather conditions. Now, that’s service for you.

This supplement is supported by



The University for Creative Careers

Service design What is service design?

In celebration of 'silent designers'



Nick Marsh
Comment

o stay ahead in the world of commerce, or stay relevant in the world of government, 21st-century managers know they need to keep a connected supply of innovative ideas flowing at every level of

their enterprise. In product-focused organisations, innovation management is relatively simple. It generally happens in dedicated research and development teams. Managing innovation in service organisations is more slippery, because the important innovation that creates real value is found all over the place – at all the different points where employees interact with customers, users and internal stakeholders.

Think about a social worker repeatedly visiting a foster child, or a private banker constantly discussing investment opportunities with clients. Over time, the service provided is adapted to fit the changing needs of that child, or that investor, and the improving skills of the social worker or banker.

This type of incremental innovation is equally applicable to mass services, such as call centre support, or internal services, such as IT provision within a business, and it explains why the quality of a company's service innovation is broadly connected to the quality of its staff.

This means that, to an extent,



Do-it-yourself design: creative principles are helping staff implement change Nick Marsh

everyone working in a service organisation can be said to be responsible for research and development and at least partly responsible for the design of the organisation's services – even though most of them would not ever think of themselves as designers. In a 1987 research paper, Peter Gorb and Angela Dumas of the London Business School described these people as silent designers.

Through my work with many different types of service organisations, I have found that these silent designers frequently find it difficult to act on their ideas. It can be hard to connect their ideas to parts of the service beyond their everyday roles and responsibilities.

A powerful solution to this challenge is to introduce them to the fundamentals behind design practice – and to tie these approaches into how they work on improving their service.

These design-led methods that can

be useful within the intangible world of services include techniques to creatively explore ideas through customer or user research; visualisation methods that designers use to express ideas; and quick, low-risk prototypes that help them learn about the best way forward through hands-on experimentation.

For managers, this means encouraging everyone in the service organisation to think like designers, and to blend this with their specific experience and skills to make them more confident in exploring, expressing and exploiting ideas.

In other words, design thinking can help silent designers find their voices, as a voice coach might. The singing part, however, is quite a different matter.

Nick Marsh is a senior practice consultant at EMC Consulting. He writes a personal blog, choosenick.com, organises free networking events and talks on service design. For further information: servicedesigning.org

Q&A Business thinking in the knowledge economy

Consumerism is on the wane. What people want now is convenience, a low-carbon footprint and life experiences – from "holidays" saving the albatross to learning the guitar on your mobile phone. The post-industrial race to provide all that is on. **Gaynor Aaltonen** asks US business writer **Dan Pink**, author of *A Whole New Mind* and *Drive*, about the 21st-century gold rush.



Reimagining the world of work: author Dan Pink Jerry Bauer

Are businesses doing enough to re-think the idea of services?

Definitely not. Economies right now are fundamentally becoming less about physical objects and more about creating ideas and experiences. The way we produce consumer durables at a shockingly low price means that society is at saturation point with "things" – particularly in America, a country with a 13% poverty rate, where 99% of households have a colour television set. Building up new concepts of service will be profoundly important to businesses in this century, but as an idea it is still in its nascent stages. We now have a new challenge: we have to meet a new emphasis on improving experiences instead of objects, and we need to improve the flow of interactions between customers and service providers.

Is that a purely technology-driven process?

Not really, although technology is often involved. This is where design thinking comes in. Following up a 46-inch screen with a 48-inch screen isn't really innovative. Developing ways for programmes to be watched online is – it gives you a new way to deliver TV. The big story in the US is Hulu.com, a free service that puts hit TV shows online, delivering them straight to your home computer.

Is the human element missing from many services?

We still have some way to go when it comes to understanding consumers and constructing services around them.

Any designer will tell you that the most important thing in design is empathy: the ability to understand something from the other person's perspective. Design without empathy is mediocre design. And in the new knowledge economy, that applies to commercial services, too – much more than businesses realise.

What has to change?

Business thinking has to become a form of design thinking. As a business strategy, prototyping ideas really fast – and throwing away what doesn't work – is becoming really important. Mastering narrative is also hugely important: look at Apple's Steve Jobs and the way he manages to create a media circus out of a simple product announcement. The way business training has gone, especially when it comes to MBA programmes, is way too far on the analytical, quantitative side. While those are essential skills, there also needs to be more emphasis on the iterative, empathetic design side – working things out with people, as opposed to for them.

Do you have a definition of design thinking?

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Service design Public sector

'A powerful case for reform'

Contemporary public sector needs are riddled with complexity, and institutions are increasingly looking to designers to implement ingenious, problem-solving methods in rethinking service provision. **Gaynor Aaltonen** reports

The year was 2003, and Tony Blair and Gordon Brown were all smiles. They looked young, relaxed; idealistic, even. They were in Newport to launch a nationwide consultation exercise: The Big Conversation. What they wanted to do was open up to debate public services, their future, and the whole idea of social justice. As Blair wrote in the foreword to the prospectus: "It's time for a grown-up discussion."

That was the very week Labour introduced student top-up fees. Cynics, and of course the opposition, derided the initiative. This government was not about listening, they said. In fact, it was all talk. Nevertheless, it was an extraordinary moment, and it breached an unseen membrane between parliament and the public. Six years on, that membrane is showing serious signs of wear. After weapons of mass destruction, the MRSA superbug and, above all, the MP expenses crisis, the public is fed up. As an election bears down on us, people are demanding that, when it comes to public services, the conversation has to stop being one-way.

The only problem is, the demand comes at a time when the banks have cast us into a steaming black pit of debt. It's estimated that at least one pound in every four of existing public spending will have to be cut in the coming years. Only by the skin of Gordon Brown's bared teeth is Britain clawing its way out of the deepest recession since the 1930s.

But could this be an opportunity of a kind? According to Sir Michael Bichard, chairman of the Design Council and originator of the country-wide government reform project, Total Place, public services were already changing. And it is within these services that you find the hungriest appetite for change. As Bichard warns, some agencies deliver services that overlap, and there is a lot of duplication. Add to that the possibility that some services are simply outmoded or ineffective, and you have a powerful case for reform.

In terms of both volume and social complexity, the UK has outgrown William Beveridge's welfare state, building up layer upon bureaucratized layer since 1942. The Total Place initiative is voluntary, urging councils to take up the rationalising spirit with individual pilot projects. Joe Heapy is one of those who has been helping local authorities throw away the rule book. He says: "At any point in history populations were smaller than they are now. Providing services was so much simpler. Today, complexity abounds. We have to think again."

Practical force

Heapy is neither a management consultant nor an economist. His company, Engine Service Design, specialises in design for services. Why design? Because, if what is needed is systemic change, design is a highly practical force as well as a driver of innovation.

Design methods fuse time spent in the field and research techniques borrowed from anthropology with an understanding of how people use objects. They are democratic in spirit: designers use workshops that help people contribute their ideas freely. They are just as happy dealing with the currency of experience and emotions as they are analysing trends. And if public service reform is about anything, it has to be about people.

When Barnet council discovered that just 2% of its local population was responsible for a public service spend of £63.6m or more, every single year, it decided it was time to embrace change. Engine helped the council explore areas where currently "public expenditure seemed to have little effect." Costing out the net effect of the state supporting an individual through their entire life, the design team developed a new model for commissioning services for the most disadvantaged in the borough. This model, part of Barnet council's Future Shape programme, could be flexible enough to cross the whole range of services in future, from policing and housing to employment.

The programme proposed a set of strategies that ranged from the best use of council-owned properties to service provision. That was in 2009. This year it will actually prototype that commissioning system. Engine has also worked with Southwark council on targeting its services more effectively and more cost-efficiently.

But Matthew Taylor, chief executive of the Royal Society for the encouragement



ILLUSTRATION: MILES DONOVAN

'Organisations need to listen, adapt, and collaborate, which is totally right for our times'

Tackling issues

Service design is all about working with real people to find out what they need - a vehicle Southwark council wants to use to tackle the issue of worklessness.

"We need take a whole-system approach to the things we do," says the council's head of corporate strategy, Graeme Gordon. Adult unemployment and dependency of the young can often be clustered in the same families. Southwark has decided to examine the reasons why. The Rise project is being conducted with Engine to examine the contributing factors, from obesity to isolation, that get in the way of individuals' own self-help. Gordon says: "If you do detailed ethnographic work with just eight families, as we did when piloting Rise, you might find a family that appears to be enormously needy and yet has a lot of hidden resilience within it. What I'm interested in is: can we support their own self-help networks in such a way that they become less dependent on traditional public services?" **GA**

of Arts, Manufactures and Commerce, sounds a note of caution: "There is something about service design which motivates people and mobilises them, because they have a sense of ownership. But there is also a question about how you transfer it: the second you take a designed solution out of the context where it's been generated by participation and transfer it somewhere else, there's a danger it becomes simply a new bureaucratic intervention."

Change, however, is inevitable in this financial climate. Engine's Joe Heapy says: "Organisations need to listen, adapt, and collaborate, which is totally right for our times. Whole system change is painful, and it hardly ever happens in local government. But design can help bite off small chunks of that change, while keeping an eye on the larger picture."

Graeme Gordon, head of corporate strategy at Southwark council agrees. "If we were to just talk about cuts, that would be a terrible missed opportunity. We may be driven by the funding crisis, but we want to do things differently."

'Given the will, banks could use service design to adjust their thinking, transform their approach and ultimately re-engage with customers' **The banking industry, page 4**



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Service design Banking industry

The big broken bank rebuild

Since 2007, banks the world over have fallen from grace. Can designers help institutions invent more sustainable models and regain the customer's trust, asks **Nicola Trevett**

No one loves banks. For decades they have been run with the objective of making as much profit as possible, for the ultimate benefit of shareholders. From vanishing local branches to obstructive staff and rapacious fees, every customer has felt the chill. With the near-collapse of the banking system, the banks have also lost our trust. Add to this baffled rage over bonuses and, if it was not such a hassle, many of us would abandon our bank now.

Banks can no longer take us for granted. If they want to keep us, we must be mollified. If they want to acquire us, we must be seduced. And to do that, they must first understand what we really want - something we may not always know ourselves.

When PNC Bank in the US wanted to get more young people to open accounts, it turned to design and innovation agency Ideo. "We spent time with young people as they dealt with inflows and outflows from their accounts," says James Moed, strategist and service designer at Ideo. This research revealed that young people were desperate for help with budgeting, which led to the creation of an account called Virtual Wallet. The account links current and savings accounts together, treating the money as one pot. At the heart of the interface is a "money bar", with coloured sections

showing what cash is available to spend, what bills need to be paid and when, and progress towards specific savings goals.

Within two months of launch, 14,000 Virtual Wallet accounts had been opened, with four in five coming from the targeted demographic. And what began as a niche offer has proved to have mass appeal. Virtual Wallet now represents a quarter of all new PNC accounts.

Desirable new accounts for the bank, customers with a service that fits their need - it looks like a win for all concerned. It was made possible by service design methodology, which uses observational research techniques to gain insights that would otherwise be missed.

Disillusion with banks' notoriously poor service has been opening up opportunities for customer-oriented businesses like M&S and Tesco and younger players such as Virgin. "Now is the time for others to champion different models," says John Grant, co-founder of Abundance Partners, a consultancy specialising in sustainability-driven innovation and strategy.

One example is Zone of Possible Agreement (Zopa), a social lending network that cuts out the middle-man - the bank - and puts lenders and borrowers directly in touch with each other. Co-founder James Alexander explains how service design techniques uncovered a latent desire for a new way to borrow and invest among a group of people dubbed as "freefallers".



Riding the wave: US-based PNC Bank is among the forerunners in using design to rethink the banking system Reuters

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Self-reliant, often self-employed with multiple income streams, and dismissive of institutions, these people were looking for a way of doing business that countered the banks' cold, remote, dehumanised calculations. Launched in 2005, Zopa has seen steady growth, with deposits doubling in each of the past three years.

Bank of America's influential Keeping the Change project is, perhaps, the best-known example of using service design to conjure a new group of savers. The bank commissioned Ideo to identify innovation opportunities among young mothers.

Research through shadowing the mothers and their families as they lived and shopped produced a discovery that must have stunned the bank - interest rates were irrelevant. The mothers would put leftover coins in a jar at the end of the day and liked to round up amounts when paying bills.

This desire for simplicity, and the habit of saving a little every day, led Ideo to design Keeping the Change, a programme

which rounds up debit card purchases to the nearest dollar and places the rounded-up amount automatically into a savings account. Since its introduction in 2006, the service has attracted more than 10 million new customers.

Given the will, banks could use service design to adjust their thinking, transform their approach and, ultimately, re-engage with customers. Deutsche Bank, for example, is using service design to increase the transparency and simplicity of its processes at every stage of what it calls the customer journey. "We want to create more excitement and enthusiasm around the must-haves and must-dos," says Frank-Rainer Nitschke, managing director of customer experience and processes. "We want customers to become fans."

Bank customers as fans? Now that really would be a revolution.

Ideo: ideo.com

Zopa: uk.zopa.com

Eternal chaos? Tourism services under scrutiny



Domus Academy is rethinking the Rome visitor experience Getty

We all know what we want from Rome: an ice cream from San Crispino's and a unique encounter with history. For tourists, however, that encounter is often marred by exhausting queues, lack of information, and the sheer complexity of working out how to get from the Colosseum to St Peter's.

Milan's Domus Academy recently won a bid, launched by the Chamber of Commerce in Rome, to re-imagine the whole approach to visiting the capital's lavish historic monuments. If given the green light, its new Service Gate to Rome could take the pain out of exploring the Eternal City.

For Domus's Elena Pacenti and Chiara Diana, user-experience is key. From their extensive research, one constant

theme emerged: the contrast between the beauty of the historical sites and the chaos of the city and the services. Their design therefore aims to transform the entire experience, beginning with the gate itself. This hub will be a museum-like environment, where you can browse information and decide on the sites you wish to visit. A sophisticated, user-profiling-based system then allows you to create a personalised tour. Electronic itinerary cards, which can communicate with "experience points" around the sites, will be a key tool for the visitor, allowing for easy debriefing of where you have been and what you have seen.

So all that is left for you to do is choose. Melon sorbet, or pistachio? **Kate Paul**

'With its holistic approach to problem solving, service design can directly engage with social service users' **Social innovation, page 6**

Service design Car industry

What can you do on four wheels?

As the automobile industry bears the brunt of the economic downturn and the burden of a sustainable future, true innovation is the holy grail for auto-makers. **Francis Pearce** looks at how service designers are rethinking the car

When is a car more than a car? When is moonlighting as an energy buffer for the electricity grid or earning its owner cash as a mobile phone mass, says US entrepreneur Michael Burz.

Burz is the president of CarV3, a new company developing electric vehicles in Savannah, Georgia. CarV3 is about five years away from selling its first models, while the auto giant Volkswagen plans to launch 60 different vehicles this year alone, but both organisations are rethinking the car along service design lines. They believe that cars should do more for us than simply carry us around. Many service designers, meanwhile, even question whether we need to own cars at all.

From the point of view of user experience, says Volkswagen's corporate service designer Felix Somerville-Scharf, everything is a service. "A water bottle isn't just an object. It contains the water for you and then gives you access to it when you need it," he says. What makes the bottle valuable is not what it is, but what it does for the user.

At CarV3, Burz sees the electric car as being both "an efficient and green way of getting around that uses fewer valuable resources [and] a delivery platform for services, which is about how the owner interacts with the car." He points out that for most of the time cars do nothing for their owners. But using an idea called Vehicle to Grid (V2G), developed at the University of Delaware, the CarV3 could be earning money for the owner while it is parked. In the UK, Sainsbury's is thinking along similar lines and pioneering a green energy system, where other customers create 30kWh per hour for you, by driving over the car park's kinetic plates.

Burz, who is working with students from Savannah College of Art and Design to get closer to potential customers and potential clients, predicts that electricity companies will pay owners to use the car's batteries to help regulate fluctuations on the grid: it would store excess energy from surges and later feed it back when demand is high.

Selling mobility

Burz also foresees the car being linked to computer systems and communications networks to provide other services. "You might be house hunting. The car could send a map reference and a query to an estate agent, to tell you about the property you are passing. It's electric, so it can be integrated into the digital environment. We're going to make it an open system, so that anybody can develop applications for it," he says.

In a difficult business climate, Somerville-Scharf believes that a shift in thinking towards service design could save manufacturers like Volkswagen from falling into the "commodity trap", in which products compete on price alone. "If a manufacturer is going to protect itself from a price war, it has to find ways to extend the value chain. We are not selling cars; we are selling mobility. Car sharing is not the Holy Grail, but we have to understand how we fit into ideas like car-on-demand services."

Hiring a car by the hour or the day as part of a car club membership scheme is already catching on among both commuters and companies. The Energy Saving Trust says car clubs particularly benefit people who drive less than 8,000 miles a year or who have a second family car for occasional use. Streetcar was developed in 2004. The question then, says Ben Reason, co-founder of the consultancy Live/Work, was not to have the idea (already done) but to break down barriers: "We used service design to make it comprehensible, and as much as we could, to 'delight' the user." Streetcar now claims that because many customers sell their own cars, it has, in effect, taken some 20,000 cars off the streets.

According to Dr Daniela Sangiori of ImaginationLancaster, a creative research lab at Lancaster University: "The way to support a change in behaviour is to ask how you can make every interaction more pleasurable: make the experience more accessible, so that the service is easy to understand."

Riversimple, a UK-based company developing hydrogen-fuelled cars, not only questions whether car ownership as such is necessary but is also busy turning the traditional relationships within the auto industry on their head.

Founder Hugo Spowers says that when cars are owned it is in the manufacturer's interest for the customer to replace them



Spiralling designs: Volkswagen plans to launch 60 new models this year Rainer Jensen

Customer focus

If empathy is one of the most important words in business, for customers it has to be enthusiasm. And it seems only common sense to try and understand what makes people enthusiastic about your brand, whether what you sell is cars, cleaners or insurance.

A year ago it struck Birgit Mager, professor at Sedes Research, the centre for service design research at Köln International School of Design, that, in truth, we know very little about the anatomy of enthusiasm. Why do people get enthusiastic about a bank, or a club, or a phone company? If managers could find that out, they might strike gold.

Mager and her students therefore did a behavioural research study, discovering that there are in fact nine dimensions of enthusiasm. The most important of them is to do with human contact, but that contact has to be authentic. "So, for example," she says, "if a customer on the phone has a sore throat and a cold, and that is noticed by the employee, it would be great if the customer is then sent a Ricola lozenge through the post."

But how to explain these nebulous concepts to companies? Mager hit on the idea of holding a concept meal with one client, Deutsche Telekom, which she organised around three of the nine kinds of enthusiasm: belonging, exclusivity and success. She arranged a business lunch, and served these three concepts up to eat: belonging was a dish of spaghetti bolognese which they all had to make together; exclusivity was, of course, caviar; and success, a beautifully decorated cake with a single candle.

The idea of being served success on a plate seems a good one.

Gaynor Aaltonen

as often as possible. "In the 'sale of product' world you are rewarded for unreliability, high maintenance and short product life. We want to reverse that," says Spowers. "Using the 'sale of service' model, we want the car to be reliable and long lasting, and for the customer to use as little fuel as possible, because we're paying for it."

"Similarly, if we are leasing a component from a supplier, the longer it lasts, the more revenue they can squeeze out of it. They can have a higher margin and it can still be cheaper to us, so everyone wins. That makes the relationship between the manufacturer and the supplier more collaborative. Elsewhere in the auto industry, it's vitriolic."



'The seismic shift - from a product-oriented world economy to a service-led global one - will require multi-disciplined flexibility' Service design education, page 7



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Service design Community/The green issue

'Social innovation is my motivation'

Interactive research techniques involving visual media are allowing designers to gain unprecedented insight into areas of social need

Pamela Buxton

Sarah Drummond may be only 23, but she is already sure of the direction in which her career as a designer is heading. "Social innovation is my motivation. If I've got the skills to improve people's lives, why not use them for that?" she says.

A trained product designer, Drummond has a clutch of social change projects under her belt including a community cohesion scheme in Wyndford, north-west Glasgow, as part of the GetGo Glasgow team from the Glasgow School of Art. She recently co-founded Snook, which, according to her, is the only socially led service-design consultancy in Scotland.

Drummond is among a growing number of young designers using their expertise in service design to help create social change. The people using services may feel isolated and vulnerable. Perhaps they have been let down by the authorities. With

its holistic and participatory approach to problem solving, service design can directly engage with these end-users to identify what they really need and how best to deliver it.

Although relatively new in the UK, this approach to social innovation has been pioneered in Germany by Professor Birgit Mager of Sedes Research, the centre for service design research at Köln International School of Design. She instigated several student projects to set up the Gulliver Survival Station for the homeless in Cologne in 1996 and, more recently, a unit for 30 drug-addicted street prostitutes in Eindhoven.

Both projects demonstrate the ability of service designers to take a broader perspective. The clients needed disparate services to be brought together in a new way. In the Eindhoven project, nine different service providers come together in the new Power of Life centre.

Whole picture

"Service designers can step back and take a look at the whole picture," says Mager, whose young team spent weeks on the streets talking to prostitutes about their needs and aspirations.

The use of creative techniques to help clients, who normally have no voice, visualise and work towards a successful out-

come is also a key new skill that has rarely been brought to social benefit projects, she says. Designers call it co-creation. In the Eindhoven project, useful ideas might be something as simple as having a year book or a system of certificates showing attendance at centre programmes.

"The process of creativity is not usually used in a social context," says Mager. But this is slowly changing. In south-east London, Lewisham borough council is working with service designer Sean Miller and the agency, ThinkPublic, to improve the performance of its homelessness prevention unit.

The project, which is part of a Design Council mentoring programme for managers across a range of public services called Public Service by Design and funded by the Department for Business Innovation and Skills, started with extensive research through visual media. The first priority was to understand the clients' needs and their experience of the service by getting staff to film them before, during and after their visits. This visual evidence - presented in three "insight" films - was hugely enlightening to both frontline staff and management. It demonstrated in particular that clients often wrongly remember or misinterpret what they've just been told in a meeting.

"You wouldn't find this out with tra-

ditional questionnaires. It's incredibly raw and real ... It's the first time they'd received a form of insight that wasn't written," says Miller.

One quick outcome was to introduce a What's Next? document showing the client where they were in the process and how they could move to the next stage. This was just one of 35-40 initial ideas that emerged from the client research. Through staff workshops these were whittled down to 10 ideas that are now being prototyped. The hope is that more clients will be properly directed to the appropriate office, more will keep appointments and more will be able to move through the process faster to get off the streets and ultimately into permanent accommodation.

Collaborative approach

Creative thinking is also at the heart of Glasgow's Wyndford project, which, in February, won the £10,000 national award in the Audi Design Foundation's Sustain Our Nation competition. Like the Lewisham project, the Glasgow scheme demonstrates the key service design approach of working in collaboration with the users, rather than imposing a solution on them.

"It's really important not to design for people but to design with them," says Drummond. "You have to motivate people to become part of social projects to

get the community on board."

Through interviews and workshops with Wyndford residents, Drummond and the GetGo team established the need for a framework for all manner of community events and groups, from book clubs to football games. This is delivered via a website and traditional message board - both tools that the community can use after the service designers have gone.

Visual media have again been very important. The team filmed hundreds of hours of footage of interviews and documentary, and then showed this to a community and stakeholder audience to promote the new initiative.

"Filming is much more powerful than an old-fashioned questionnaire. You have to sell a service," says Drummond. At Wyndford the £10,000 Audi award will be used to reward people for idea pitches. The best idea each month gets a £100 prize. It is all about using creativity to engage with those who use - and those who deliver - the process of social innovation. Hopefully the result is not only a satisfied service user, but motivated staff and a fulfilled service designer to boot. Drummond says: "When you get people to co-create, you get people who are excited and inspired. It's very rewarding."

Design Council: designcouncil.org

First-class solutions for real-world problems

How do designers strike the balance between a product benefiting the environment and pleasing the customer enough to be bought?

Francis Pearce

For consumers, pleasure often comes ahead of other considerations, even when they are concerned about sustainability. Despite growing awareness of green issues, old-fashioned drivers of consumption such as status and branding still make a big difference to the choices buyers make.

While sustainability can sway those choices, few are entirely based solely on whether a product is green, says global innovation and design consultancy Continuum. A project by the Savannah College of Art and Design (Scad) in Georgia, US, suggests this is true not just in the affluent west, but even more so in poorer countries.

Continuum's Colorblind study into attitudes to green products and services lasted seven months and involved 6,500 people. It concluded that "consumers have a complicated relationship" with green issues. Design strategist Kristin Heist says that as more companies put effort into developing green products, the opportunity for them lies in finding a balance between "good for the environment" and "good for me".

For sustainability and success to go together, Heist says, a product has to do at least one of three things: "It has to save money, like an energy-saving lamp. It has to offer better quality, like organic food does. And [it has to contribute to your] image: you are branding yourself as someone who cares about the environment. You don't have to have all three. For instance, most examples that involve re-using or sharing items are a money win."

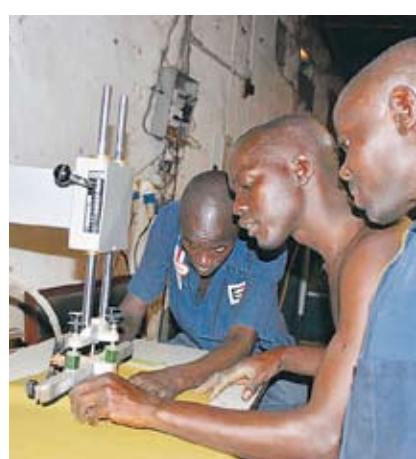
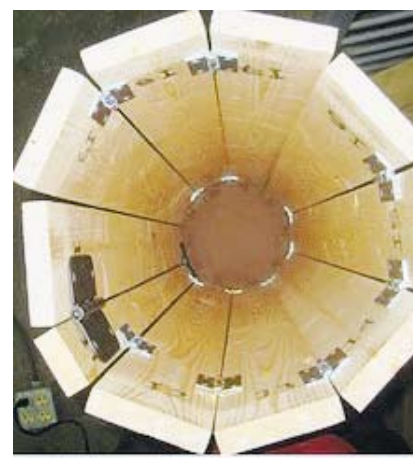
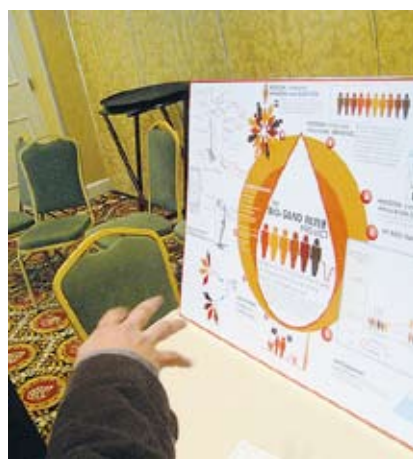
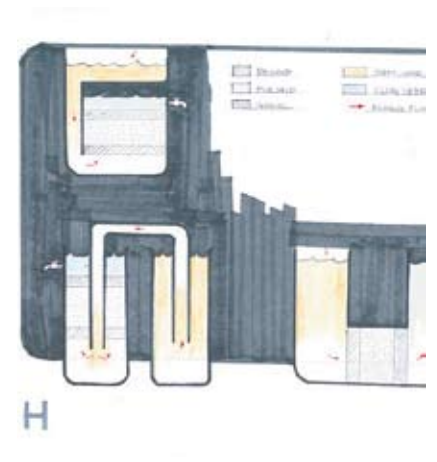
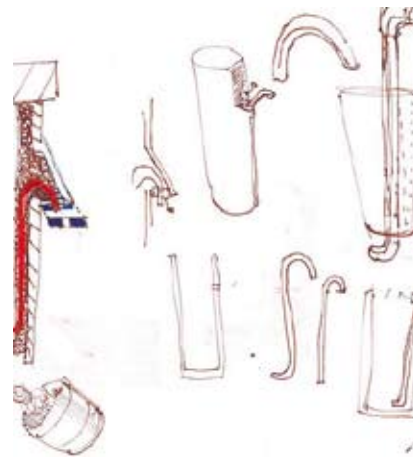
Continuum says that while a range of factors affects the consumer's choice, "unlike price or brand, 'good for the environment' is not a stand-alone factor in deciding."

A team from Scad discovered that even when the choices are more extreme, image and aesthetics can still trump real needs. But what it also shows is that this can be exploited to solve real-world problems.

Water quality is a severe and constant problem in Uganda, even in the capital, Kampala, where *E coli* contamination is prevalent. One way of tackling this is the use of a technique known as sand filtering with a device called a bio-sand filter (BSF). These devices are effective but require skill to construct. They are costly to transport to remote areas, because they are made of heavy concrete.

A team led by SCAD post-graduate student Amit Bapat used industrial design, design management and service design methods to create a new type of filter made of vinyl fabric that was much cheaper and easier to install and could become a source of income for small communities.

"We had to consider the social and ergo-



Work it out: Amit Bapat's water filter project went through an initial research and development phase (top), prototyping and experimenting with materials (middle) - first wood, then PVC - and finally production (bottom) with a resulting filter in full working order
Amit Bapat

nomics sides of the design - including how the culture in a very specific part of Uganda would affect it," Bapat recalls. "Even comparatively wealthy families in Kampala are affected by *E coli* in the water but they don't use the original type of filter because it does not look very nice. It is given away by NGOs, so people think it is only for poor people to use."

While, in the past, organisations such as the Montana-based charity Hope 2 One Life have donated the devices to communities in Uganda, the Scad version is designed to be sold. In keeping with service design principles, which go beyond simply looking at the product, Bapat's team examined the whole system, from production to distribution. Part of the project was to create village enterprises - small businesses

manufacturing the filters - with the joint benefits of generating income and spreading the use of BSFs.

One consequence of charging for the filters is that they have since become consumer items with a variety of uses, including carrying charcoal or cereal. They are also seen as desirable objects to have in the home, even though the new design, made in brightly coloured PVC, costs a fraction of the concrete version.

Four prototypes made in a tent factory in Kampala cost \$15 (£10) altogether, compared to \$35 (£23) each plus up to \$500 (£332) in transport fees for the concrete versions. "We worried that people might think they would not last. But that has not been a problem and they are cheap enough for people to afford," says Bapat.

These filter prototypes were conceived and refined in the classroom, with input from Hope 2 One Life workers and a Ugandan student at Scad. Advocates of service design would argue that it is always best practice to work directly with the people who need the service. "Our colleagues' experience was the nearest we had to getting feedback from the real-end users, who would be African women and children," says Bapat. Until, that is, SCAD faculty and staff assisted him to raise the money to go to Uganda.

There, Bapat was able to see installations, and meet the people who used and made the existing filters. He even tried his hand at creating them, using large moulds. He says: "It makes a big difference when you have 'sweat equity' in a design."

'It makes a huge difference when you have a "sweat equity" in a design'

Service design Education

Polymorphs in the making

Service designers require a broad set of creative skills as well as extensive life experience. But then, so does business. Are colleges offering the flexible training students need, asks **Gaynor Aaltonen**

So if you want to become a service designer, where and when do you start? With a BA in design, perhaps product design, graphics, or interiors? Then a specialist course? Many practitioners, however, feel that to work in the field, you need not only a design skill under your belt, but life experience too - an adult appreciation of the world of work and a large amount of tact and human understanding. This is because both the most interesting and the most challenging thing about service design is the way it covers so many disciplines. Nevertheless, there is a sudden rush in education circles to offer service design training.

Despite the UK's new wave of thoughtful, socially conscious consultancies like Participle, live|work, Think Public and Engine, education opportunities for those interested in learning more are by no means restricted to the UK. Tom Dixon, head of design at Habitat, complained recently that he has to go to Australia and the US to find the wide-ranging talents he needs.

While universities like Northumbria, Lancaster and Glasgow take the subject seriously, at many schools of design it tends to exist within other strands of design education.

Multi-disciplined flexibility

Andy Polaine teaches service design at the Lucerne University of Applied Sciences and Arts, Switzerland, where he says they ensure the students - studying for a masters in products, textiles, services or animation - are frequently coached in mixed-discipline groups.

This is an important point, because the seismic shift many commentators say is coming - from a product-oriented world economy to a service-led global one - will require multi-disciplined flexibility above all. Peter Fossick, professor at Savannah College of Art and Design (Scad) in the US, says: "If design has become more ethereal, it's because there's a new commercial emphasis on intangible values. There's a desire for empathy, as well as innovation."

Many argue that those with some form of design education or understanding will have a significant edge as leaders of businesses.

If collaboration and teamwork are the new core competencies of the work space, design education fits that bill in spades - even at undergraduate level. It has encouraged these ways of working for decades, both within the studio and outside it. Student competitions, run with commercial companies like Givenchy or Samsonite, are vital for colleges like London's Central Saint Martins.

In service design this is even more true. Students at Scad, for instance, run live projects with commercial giants like VTech, Ebay and Microsoft. Köln International School of Design in Germany pioneered service design education, and a large percentage of its student projects are turned into real, commercial ones.

Pre-emptive strategies

In the future, educationalists believe, top business leaders will not only read the market; they will pre-empt its needs. Frequent cultural and social shifts will mean big adjustments for both businesses and governments. An understanding of service design - and the feel for customers' needs that it brings - will be vital to help drive innovation.

London's Royal College of Art, for instance, which is considering providing its own service design MA, is collaborating with University College London on a joint MBA programme, with service design as an element.

Businesses may not need polymaths to do all this high-speed juggling. But they may need polymorphs. So where does that leave education generally? Many professionals think that existing higher education institutions face enormous issues. A number of institutions, such as the University of Birmingham, are engaged in knowledge transfer consultancy, but what about mainstream students? Speaking recently at a Design London seminar, scientist and business skills professor David Gann complained of a poverty of multi-disciplinary skills in education at large.

There is plenty of rhetoric about modular degree structures and inter- or cross-disciplinary working, but most universities and colleges still exist in a silo system. Andy

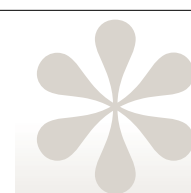


Core competencies: prospective service designers need to cover a wide range of skills in their training, from information graphics (top) and creative visualisation (above) to teamwork and collaboration (left) Alamy

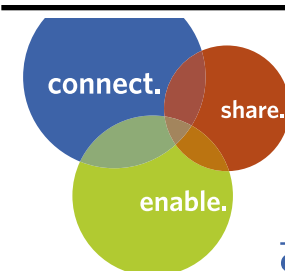
Jargon buster

Don't be scared. They are just words. These are among the skills and techniques a service designer can expect to learn:

- **Co-creation:** the practice of developing services or products through collaboration between developers, staff, customers and other stakeholders
- **Touchpoint:** a point of contact or interaction between a user/customer and a member of staff or a website during the purchase of a service, product or brand
- **Individualisation:** the process of uncovering the innate needs and desires of individuals in such a way that a service becomes truly relevant or useful
- **Service blueprinting:** the mapping out of a service "journey". This means identifying the processes that constitute the service, isolating possible points of failure and success, and establishing a time-frame
- **Use case or flow:** the mapping and sequencing of events in a scenario (for example, a purchase) in order to identify who does what, ie user or staff actions
- **Heuristics:** the use of experience-based techniques, such as "trial and error", for problem solving, learning and discovery
- **Interface:** an intuitive platform, device or programme which connects two systems. Students need knowledge of the physical, psychological and behavioural characteristics of people to be able to design for them
- **Sensualisation:** an extension of the concept of visualisation to all other senses - hearing, tasting, smelling, touching, moving. When designing an experience, the senses are very important. The British chef Heston Blumenthal's restaurant, The Fat Duck, in Berkshire, is a case in point, with specially designed vials for tasting and an extraordinary level of attention to detail
- **Ethnography:** the scientific study of the customs of individuals or groups, as part of the discipline of anthropology. It attempts to put as much emphasis on intangibles, such as aesthetics and emotion, as on so-called hard data. **GA**



How McDonald's stunned France, page 10



Service Design Conference 2010
Berlin 13th - 14th October

'There's a new commercial emphasis on intangible values - a desire for empathy, as well as innovation'

Polaine says: "What I see happening most of the time is institutions responding to the rhetoric of the day - the creative/knowledge economy, the age of social networks, design thinking, etc, with enthusiastic nodding but very little willingness or ability to change fundamental structures."

In the US, however, they think big. Chicago's Institute of Design has long had a service design programme, with top names teaching. SCAD now offers a master of fine arts degree and a bachelor of fine arts degree in the subject - the first institution to offer both.

Meanwhile, the business degree program at Parsons The New School for Design in New York is looking at extending the curriculum to include design and design thinking for all spheres of learning, ranging from business and medical services to social innovation.

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Service design New business imperatives

'People matter' is key message on the road to recovery

By plotting the needs and desires of clients with great accuracy, service design is freeing up businesses to implement radical change in direct relation to what people want. **Nicola Trevett** profiles two companies where results look promising

These are difficult times to do business. A toxic mix of recession, limited credit and consumers unwilling to spend has created challenging conditions in every sector. Businesses are questioning themselves as never before in their search for competitive edge, if not survival. A sense of crisis is dissipating established mindsets and assumptions - and companies are discovering that people matter.

For all the talk of the importance of good customer service, in truth it is rare. Businesses don't really get it. And this is where service design can play its part: by helping a business to reach an in-depth understanding of its customers, and shape a service that meets their real, often unrecognised needs, service design can yield both financial rewards and satisfied consumers.

For Haluk Terzioglu, chief marketing executive of the Amplifon Group, the challenge was simple. Amplifon is an Italian worldwide retailer of customised hearing solutions, with 3,000 points of sale in 14 countries. The group was, and is, the market leader in its sector, and Terzioglu wanted it to stay that way. That meant selling more hearing aids - but success depended on the customers' experience in the stores, and Terzioglu knew that the format that had worked for more than 50 years was no longer fit for purpose.

Amplifon's business has two aspects: medical and consumer. The products it sells are medical, and customers are both client and patient. The problem was that the medical aspect had become dominant; customers were walking into an environment that felt more like a clinic. A complete rethink was needed.

To gain an understanding of what customers required and expected, Terzioglu turned to design consultancy Continuum. It conducted in-depth qualitative research into people's functional and emotional needs as they went through the process of buying a hearing aid. It mapped the process out, step by step, defining customer types, analysing different choices and behaviours, and helping create scenarios that provided the ideal experience. Such an approach, Terzioglu believes, was a first, not only for Amplifon, but for the industry.

The resulting store design has united Amplifon's split personality. "We have brought the two worlds together: retail and medical, emotional and rational," says Terzioglu. "The store is the visible expression of the new brand - welcoming, caring and proactive."

'We used co-design techniques to get [customers] involved in defining the strategy'

Continuum also looked into ways of making diagnosis easier for both acoustician and customer, writing new software and re-designing Amplifon's computer interface. Now every piece of furniture and lighting plays its part in the customer's "journey". The store also has "solution rooms" where diagnosis and fitting is carried out. The new format has won design awards, and, over the next five years, will roll out to all the group's stores.

Corporate strategy

By contrast, Francisco Pita, head of marketing and customer service at Portuguese airport operator ANA, was faced with transforming an entire corporate ethos. "The aviation business is changing rapidly, and the airport business needs to change to cope," he says. Simply put, ANA needs more people to proceed more efficiently through its airports.

Pita decided to move towards a more customer-oriented service with the passenger at its heart. This was a very fundamental shift. "Traditionally in airports, there is more focus on the business to business relationship," Pita says. "You need good relations with professionals, retailers, airport handling companies, and airlines, above all. Route development is regarded as the driver for growth."

In addition to a diverse collection of stakeholders, any new strategy would have to take account of the differing character of ANA's airports. Lisbon, for example, is a hub dealing with all kinds of passengers; Porto,

in the north, caters for people travelling on business and visiting relatives, and Faro is focused on holiday traffic. "We needed to find a service strategy that would make sense across the network," says Pita.

The threads were pulled together with the help of the service design consultancy, Engine. "For the first time, we used co-design techniques to get passengers involved in helping us define the strategy," Pita says. Shadowing, structured interviews, focus groups and workshops were all employed to gain an understanding of passenger needs and expectations, without compromising the interests of business partners.

The result of this work, which was completed in mid-2009, was the presentation of a passenger services strategy document to the board. To its credit, the board approved, and the strategy is being refined. A number of projects targeted at specific passenger groups are also being developed, such as a family package for those travelling with children.

"Service design is about putting together all the different parts, without forgetting the consumer gets the most attention," Pita reflects. "It has allowed us to see things from a different perspective."

Continuum: dcontinuum.com
Engine Service Design: enginegroup.co.uk

Sleek success: the new Amplifon retail design is a welcoming environment



design reigns.



Innovative thinking The experts' views



Joe Ferry, head of design and service design, Virgin Atlantic

There's a lot more to this than just being imaginative. It's about being able to challenge pre-conceptions. People get used to a certain type of procedure or protocol. If you really want to revolutionise the way you operate, you have to question things. Plus, we've learnt that although consumer research is great, it only gives you answers about what's happening today, when what you want is answers about what will happen tomorrow.

We often work with external agencies. They work with so many different companies that they can bring you totally new ideas from other industries. If I was designing a product I'd take lots of ideas, find out what works and refine that. Eventually I'd get a solution. Service design happens in reverse: the objective is to define exactly what it is you want the experience to be, and then work back to establish how you can navigate the constraints you have - and actually deliver that.



Cathleen Wenning, director of innovations portfolio management, SBK (Siemens-Betriebskrankenkasse), Germany

We've used service design to develop our Live Healthy project. We wanted innovative health coaching for our customers, so we set up an online community where people exchange their experiences of physical activity and healthy eating. In another of our programmes, customers use an activity sensor to record their daily movement;

when they reach 10,000 steps per day, or have been active for 30 minutes, the sensor provides motivational feedback.

Experts assume that customers have certain rational goals, but human behaviour is often irrational. Customer satisfaction can only be achieved through a positive emotional experience. Service design dives into the customers' world and our service innovations are tied to their perceptions.

For the Live Healthy project, a service design consultancy helped us research why people live an unhealthy life. We found that people often require concrete and practical support, as well as useful information to build and realise their goals. Furthermore, they like to develop new rituals that help them to get rid of their old habits. Engaging in competition with others can be a strong incentive. Finally, the process needs to be entertaining, and easy to implement in everyday life.



David Anderson, vice-president of global brand management at Crowne Plaza Hotels and Resorts

To create a clear direction for our brand, we need a robust understanding of guests' attitudes and motivations when they travel, and what they value in a hotel experience. Our service design is a very clear process. From the check-in onwards, we break down how we want our guests to feel at every stage. Then we work with colleagues to define the components that will create that feeling. To take in-room dining for business travellers as an example, we found out how they wanted to order, what food they wanted and how they wanted it to be served. Then everyone worked together to design an ideal service experience.

Interviews by Nicola Trevvett

Design for living Keeping people out of care

Today's holy grail, as far as public services are concerned, is to prevent problems, rather than fix them. According to Julie Brown of the North East Improvement and Efficiency Partnership, "The cost of somebody going into social or health care can be phenomenal. If someone has a fall and ends up in hospital, the worst-case scenario could end up costing about £25,000. Well, it doesn't take much sense to calculate that if you save more than one person from falling, providing the services of a handyman has already paid for itself."

Brown is in the first stages of a pilot project supported by the Design Council called Public Service by Design. She is manager of the Independent Living Project, which aims to stop vulnerable people from ending up in care. She says: "This new design approach has really captured our imaginations. It's prompted huge enthusiasm from our participant authorities."

The first step was to find out which services were most effective across the whole area. "Our role is to act as a catalyst across the region - and clearly one of our challenges is getting as many authorities, that's 12 in total, as we can

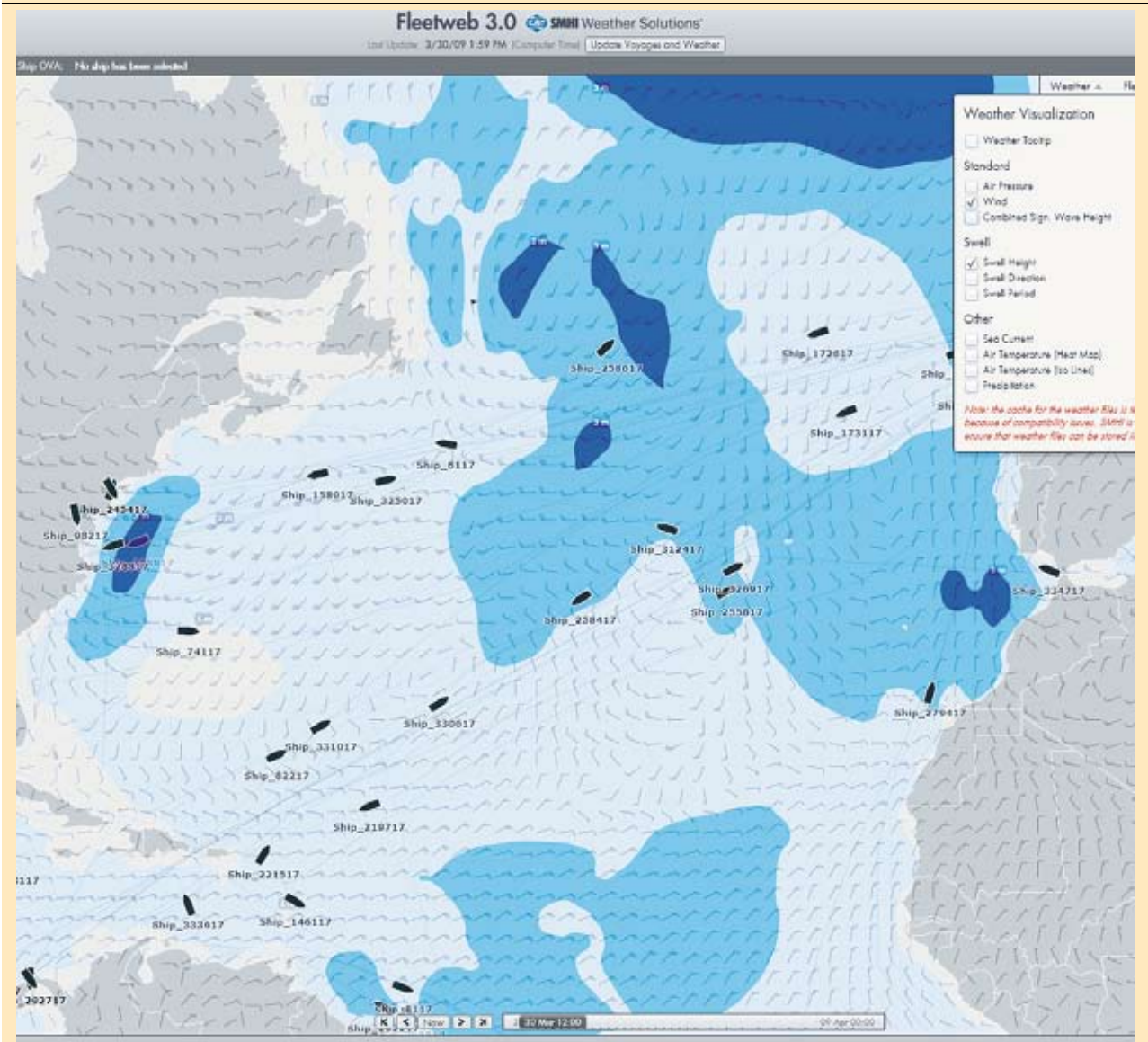


North East Improvement and Efficiency Partnership's Julie Brown

to collaborate and work together. Then we will be looking to create cheap and rapid prototypes of the things that have been successful. We hope to come up with a really compelling case for change. Everyone is fired up, partly because we are trying to tackle some long-standing problems." **NT**

Design Council: designcouncil.org.uk

Design for transport Shipping routes shaped by delux data



Rocking the boat: Sweden's Meteorological and Hydrological Institute's new web service is elegant and innovative

Charter a fleet of ships these days and you can track not only where they are on the world's oceans, but also how much their fuel consumption is, relative to their expected speed. You can take into account the weather, waves and currents. Click again, and you can find out whether storms are likely to delay their arrival time in the next port; how the ship is performing compared to normal; what cargo it carried last time and so on.

All this, of course, is only possible because of the web. The new Fleetweb service, provided by Sweden's

Meteorological and Hydrological Institute (SMHI), was conceived by service designer Andrea de Angelis. Through extensive client observation, de Angelis discovered that there was a lot more information clients would find useful: they particularly needed to compare data easily and quickly. He says: "We do not only tell the weather, we tell you what the weather will be for you: how it will affect your cargo, performance and so on. We analyse that for you, and we work out the potential consequences."

Meanwhile, the ships' masters have an

equally reliable decision-making tool on board. It helps them to decide where to go, how to avoid damage to cargo, crew and ship, save time and reach their destination on time. While SMHI already had sophisticated services in place, this new system is innovative in the way all these services have not just been improved, but have been dovetailed together, making crossing the world easier and safer. A household name in Sweden, SMHI's shipping division increased profits by 20% last year in the teeth of recession. **NT**

Design for health Long-term solutions at the NHS

"We are just one massive service," says Lynne Maher, "although we hadn't really focused on that as a principle. So service design works really well for us."

Maher is acting innovation director at the NHS Institute for Innovation and Improvement. In these straightened times, the NHS is of course looking for increased productivity as well as more personalised care. For her, the watershed moment was doing a service design trial on something already judged "excellent", the head and neck cancer unit in a Bedford hospital. Through the trial Maher found that over 40 useful improvements could still be made. As she explains, in a tight funding environment the practice can also help the staff make the case for reasonable spending decisions: investments that will save money in the long run. "We usually talk about helping patients, but we can also help our own staff, particularly by observation."

She says that her team has embraced the concept of service design and



The NHS Institute for Innovation and Improvement's Lynne Maher

made it their own: they are teaching design techniques throughout the NHS and run masterclasses in experience-based design, attended by anyone from medical directors to physiotherapists. **NT**

Subtle shifts in service science

Even in the most critical of customer cultures, brands can use design thinking to revitalise the way they are perceived and foster new levels of popularity. McDonald's in France is a prime example, says **Genevieve Roberts**

It was perhaps the ultimate culinary challenge: to persuade France, the nation that has produced some of the world's finest cuisine – and some of its spikiest defenders – to develop a taste for McDonald's. The chain known across the Channel as McDo did not meet a warm welcome. A renowned chef once sued the fast-food chain for €2m (£1.8m) in damages over an advertisement that suggested he was dreaming of a Big Mac. In 1999, the suggestion that French cheese be used in burgers prompted an activist to burn down a partly-built McDonald's restaurant. He compared the idea to sex shops selling holy water.

But the worldwide chain has pulled off a remarkable turnaround. Today the fast-food is not just tolerated: it is growing rapidly. A Big Mac or Royale with Cheese are similar in price on both sides of the Atlantic, but an average visit nets the company €11 (£9.90) in France, compared with around €3.50 (£3.20) in the US.

There are more than 1,140 outlets across the country, and France is the country where people spend the most per visit. Europe now contributes over 40% of the company's global profits.

So what has prompted not just France, but Europe, to change its mind? A trip to a branch just yards from the Louvre museum helps unravel the mystery.

The store feels like a Starbucks – another surprisingly successful American import, with 35 outlets in Paris. The French are known for drinking their espressos with a flourish, but nowadays many Parisians are equally happy to linger over a chai tea latte.

A spokesperson says the brand's success in the capital is not just down to the coffee, but also to the atmosphere: "Starbucks



Comfort and elegance: new store designs for McDonald's in Europe create a relaxing environment

has always been designed to provide customers with a third place; a place between home and work where they can go to relax or meet with friends." The chain is now "going local", explains retail commentator Emily Pacey, of the magazine Design Week. "Both it and other chains are becoming boutique-like, with individualized designs for each location." Homogenous is out. And at the trendy end, home-made and folksy is the mood. Heinz has even done a pop-up store in Spitalfields.

McDonald's restaurant design, once so regimented, has evolved into a similarly relaxed model. No longer are all customers assumed to be the same. Today's restau-

rants have different seating zones, catering for a change in tempo in consumers' lifestyles. The company found that after introducing these zones in the UK, customers began stopping off as part of the working day, or using the restaurant as a place to catch up on emails.

French diners do not grab a quick food fix – 70% visit during standard mealtimes and they overwhelmingly dine chez McDo instead of taking their food away. In the city centre Paris branch there are Eames chairs in pairs, which senior vice-president of brand strategy Pierre Woreczek says are intended for more intimate dining, and breakfast bars with stools for a swifter bite.

Self-service machines mean you can pay by card and go to a pick-up point to collect your food. Some of the outlets even offer table service.

Woreczek says service design has been the key to getting change right. "Food is important and obviously a priority, but for us, it is about empowering our customers so they can decide how to use the store, how to order their food and how to entertain themselves or their children."

"We are very respectful of local culture – our bistros create the unique atmosphere of Paris," says Woreczek, also citing the localist example of the company's UK restaurants, which now serve bacon butties

for breakfast. "McDonald's in France has led the game in moving from fast-food to good food, fast."

Service design is all about the clientele. Some stores have been remodeled to be more child-focused, Woreczek says, with play spaces. "Some families want to share a moment with their children, while other parents would like some quiet, and all these things should happen in store."

McDonald's tests many new ideas at its innovation centre in Chicago as well as its European design studio in Paris. New technology abounds, including a drive-through system where orders flash up in the kitchen instantly. Kitchens have also been redesigned to be more efficient, and to produce more food to order. Service changes range from the obvious, like the new customer ordering system, to the subtle, such as small extensions to the drive-through windows to reduce bottlenecks.

Vice-president of concept and design Denis Weil says that, while the basics of food delivery around the world remain the same, what's important is that the expectations of service and the in-store experience do not. Different nations have different views on queuing, for instance. The fundamental change was shifting from standards set by targets to broader, subtler definitions of service quality, and crucially, the "customers' experience of that delivery".

Last year McDonald's announced a new outlet near the Louvre, prompting Bernard Hasquenof, who runs the Louvre Pour Tous website, to lament that "the French turn in such numbers to McDonald's", which he described as "an under-cuisine". But now even Hasquenof has changed his mind. "It's unbelievable. You wouldn't know it's a McDonald's," he grudgingly admits: "Like everyone, I go there episodically."

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