

DESIGN

- from icons to strategy

“Et paradigmeskifte
i selvforståelse”

Jørgen Rasmussen **1957**

**Langelinieparken 5, 2. tv.
8000 Århus C**

Industrial designer MDD **1990**

Partner DESIGNNORD (www.dngroup.dk) **1997**

Head of Department, Department for Design, AAA **2003**

Associated professor, AAA, Design **2011**



**Light and
sound**



Electronics



Medico



**Heavy
metal**



TOWARDS A CONSORTIUM FOR STRATEGIC DESIGN

HOW MIGHT WE WORK TOGETHER?

[News](#) [What is strategic design?](#) [The Consortium](#) [Seminar 2010](#) [Seminar 2011](#) [Contact](#)

Seminar 2011



The field of design is undergoing a transformation right now that expands the boundaries of how design is perceived, what types of problems design is applied to, and not least, where in companies design is used. Practising designers aren't only working on the design of products, services and experiences these days - they are increasingly involved in assignments at the strategic level as well. In this field of strategic design, the techniques of the design profession are being applied to

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The Consortium for Strategic Design is supported by the Danish Centre for Design Research and the Innovation Network Lifestyle - Interior and Clothing

What is design?

“Everyone designs who devices courses of action **to change existing situations into preferred ones**”

Herbert Simon

“Design, stripped to its essence, can be defined as the human capacity to shape and make our environment in ways without precedent in nature, **to serve our needs and give meaning to our lives**”

John Heskett

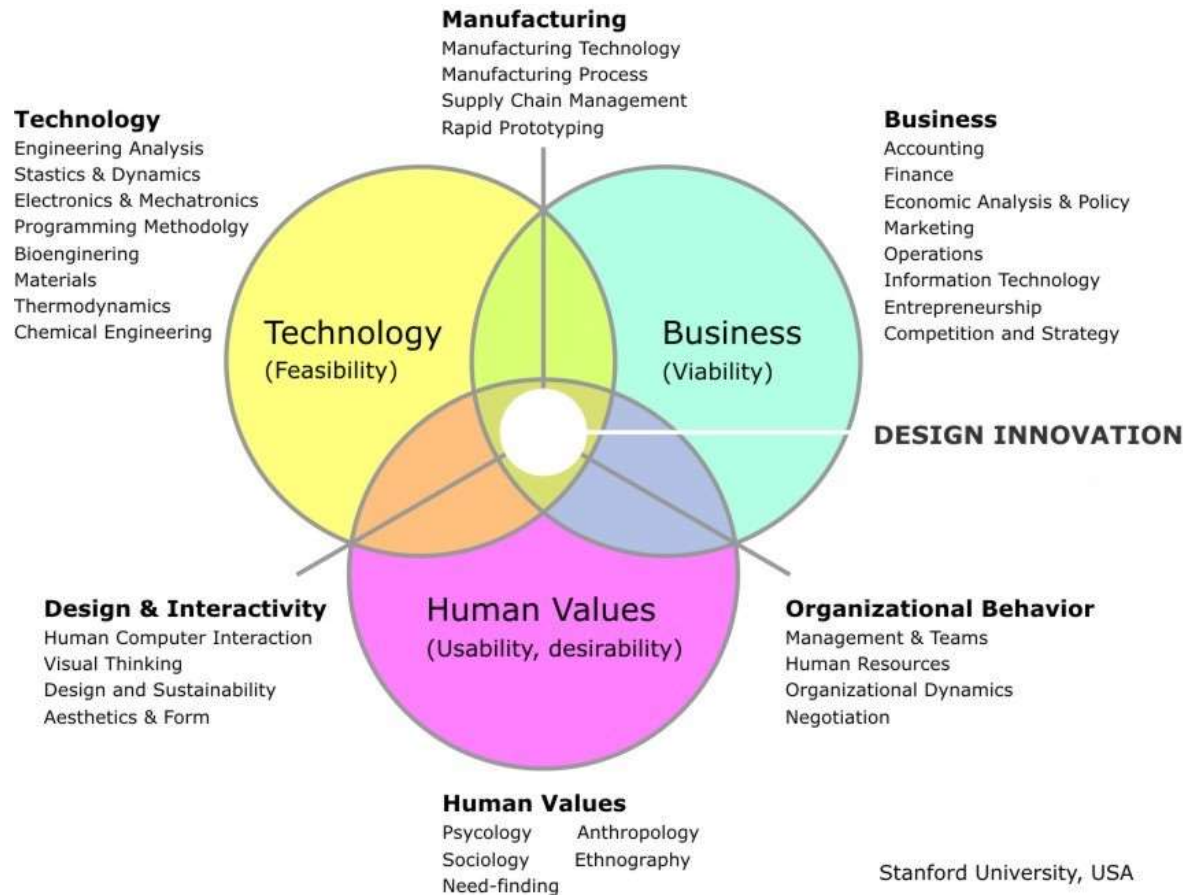
Mental models? (- en lille historie!)



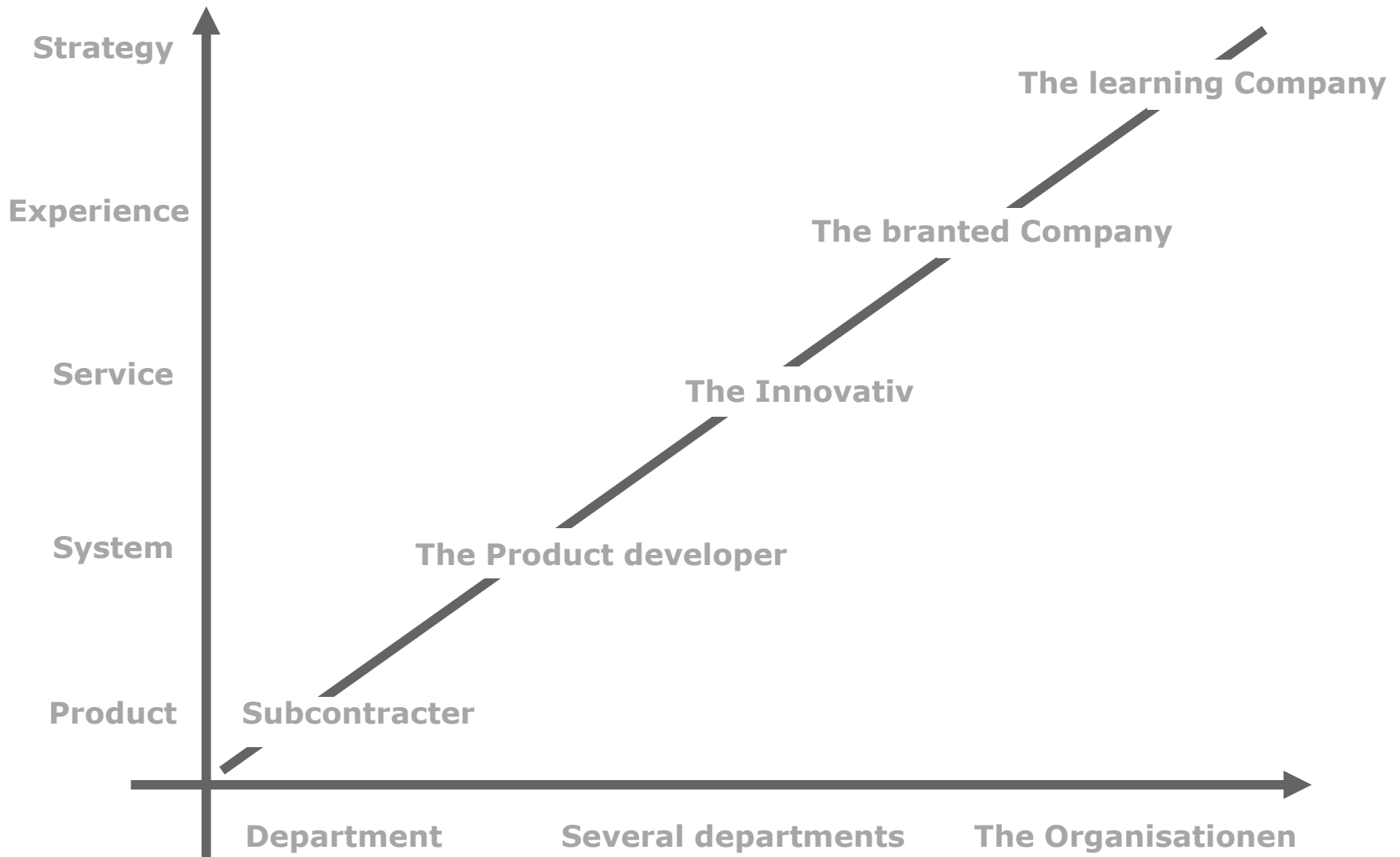
*Had each of them held a lighted candle, there would have been **no contradiction in their words.***

Design impact in Companies

“Strategic Design”



Design impact in Companies



Designer vs. Company

Lifestyle
vs.
Business

3 vigtige barrierer for virksomhedsudvikling

Ledere af kreative virksomheder sætter ofte lighedstegn mellem personen og virksomheden!

Større lyst til at designe (være faglig og kreativ) end til at drive virksomhed!

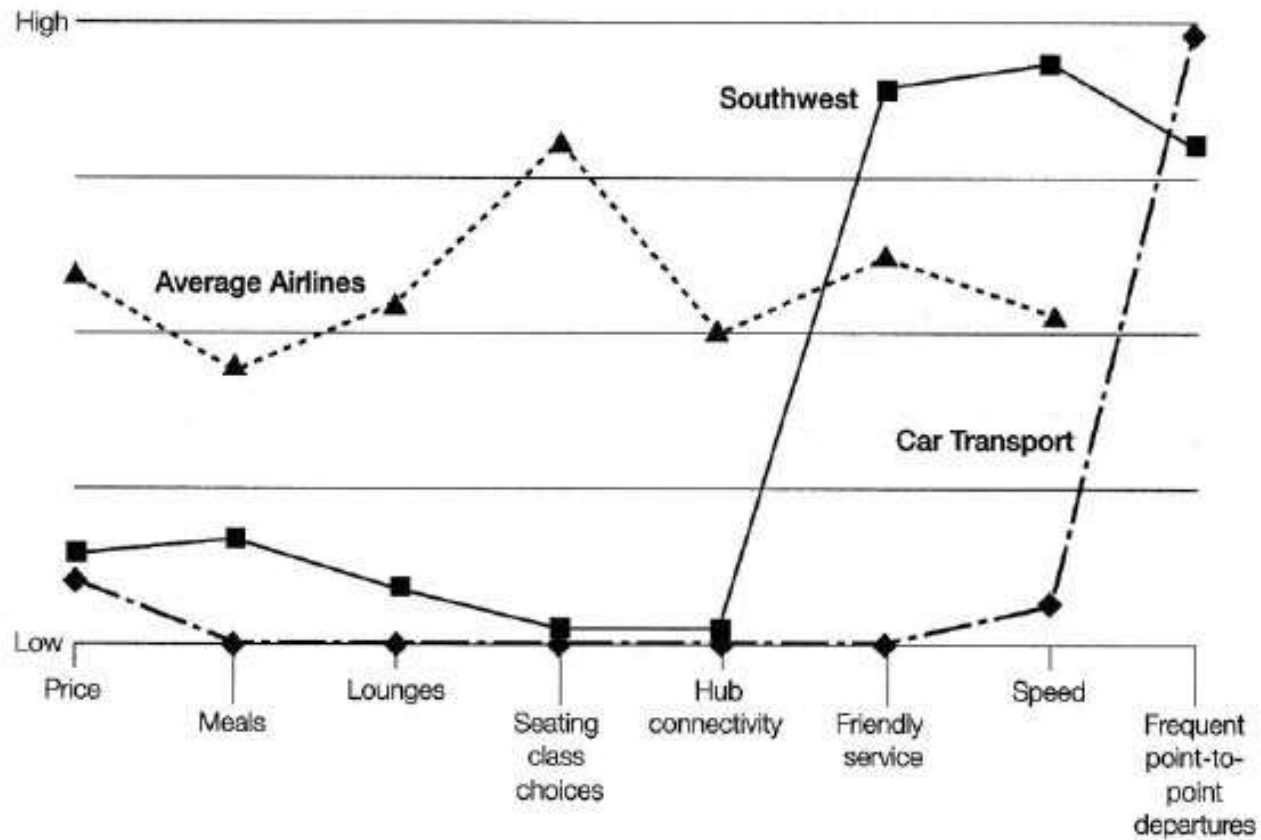
Manglende viden om og forståelse for mekanismerne i virksomhedsdrift!

Blue Ocean Strategy

W Chan Kim



The Strategy Canvas of Southwest Airlines



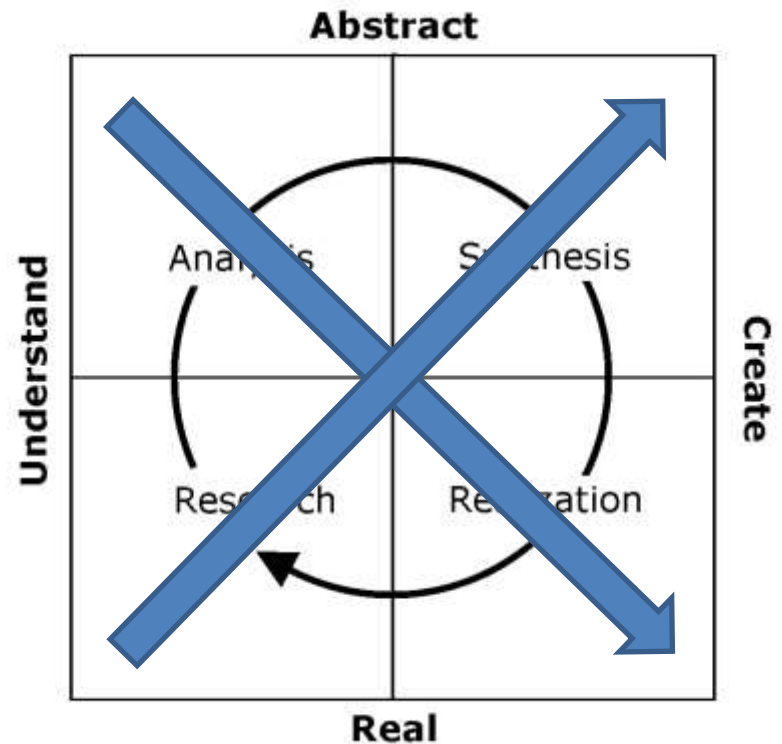
(Interdisciplinary) Tools for investigating?

Business (-educated)

- working with **well defined models** for analyzing problems and situations.
- dealing with **existing** problems and situations

Design (-educated)

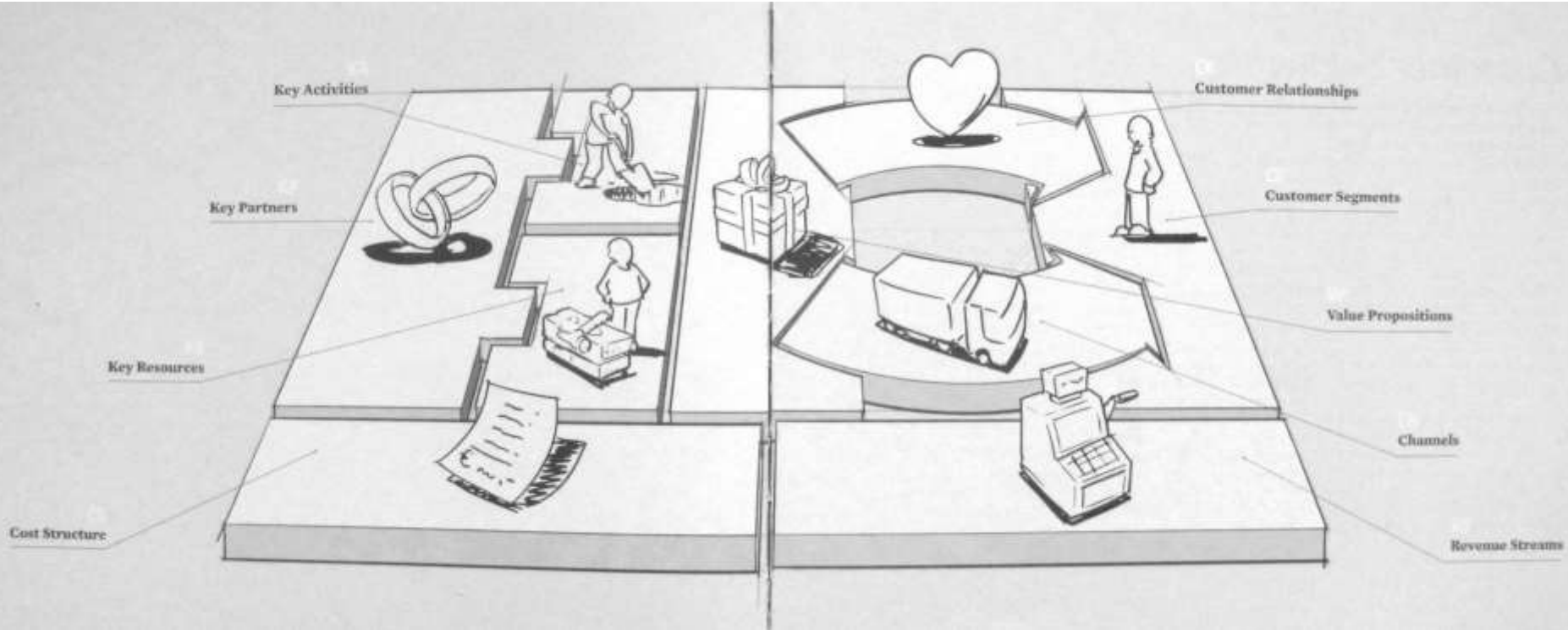
- working with **open models** in an **open process**.
- working with **non existing/ future** problems and possibilities



IIT – Vejay Kumar

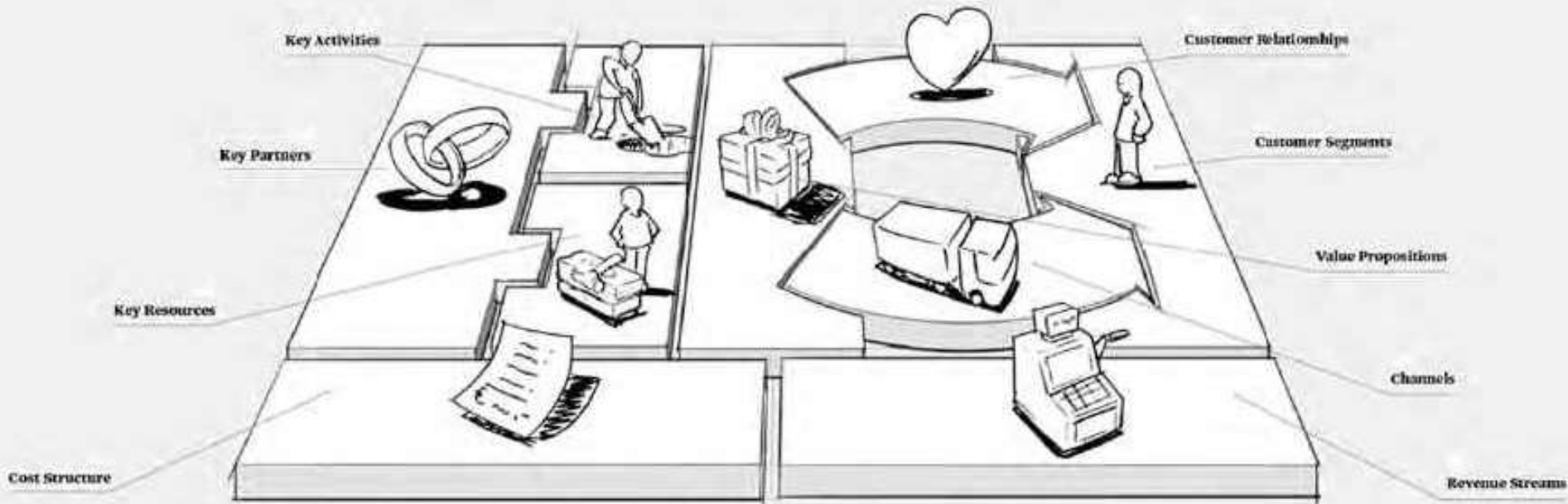
Business Model Generation

Alexander Osterwalder



Business Model Generation – “Business Model Canvas”
Alexander Osterwalder





Nine “building blocks”

1 CUSTOMER SEGMENTS

“The Customer Segments Building Block defines the different groups of people or organizations an enterprise aims to reach and serve.”

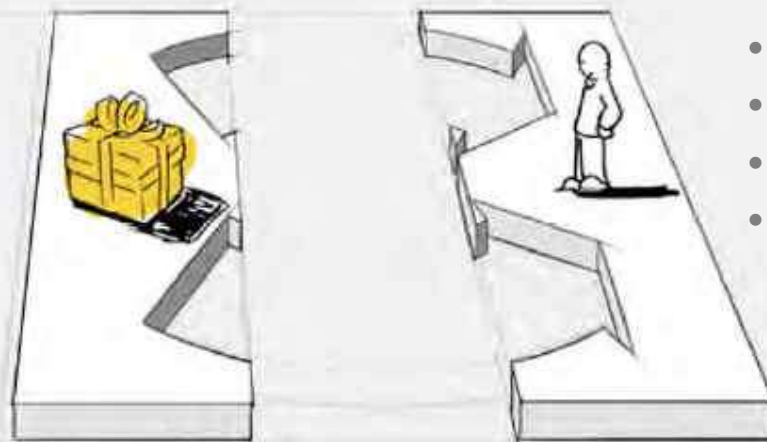
- **Mass market**
- **Niche market**
- **Segment**
- **Diversified**
- **Multi-sided platforms**



2 VALUE PROPOSITIONS

“The Value Propositions Building Block describes the bundle of products and services that create value for a specific Customer Segment.”

- **Newness**
- **Performance**
- **Customization**
- **“getting the job done”**
- **Design**
- **Brand/Status**
- **Price**
- **Cost reduction**
- **Risk reduction**
- **Accessibility**
- **Convenience and Usability**

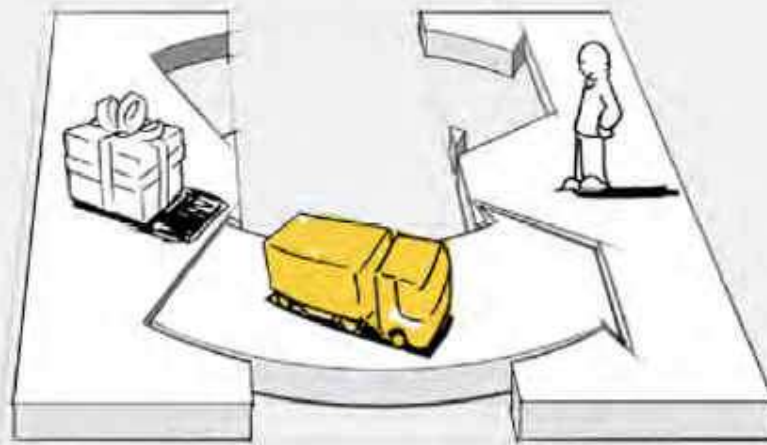


3

CHANNELS

“The Channels Building Block describes how a company communicates with and reaches its Customer Segments to deliver a Value Proposition.”

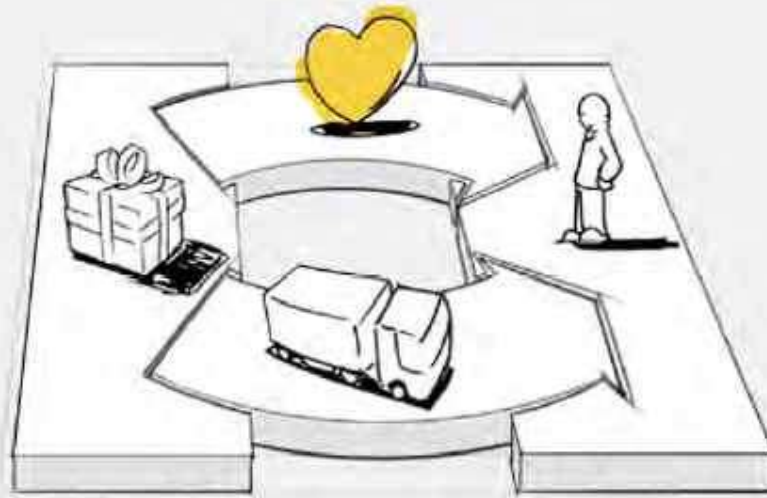
- Sales force
- Web sales
- Own stores
- Partner stores
- Wholesale



4 CUSTOMER RELATIONSHIPS

"The Customer Relationships Building Block describes the types of relationships a company establishes with specific Customer Segments."

- **Personal assistance**
- **Self-service**
- **Automated services**
- **Communities**
- **Co-creating**

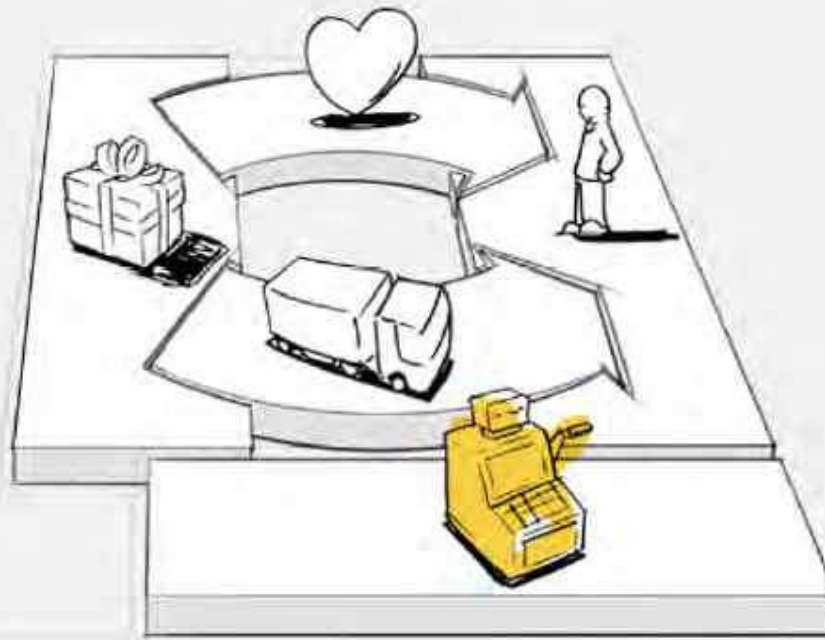


5

REVENUE STREAMS

“The Revenue Streams Building Block represents the cash a company generates from each Customer Segment (costs must be subtracted from revenues to create earnings).”

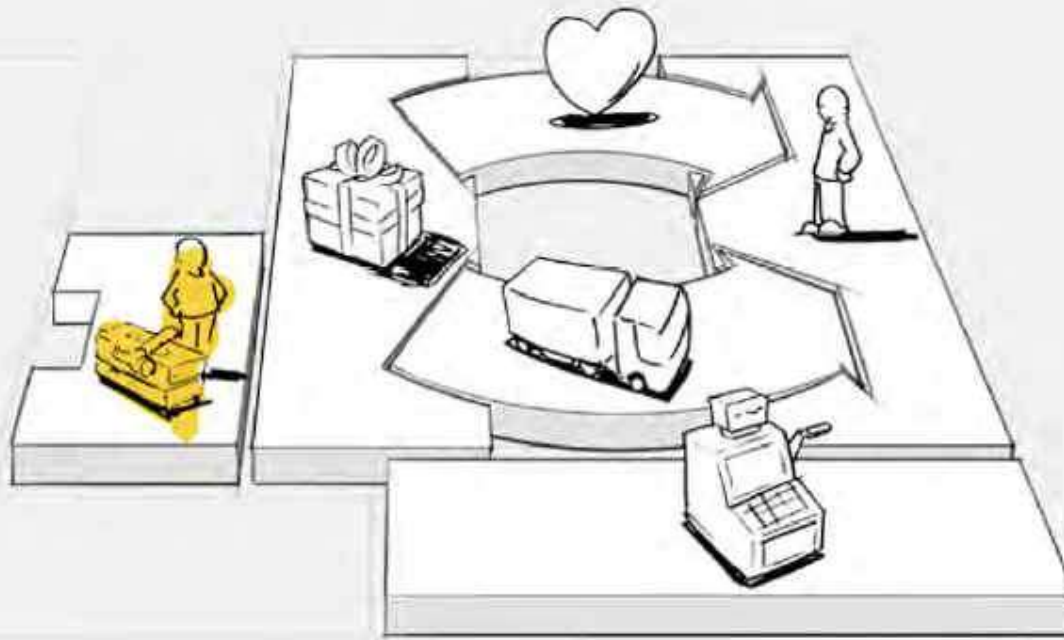
- **Asset sale**
- **Usage sale**
- **Subscription fees**
- **Renting/ Leasing**
- **Licensing**
- **Brokerage fees**



6 KEY RESOURCES

“The Key Resources Building Block describes the most important assets required to make a business model work.”

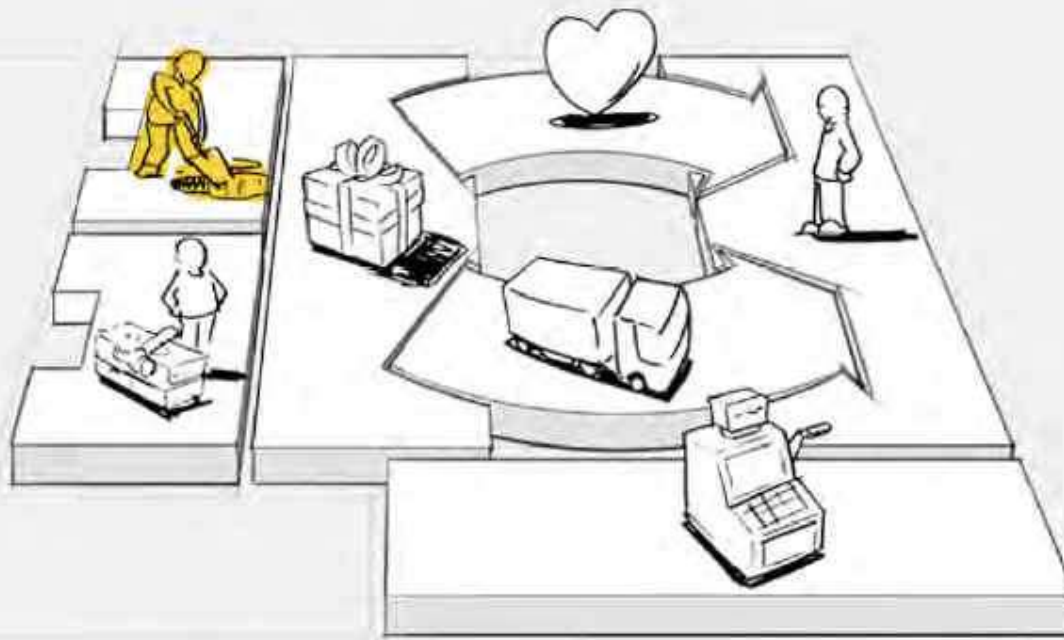
- **Physical**
- **Intellectual**
- **Human**
- **Financial**



7 KEY ACTIVITIES

“The Key Activities Building Block describes the most important things a company must do to make its business model work.”

- **Production**
- **Problem solving**
- **Platform / Network**

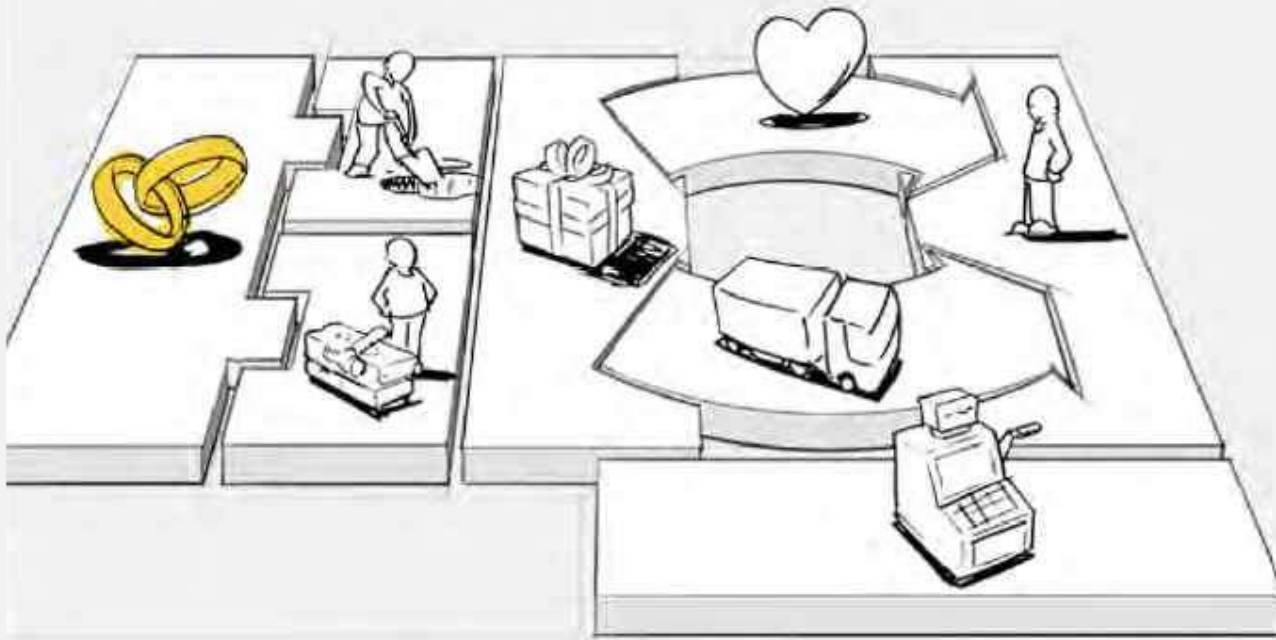


8

KEY PARTNERSHIPS

“The Key Partnerships Building Block describes the network of suppliers and partners that make the business model work.”

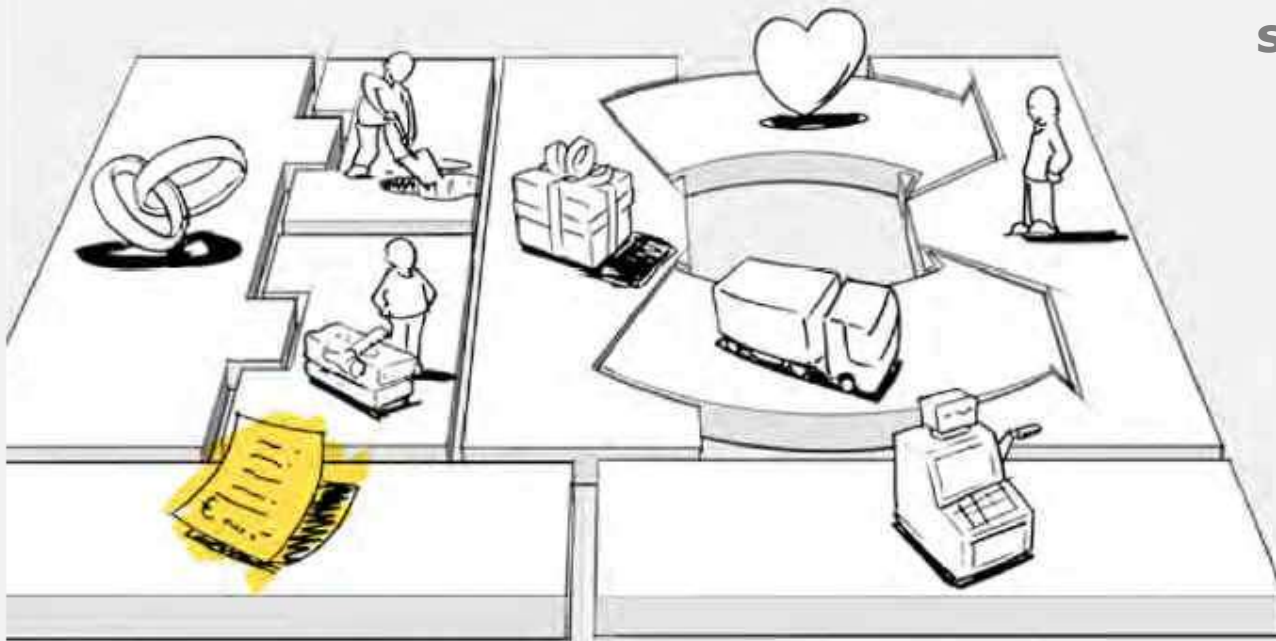
- **Optimization and economy of scale**
- **Reduction of risk and uncertainty**
- **Particular resources and activities**



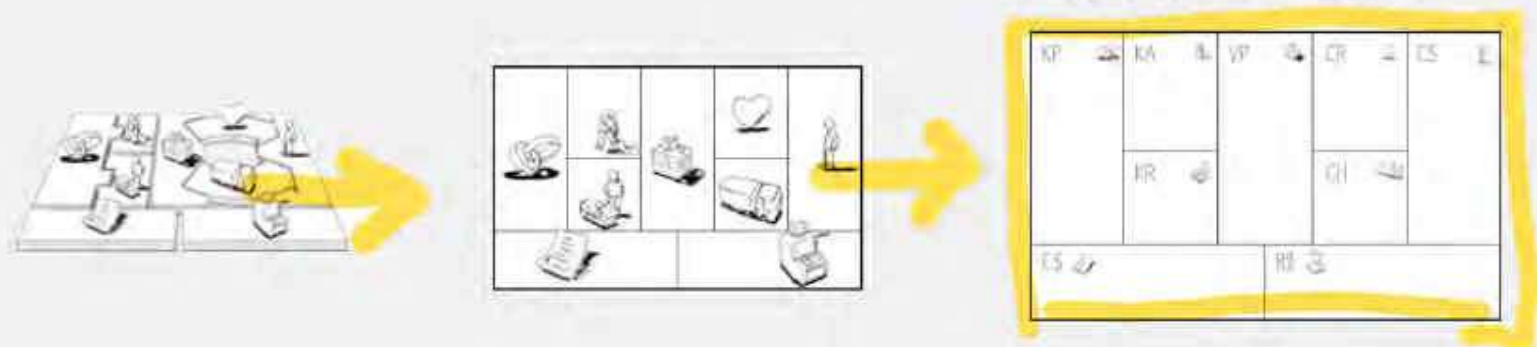
9 COST STRUCTURE

The Cost Structure describes all costs incurred to operate a business model

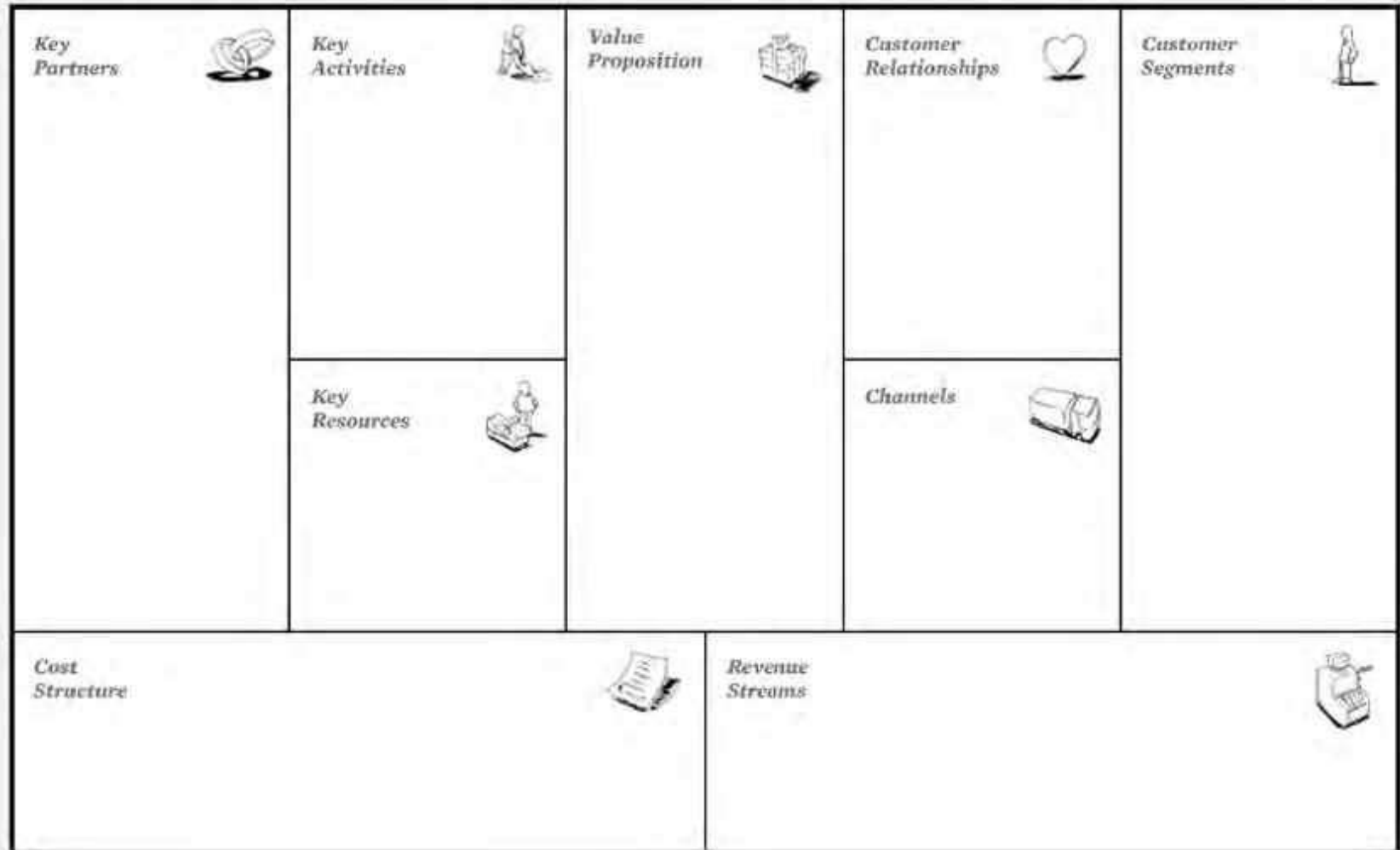
- **Cost-driven**
- **Value-driven**
- **Fixed costs**
- **Variable costs**
- **Economies of scale**
- **Economies of scope**



THE BUSINESS MODEL CANVAS



THE BUSINESS MODEL CANVAS



72 pages of the book:

<http://www.businessmodelgeneration.com/book>

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72 pages of the book:

<http://www.businessmodelgeneration.com/book>

“Businesspeople don’t just need to understand designers better; they need to become designers.”

Roger Martin, Dean, Rotman School of Management

72 pages of the book:

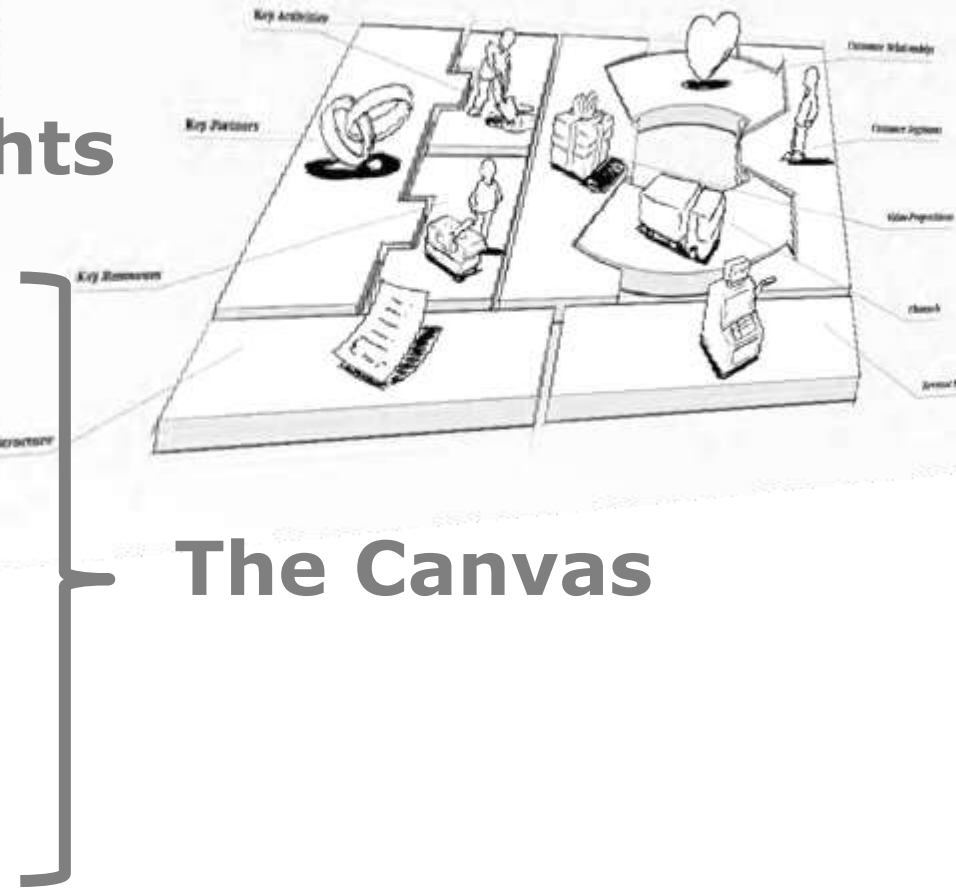
<http://www.businessmodelgeneration.com/book>

“There’s not a single business model... There are really a lot of opportunities and a lot of options and we just have to discover all of them.”

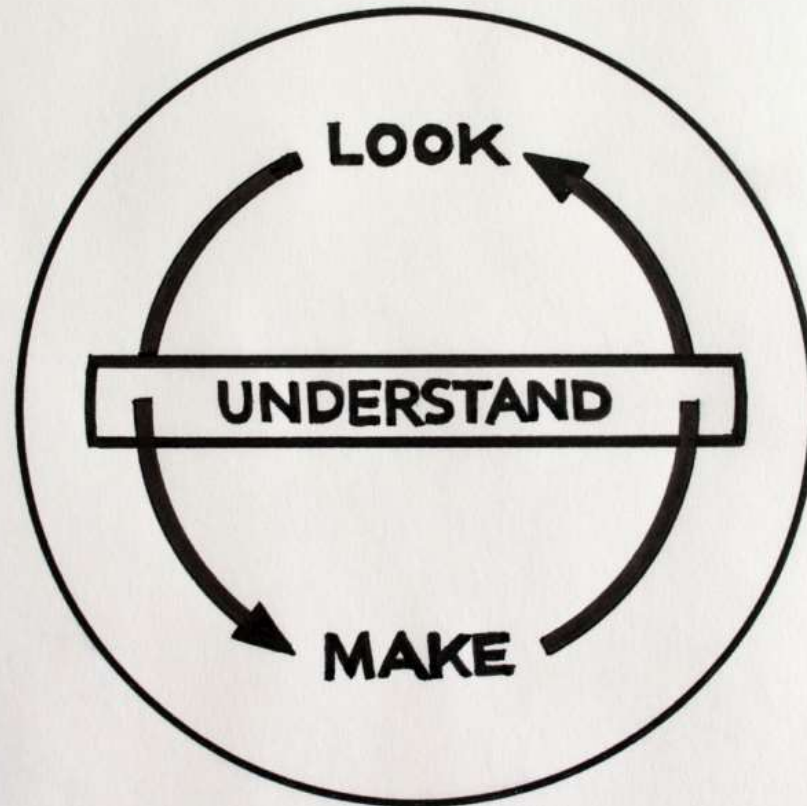
Tim O’Reilly, CEO, O’Reilly

Design

- Customer Insights
- Ideation
- Visual Thinking
- Prototyping
- Storytelling
- Scenarios



The Process



— ADVANCE —>

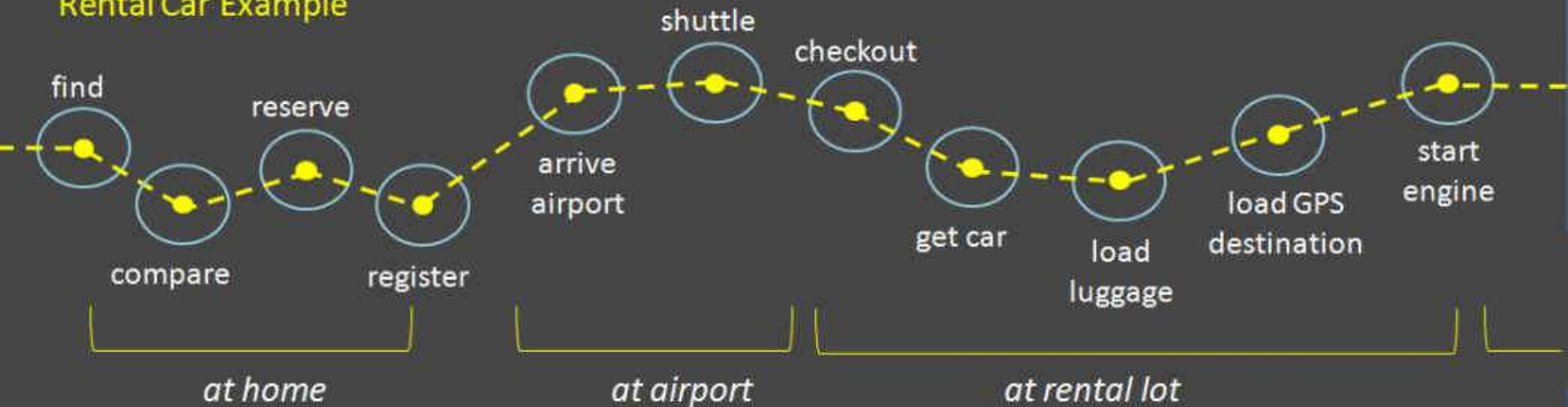


Story telling and Scenarios

“Customer Journey”

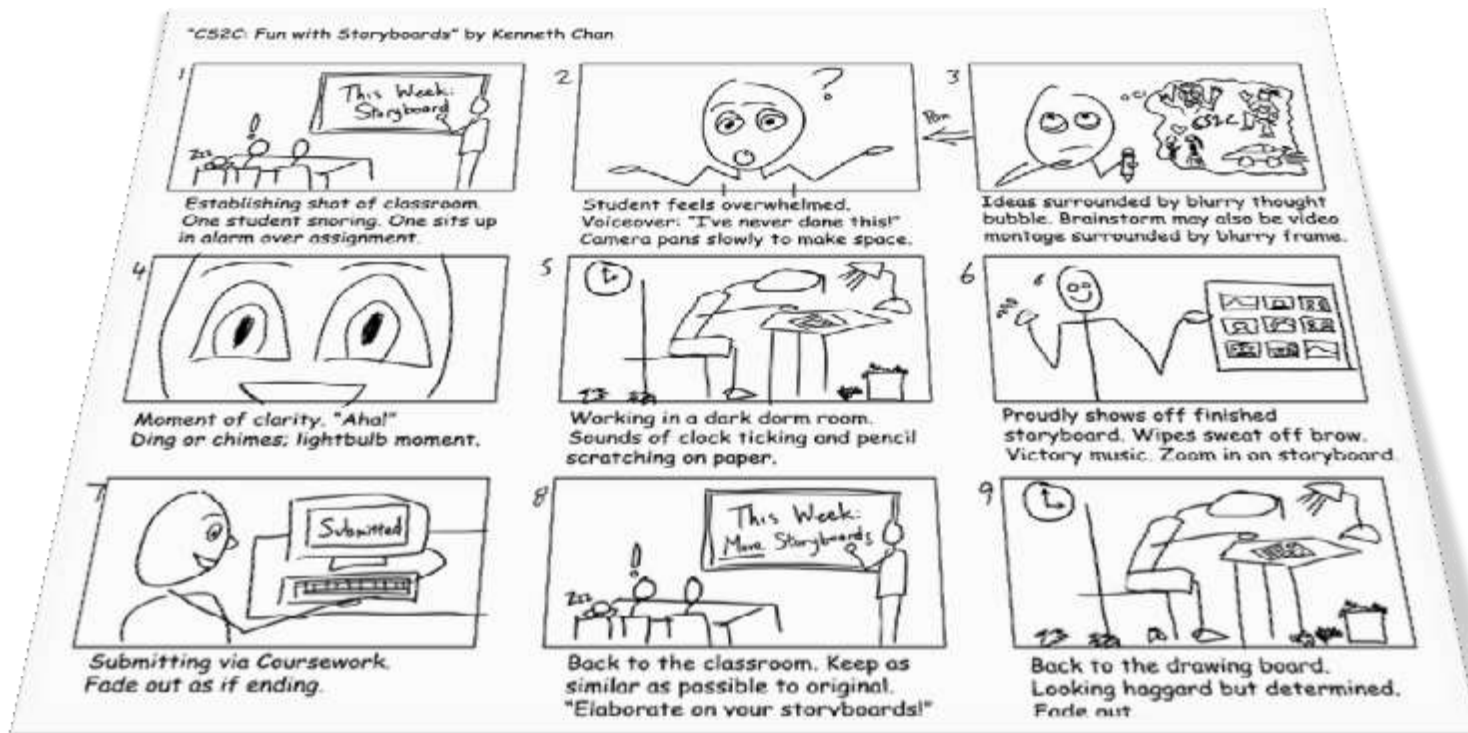
Document the Customer Journey

Rental Car Example

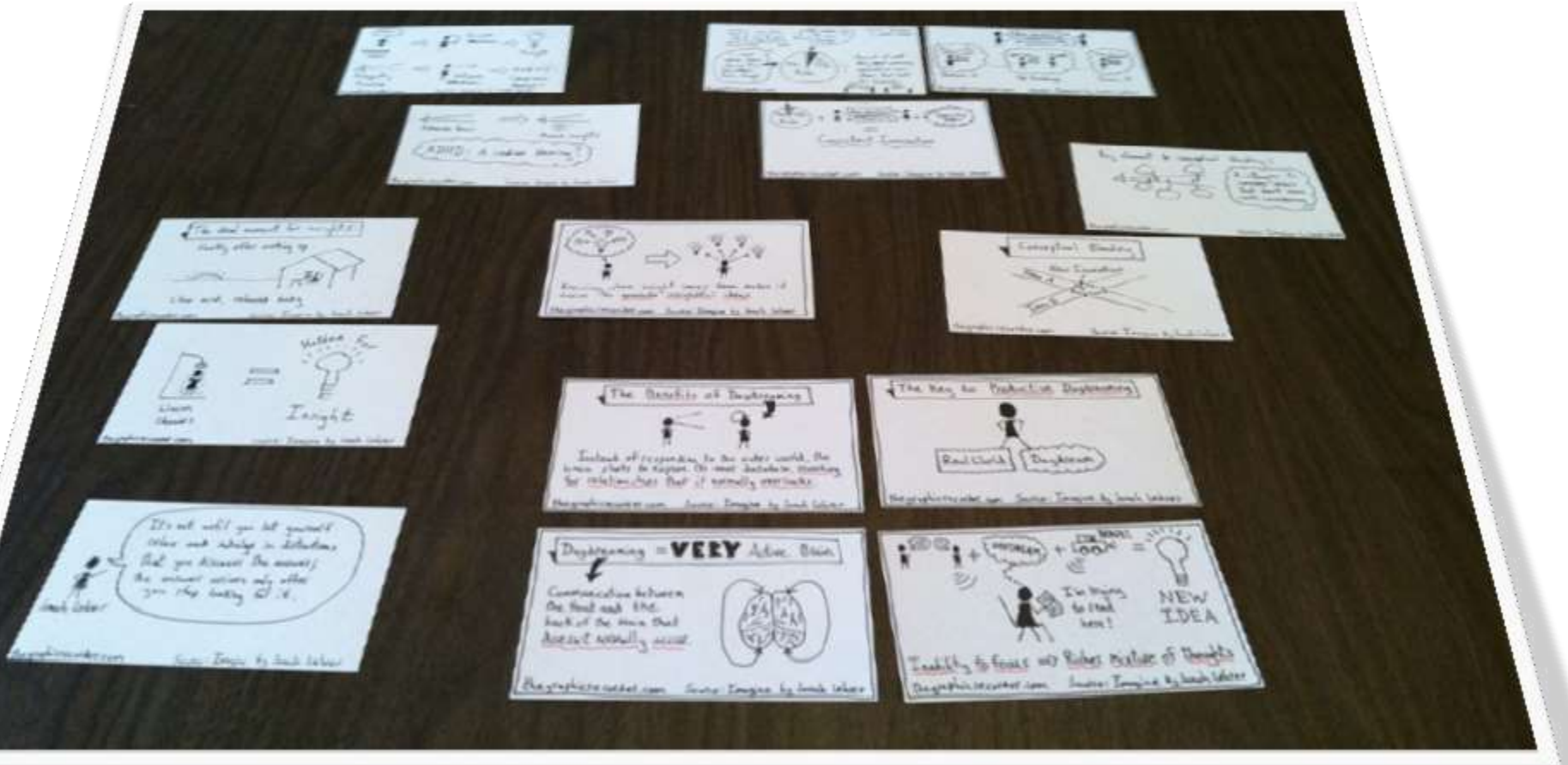


Story telling and Scenarios

“Storyboard”



Story telling and Scenarios



Three Core Business Types

- **Product Innovation Businesses**

Employee centered; codding the creative stars

- **Customer Relation Businesses**

Highly service oriented; customer-first mentality

- **Infrastructure Businesses**

Cost focused; stresses standardization, predictability and efficiency