Livework Foundry

Appendix

Master Thesis by Alexandra Coutsoucos
M. Sc. Strategic Product Design
Delft University of Technology

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1 Interview protocols

In the visual can be seen the three topics that were investigated both through literature and field research.

For the topics "companies' barriers to innovation" and "outsourcing innovation", six interviews were made with five different client companies (see table for overview).

Client companies were interviewed with the goal of getting a first-hand in-depth understanding on the research topics, but also to get an impression of what would they need to overcome such barriers.

Interviews were conducted semi-structured in order to provide an organic flow of conversation, but all of them touched the following topics

Barriers and difficulties in innovation - to gain first-hand inside out perspective on the barriers to innovation and to get a grasp on the needs to pursue better innovation processes.

Company culture and current approach to innovation - to understand how familiar the company is with incremental or disruptive innovation and how they deal with it.
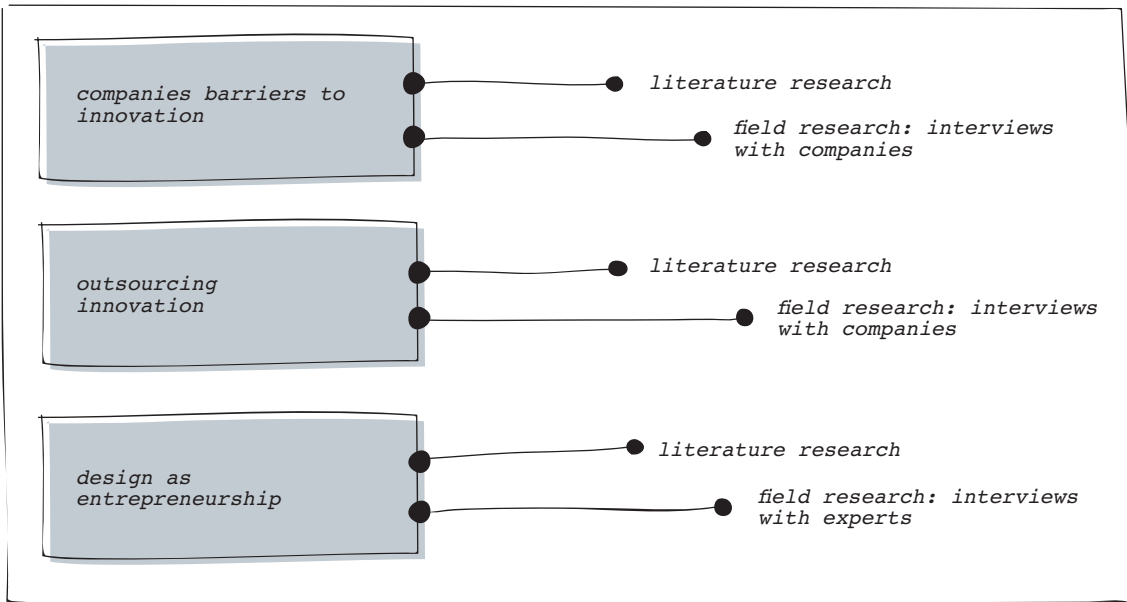
Outsourcing innovation - to get an idea about in what cases would these companies consider outsourcing innovation processes, what benefits and disadvantages they identify.

For the topic "design as entrepreneurship", experts were interviewed. These three interviewees were selected based on their hybrid field of expertise. Despite the different backgrounds, they all developed an expertise that makes an integrated use of design and entrepreneurship (see profiles of interviewees). The goal for these interviews was to gain knowledge on the role of design as entrepreneurship, the similarities and differences to gather different perspectives and knowledge from first-hand experiences.
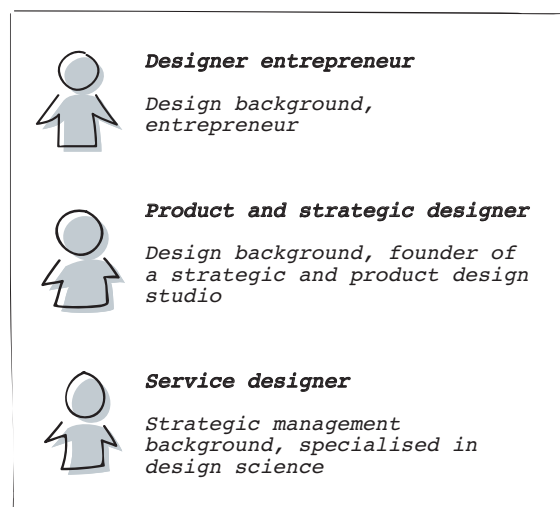
Interviews were conducted semi-structured in order to provide an organic flow of conversation, but all of them touched the following topics.

Experience with design and entrepreneurship - in order bto understand the interviewee's expertise, their use of design and entrepreneurship in their personal experience and practices.

Comparison between design and entrepreneurship in skills and processes - similarities and differences, advantages and disadvantages of making use of design for entrepreneurial tasks.

| companies barriers to innovation | ● literature research |
| | ● field research: interviews with companies |

| outsourcing innovation | ● literature research |
| | ● field research: interviews with companies |

| design as entrepreneurship | ● literature research |
| | ● field research: interviews with experts |

type of company	role of interviewee	size of company
insurance company	manager of customer and brand development	large company
newspaper	head of consumer research dpt	SME
newspaper	manager marketing and communication	SME
outdoor camping products	managing director	SME
telco	innovation manager new business	large company
kitchen appliances products	chief sales officer	large company

Designer entrepreneur

Design background, entrepreneur

Product and strategic designer

Design background, founder of a strategic and product design studio

Service designer

Strategic management background, specialised in design science

3

Companies/ clients

Demand: Corporates

who am I
what is my project about
what I'm looking for

introduction
Could you introduce yourself?
Could you introduce your company?
What is your role in the company?

culture
Can you tell me about your company culture? vision, values, specialisation, core competences.

innovation process
What is the innovation process like at your company?
How does it work from front end to implementation?
Who is involved?
To what extent do you stimulate innovation?

difficulties
What is the biggest challenge during an innovation process? Why?
What works and what doesn't? Why?
Who makes go/no go decisions? How and why?

outsource
To what extent do you outsource innovation processes?

if 'sometimes', can you make an example?
What do you look for when outsourcing?
What kind of outsource do you look for? (incubators/ spinouts etc.)

How is the relationship with the 'outside' party?
Did the project influence the overall company culture (implementation of projects/ mindset/ ?

    if 'never', would you consider it?
    What would you expect from outsourcing an innovation process?
    when would you consider it? for a joint venture for example? why?

What do you think are the advantages and disadvantages of outsourcing innovation? (loss of control, too much disruption?)

Designers Entrepreneurs / experts

introduction
Could you introduce yourself?
What's your background?
What do you do?
What is your field of expertise?

experience w/ D&E
What is your experience with design and entrepreneurship?

skills
What kind of skills do these disciplines require?
  design
  entrepreneurship

What 'extra' does design bring in?
What are you offering them that they can't have or find internally?
What kind of skills and capabilities can you offer that a client is lacking?

innovation process
What are the advantages and disadvantages of undertaking an innovation process as a designer entrepreneur?
Compared to purely entrepreneurial projects.

How does this match contribute to (optimal) solution finding?

examples
can you make an example of a successful designer entrepreneur case?

Mod Team interviews

Background

Could you introduce yourself?
What is your role in the company?
What is your background?
Roles

What is your role in the project?
What are your tasks in the project?
What are your responsibilities in the project?
How is the management of your part of the project organized?

Skill set

What set of skills do you think are necessary to fulfil this role?
What specialised skills do you provide to the project?
What do you think are essential skills / capabilities in this project?

Stakeholders

What role does the client have in this part of the project?
How do you deal with that?

Who do you collaborate with in this project? (inside and outside livework)
How does this collaboration take place?

Process

Can you make a visual of how the process looks like?

What is the state of the art of the project, what's happening?
How is the development of your tasks going?

What process / framework / tools did you use to support your tasks?

Recommendations

How do you reflect on what has been done?

What went wrong and why?
What went well and why?

In retrospective, what would you do differently? why and how?

What do you think could be worked out better in terms of management? (time, team, assignments)

2 Interview transcripts

Following the transcripts of the interviews are presented. Both the client companies and the experts interviews are here presented. The Livework team's one are not included as requested from the interviewees.

Companies / clients

Wim - Insurance company

Manager of customer and brand @ DL, responsible for brand positioning in the market and responsible for the customer experience. How customers perceive the brand.

I'm a manager I have about three teams, brand team important task to discover the new positioning for Delta Lloyd. Designing, about to launch campaign. Customer team we are analysing customer journey, key customer journey, how do we perform customer desired outcomes, how to improve them.

It's not radical innovation it's really incremental, sometimes we do a little bit more radical but that means designing completely new business models. Sometimes you see opportunity for radical innovation or to do something completely new but it's very difficult within a corporate to buy that. It's not impossible but very difficult to start when there's a lot still to optimise.

It's difficult because threat to the current business model, new propositions aren't so much. New business models are a threat to the current business. Managers or directors are in general short term on the job and they want to be successful so they need to be it now and not in 10 years. They feel that a new business model could cannibalize their current revenue streams. They understand it and they want to innovate but innovation takes long cycles, takes a long time to launch and get lifted off. Management is in the position only for ¾ years and I think this is a big part of the problem. People have a career, even if the board of directors have a long vision, in the real application of that vision you need a really huge drive from the senior management. They think "that's ok and that's nice but how do I get to the next level myself?".

Experimenting with new ways to innovate. Product management thinks of new propositions fort the market and they analyse where there's potential and think of new products and then implementing takes about two years. Innovation needs to be quicker so we're now trying all these kinds of labs, innovation labs, challenges, hackathons, all kind of new things to unlock potential within the company that we can't see every day. Innovation is not really a job for the project management guys it's also the job of anyone but it's not so successful at this time. There's a lot of ideas but not a lot of innovation takes place. It's extremely difficult to implement them. We had 4 to 5 great ideas that were all funded and only one saw life which is a very small part of the business which means no board of directors is really interested in the projects. The team said it was terrible because we were full of energy and it took us half a year to go through legal and compliances, financial services.

Innovation is internal and they sometimes hire experts.

What goes wrong is that the people involved in the project are not dedicated to the project so they have a job, and more importantly they have to go through all these legacy processes that we have, compliance legal and etc. and you see that people that work there are trained to look at risks so they're basically trying to prevent anything that deviates from standard procedures and standard practices.

It's a matter of experience. When you do this more often also the people in compliance, legal etc. see that this actually works is not a big threat and if they see it's somehow successful then they get more accustomed to the case. What we would need is to get more and more rapid implementation of these innovative ideas.

Putting something in the market and see if it works and be prepared to kill it is completely against what this company is used to done. We can't bring a product to the market until we had approval and we did this and that. But that's an extremely cumbersome process that you can do nowadays in a completely different way. It

involves testing with customers but you can't test it in a live environment, it always has to be tested in a non-live environment which is not really a good way. Also about having these procedures opened to a new way of work.

Innovation challenges are internal people, open to 100 people that form teams coming up with ideas and in 3 days we boil it down to 5. And those get a little budget for a pitch and then usually 2 to 3 make it to a significant budget size to get the idea on the market.

DL opens a platform for innovation but within the same company the ideas don't go through. The ideas are good but the business needs to adopt the idea and somehow when it interferes with the standard business process that we have it falls off the grid because priorities. It's part of it, our board of directors should push harder and say it's not optional you have to do this and you have to support it and put money and resources. I think it doesn't happen because they don't believe in it themselves. They have other priorities. They want to see the value but when it is adopted it by the business without forcing it there is a better support in the business, so the likelihood of support is bigger. The result is that its' not adopted if something goes wrong.

Initiated by one of the board of directors, of course innovation is a topic and we have a small business consulting group, and we said ok let's let them try to do it. It's been slightly successful but not that much.

There's a lot of pressure on margins, our business model is at risk every day because of our interest rates, there's a huge cost pressure. So if your objective as ceo is to increase from 10 to 15 millions in 5 years, and you come with an app idea that is nice but then your priorities as ceo are different. So you should do both but it's extremely difficult to do it.

We thought about outsourcing this kind of competitions but we never applied it. The problem is really not the ideas but how do we get the organization to adopt and implement these ideas. We want to get better at that before we open a funnel of new ideas.

There was a startup experiment at DL, they started this new way of working and a new way of doing pension business and it became quite successful and then you see that it becomes a threat to the legacy business, because they're consuming the companies resources so why don't they pay costs? The legacy will try and fight the startup, it's a political fight. Now the business is adopted in the in the legacy business. The absorption happened but I think it needed a bit more time to grow and get a bit more mature and a good size of new business because now it's basically the total volume that the startup has is too small, and if you look at it from the ceo level of that division that will not get a lot of attention because it goes to the business that has more value. So I think the risk is for this startup to be eaten and evaporate in the end because it's only small and it doesn't add a lot of value to our business. So the startup brings in less than the costs it has to the company, which is common in a startup business, it takes quite some time, there are very few startups that make quite some profit within the first 5 years. I think this specific startup does but it's also rather small compared to our total business. So if you're responsible for the startup they laugh at you: it's not a career business and it doesn't add a lot of money value just yet so risk is resources are going to be pulled out of it, pushed to the business that is making money and is larger in size. Startups at the edge of companies make a lot of sense but you need to give them time. There are dedicated resources and there is not continuously the fight over internal cannibalisation. Board of directors should be aligned, but it has a higher chance of survival there than to putting it inside. It depends a bit on the company culture as well.

There is no blueprint solution, it really depends on a lot of factors. And if there's a strong ceo that supports this and can enforce the business and evolve it and the board believed it had to be done you can put it in your business. But if there's a ceo that believes in it and a business unit that doesn't believe in it, then the ceo is best to be put on the side of the company in a startup. I think context really influences what the outcome is. Would be interesting to understand what the conditions are.

DL is used to collaborate a lot with other companies, we are quite open to collaboration but somehow when we start innovating we think that's difficult so we want to think of it ourselves. We are positive to the idea but we don't know how to execute it.

One of the most common way to collaborate with another company is a joint venture. The challenge in innovation is how do you actually put the resources when it's already difficult to do it with one company, so then you need support from both companies.

A platform hub or a mediator I think it could work, I do think it would be interesting to have a platform to pull knowledge or skills that you don't have yourself. We don't have the experience with the internet of things for example, it would be interesting to find a way to get that. If there's such a hub would be interesting.

What you do (startup service) would require that the company like DL says we need a partner to work with, or a supplier. What kind of partnership does it have to be? If you can find a way to get that collaboration going and put it in a process that would speed up the collaboration. But it would be difficult to get it across as a proposition, because you need to find within the company like ours the personal responsible for the project and once you have the guy you need to convince them about your process and capabilities of finding the problems that they have. But it's interesting, I don't think it's easy. A lot of companies are stumbling on the problem that they don't have the capabilities needed to drive the innovation that they want. So you want to innovate about something that involves something that you don't understand, so we can help you find the right partners that understand and we have a process of bringing you together to explore, I think it would work. To lead the process and co-create the innovation and to also to explore how the collaboration should be structured. Whether it's a joint venture or a new company, what is the best way to get this roll.

As long as it's talking there's no problem but at some point company needs to put in money that they see as an investment that they want a return on. So then there needs to be a structure to support this, a new company. If they put resources and people to put a new product in the market, and both parties put in something you have to understand the shares. If you start to collaborate immediately people will start to discuss on how do we continue investing in this and how do we deal with revenues streams that come out of it. A collaboration needs to be structures somehow, and it could be of course that there's one dominant company and the other becomes the supplier, but then if the supplier invests a lot… I think this is an important part of collaboration in a business environment. And there are all different kind of ways that you can start an organisation.

I like to work with people that have an entrepreneurial mindset, within a big corporate there are few but now i started working at a small company and I love it. It's all about what do you promise and what proof do you have that you can live up to the promise. So if you promise to facilitate the process then you need to do that quite well and if you think about bringing and connect parties together then that's what you need to do. I don't see the problem in the background. Basically Livework is a set of entrepreneurs so if they run something like a facilitator for intrapreneurs then it makes sense. I would say it's a credible situation.

Matthijs - Newspaper

Big challenge for every company in a way to get customer centric in a way it doesn't harm your daily business or that doesn't scare people.

Project manager and marketer, now lead team of department of data intelligence and costumer research. Costumer research deals with the subscription products, B2C market, about readers not advertisement, that's

another department. Data intelligence does analysis and reporting on data, forecasting and predicting models. My role is to protect the connection between the analyst, the developer and the business, make sure that what we do makes sense to the business. Very quantitative driven. We look at data we look at what works and what doesn't work and then we bring it to the business to optimize our proposition and optimise our approach. It can be just the editorial department that decides to do more about a topic, that's a small change it won't affect our customers. Sometimes the editorial department decides, of course we do customer research but editors are like artists, they have a strong opinion on what the content should be like. Then you got product launches for organizational change reasons: we launched a new website only about economics only to see how it worked when you had an only digital product and to let people internally to get used to it and how to work on it. Now the whole department works like that for NRC.nl, that was an introduction of a product for experimental reasons, managerial reasons to get to know a new way of work. We learned a lot about it but for internal reason, for the group of people that were working on this digital environment. We didn't say that the experiment (pilot) was going to be integrated in the bigger website. For organizational reasons, for a customer perspective it was not the most optimal experience. The board of directors decided it.

The role of KPI in organizational changes, that's an underestimated topic. We changed the KPI and it had a huge impact on our organisation. What we did was changing from circulation to relationship. From the number of the newspaper you're getting out of the building, relationship is the number of people that actually read the newspaper. We were really pushing circulation, all these things harmed the relationships. When numbers started arriving we had to change the KPI, and the relationship becomes more important, and what the customer really wants. It makes a huge difference, before we were not really interested in customer sales, now they talk to these relationships every day. We modify our products based on the relationship not in circulation. Now we're doing the harmonisation of the two newspapers the morning and evening ones into one huge launch, I probably would've prepared to do it in little steps because big differences in newspapers always shock people, but the editorial department decides. Of course we do customer research and collective research and make some changes based on that. But it's not that we ask the customer what they want and we change it, it's the other way around. Innovation comes from the inside.

Silos are barriers, it's an important one. It depends on the people you have in a company, it's not about the technique or the data. You come from different backgrounds and you come together to make innovation directly on the same speed and pace to decide what you want to do. When we come with an idea for innovation that can be in a complete other world, strange and not understandable for a journalist and the other way around that seems strange at the beginning. But then we are able to present journalism even better.

There is no innovation department, everybody sees potential for innovation. When it's big innovation it comes from the board but also the other way round is possible. We bring this to the board to optimize our proposition. So we try to work across silos and to come together, in my opinion that's the only way. Innovation department that on its own thinks about innovation, I don't think that's useful. When you define with each other a shared truth or value or at least you understand each other that will help to accomplish innovation. If the innovations are minor, depending on the impact and the level of capacity of the people then it doesn't go to the board, we have a middle management and sometimes they can decide or I can decide. It depends on how big.

The upside is that is the company is so small and if I have an idea tomorrow I can go to the office of the ceo and he says yes or no and then we can do it. Nrc is a known brand but is a small organization and that's the nice thing about newspapers, everybody knows newspapers. Besides the editors there's just 100 people, so in projects you're always with the same people and it's also very flat. It's a very big advantage, and then you don't have a huge amount of money for innovation projects. So that's the downside of it. And we don't have a legal department and we have to go outside.

Everybody is really approachable, we're not a big corporate. We try to minimize outsourcing, we are new in this

customer experience field, we want to connect more with the customer, you are experienced but we want to do it ourselves. Erik normally he goes into the company for the research, but he did the interview training and we did the interviews. We really want to feel what the customer wants, and you stay connected for a bit, at the end we did innovation ourselves. In the end we did innovation ourselves and it worked really well because we did it ourselves. If we would've outsourced it results would come back and they'd be interesting but we wouldn't be the same as if we feel it. Based on the customer insights we have a lot of spinoff projects, We use them to make little steps, the biggest change was in the mental development, you remember those customers, customer centricity became real somehow and everybody would experience that. That was the biggest step in innovation, not a lot of the actual outcome of the interviews.

If faced with possibility for radical innovation - it comes from the board and a team is build out of the current employees, maybe acquiring some new and then just doing it, pushing deadlines and stuff like that. When you look at editorial innovation we start with the editors and see what their ideas for a new product so customer centricity is not really there yet. We start with something new and then we go to the customers and ask what they think about it. Probably we did ask subscribers and then we launched, they're always innovations that start from the inside. Editors are such an important piece of the organization, and they're creatives, they have a very strong belief of how it should look like, maybe some of them stereotypically think they have to educate people on what is important and protect the democracy and stuff like that. People don't decide what's important, you decide what's important. So I think there's a very strong force in our culture, if we change our editorial products then it comes from a journalist, and not from external people. We do more research than ever now and we really try to conncet with our customers, but at the end when it's about big innovation it comes from editorial department, so inside out.

The content is what we are, we are in journalism for newspaper, magazine, website. We are thinking about starting a consultancy on data and pricing, we're working with a company that is called meter economics, starting a European office, maybe we could do it together, not on nrc brand, maybe another brand and that's from bottom up because we are working with those guys and we asked we can do it together and then you start talking about it and you make a proposal for the board. But then it would start with one or two people as analysts from the states, start very small to see if we can start as a data consultancy that is a completely different business from journalism. We saw and they saw a lot of opportunities with the publishers that are be interested in this connection. But that's not an editorial field and for this highly specialised professionals like scientists, artists, journalists, it's really hard to get the outside in their creative process. The idea is now that you just combine the power of these two companies but very small, maybe one or two and then from the states supporting and then building from there, like a joint venture but very small. Only little incremental steps and then in a year see if it worked out.

Outsourcing I can imagine it happens if it's really strongly connected to the business here so we can tell our subscribers that this is coming. But outsourcing innovation in a core process, in our journalism is not going to happen. You really need to feel the dna of the company for that kind of thing. We tried a couple of times to outsource the marketing, and they had always the same ideas and you have to be inside the business, you have to feel it. You can't outsource that, and even if they have great ideas then you have to get support in the company and it's much harder when it's invented outside than when it's invented inside. It's really hard to outsourcing innovation.
Developing can be outsourced, but innovative ideas, that can't be outsourced. We do that a lot actually, for example building apps we don't do ourselves. The app was completely build outside of this company. There is especially some technical knowledge that we don't have. We worked in meter economics, we built these big models, we started working with them and now we're a bit smarter and we know a bit more but we outsource this complete analysis. Even then you have to be very involved in what they're doing because our data is unique data our customers are unique customers, you really have ot understand all these things to be able to tell if it's a working innovation.

You outsource a lot of knowledge but still you're very connected to the people. There always should be a strong connection with the editorial department for example.

It goes both ways, bottom up and top down, and there's not a lot of beaurocracy and that's what I really like about this company.

Machiel - Newspaper

NRC for 10 months, KPN as marketer, project manager and customer experience professional. Now working as manager marketing and communication of advertisement department. I work in the marketing and sales department. I combine my marketing and customer experience expertise. Responsible for the kpi relationship, nts, I'm not directly responsible for revenue but sales manager are. Just have the target to have good relationship with the customers, with events, relationship events, content events to develop awareness about customer and adv. One-to-one communication with the customer. We try to know our reader the best so to find the fit with the advertisers, to reach them better. We have the customer who is the advertiser and the end customer that is the reader, the reader we have some reports that gives us feedback on how readers read online, something that is delivered to us. Something about the reader we can find ourselves and sometimes with matthijs' team and about our customer (the advertisers) we find ourselves to know what their necessities are. If we know their goals we can help them even better. How can we help who in the best way to achieve their goals. How can we use our online newspaper, where can we find a win-win situation.

Right now if we see there's a quick win, it's incremental. Other things we keep on a list and see if we can improve it in a matter of time: what do we need, who do we need?

No we don't check with the customer but it's simple benchmark, you check with other businesses in and out the industries and once you launch it then yes, you ask the customer.

It's all about getting together, getting everybody in the room, we don't have a particular process.

More radical innovation is for cultural change, at nrc as well as at kpn, there we tried to change from sales focus to customer focus, but it takes time.

KPN is a structured and organized company, very layered. Here it's more getting the right people in the room, it's easier but on the other hand we don't have a lot of money. Somethings really have to be discussed thoroughly.

We have to make some transformations in the way we deal with marketing.

My team here is small, on one hand I have to deal with my daily business. On the other hand I try to experience with more things and that's really hard to combine. At kpn was easier once you align a few people to have focus and have few people work on experimental things. Here you have to focus priority.

So it's a matter of expertise, some things we can't do ourselves so we can outsource the development. In our daily business we can fill the website with our content but to start that yes, we need someone external, our department is not going to be able to do it themselves. It's a combination of skills and expertise and time or people, because I don't have enough people I don't have enough time. With few people that I have it's more important to outsource and have things off the shelf. And the we're willing to make money and time. Given the

size and the lack of expertise in certain fields I would say that it's a must to outsource.

At KPN we had more incremental innovation, they started incubators lately. They were incubators isolated side project but still on the revenue side and the cost side still product companies. Where do you let them lose, you need people to assess the process and not think too much about the big company processes. It's the KPN alarm system. Have something done very fast and very agile. How do we do this as a big company? How to start an incubator? I really want to innovate as much as possible but more incremental than radical.

Peter - Outdoor camping company

We do the design ourselves or we have an external design who helps us to design. We have third parties companies to produce the products we design. I am the manging director, I am the generalists compared to the specialists around me. Erik and I were in the same school so there's more connection to it. We are trying to upgrade the brand so that we can ask a little bit more money. The company used to be a production company, then it changed to design as well. Now we spend money to add innovative features to our products or to add innovative products to our range. And it takes time because of the culture of the company, if you want to change from products that look nice but are cheap to products that cost a bit more it's a big change of culture. Try to trust people not to say too early that the product is good enough. For innovation you need to stretch yourself. The other challenge is the market is dropping, online sale is being strong, big companies are getting even bigger and we're in this niche outdoor segment. You also need the right suppliers.

In a lot of cases we visit suppliers that have done innovation projects for bigger companies and they say you can use the same stuff. So a lot of the innovation comes from the suppliers' side. If the idea comes from us, then we need somebody that can develop it. We don't do research in the concept development phase, we first go to the suppliers. In the pre-development phase it's too early.

Technology and trends driven innovation. The company is too small to make research but we read and look at the internet etc.

If you look at the outdoor business, there is not a lot of innovation. There is material innovation, fabrics, technology coming from aerospace industry dropping down on our market. Only incremental innovation because it's a pretty defensive business, a lot of ideas come up and they get rejected by retailers. If they don't believe in it, they're not going to buy it. The success of the product depends on the retailer, that is changing now because of online business. We have a webshop, we have activity on facebook and Instagram but if you want to push it now there's more ways than a couple of years ago. This whole internet makes it easier to see if you can feed these innovations in.

We want to upgrade our brand positioning make nicer products and because of that you can ask for more money. If you want to build a brand you need products that consumers can really look at, if you put your logo on it then consumers are more triggered to look into other categories. So what we need to do as a brand is add more value, make nicer products, easier processes, better prices or innovation. We've always been on the price and positioning level where other brands are now.

The big problem with disruptive innovations if you try to do it within your company it is easily stopped within two weeks because people don't want to support it. The idea with the clothing is to put it into a new organization to have different people than ourselves to see if they can make a big change. That requires some funding and you need to find the right parties. This is definitely a category where we should look for a partner to develop

a more disruptive innovation. We have to let them do it, fund it on our side and make sure that the brand is explored in the proper way and then just let them do their thing.

If you have new technologies and try to achieve disruptive things if you don't cut the relationship then people don't want to support it because it's so disruptive. The only way to make this work is to make this cut, see what you can learn from each other but have it down separately. It should still have the nomad brand name but it should not have the same people on the team. The disruptive innovation should help their already existing products. It's in my interest to increase my branding proposition. I don't believe in obstacles I believe in having the right mindset.

Most innovations die because they never get shown to consumers, because of retailers. So it's not just a matter of culture within nomad it's also a matter of perception of the retailer. Retailers try to eliminate risks so they tent to buy black and navy because those are easy colours. So financing is another problem. Disruptive innovation will not get you more money but will help you to elevate the brand. The biggest challenge is to get the product to the consumers. It's a lot easier than 20 years ago, I'm constantly thinking on how to do that but it has to fit with our financial thing.

I've been born and raised in sports company and I can only do this thing if I have a connection to the brand. When I moved from nike to puma it was very difficult to wear puma shoes.

Robert - Kitchen supply producer

To build the brand and increase brand awareness at consumer level because now we're a retail brand.

It's a traditional market so there's a great opportunity and be another partner for consumers. It's a very closed market. Very vague market for consumer. With this new market we are very transparent to the customer. There is a market for transparency but not everyone feels comfortable with ikea level kitchen and they want to be supported by a service.

What can we do that doesn't hurt our current business. The retailers don't offer the experience that the consumer needs. We needed an expert, to go to a company that was already known by the former ceo. It was more to understand if this could really become a business plan.

Create department is where we do research. We have a consumer panel when we do research, we dominate in the Benelux market so we want to know ourselves. Our competition is international big players, so the consumer is really important to us so we invite them to contribute to the innovation process. It took us five years from first idea to consumer to product, it's more outside-in. We do innovation but it's more product related. With the new project we want to innovate business related.

More it's about the level of confidentiality, only the board members and few because when someone in the market smells we're thinking about a change in the market, the whole market gets upset.

Consequences – this is ready to go on the market, our role will change, the structure will be different, we'll be investors on the background and it'll be a third company that is not related. The retailers shouldn't know that it's from us as investors. Structure will have to be different entity. Also to make it successful consumer should

think of it as separated from the current traditional market.

We didn't have the knowledge to think as a retailer, also for the confidentiality, we don't want to involve big groups. We wanted to have experience on the table, you needed someone that had an open mind, that is not in this business, have ideas.

I'm part of the steer committee, we come together once every two months or so. We have a check on the milestones to come to a certain point to say yes or no. There was a lot of work on the pre-phase setting the point on the horizon, what we think it's needed in the market, and now it's up to the company to walk towards the point on the horizon to understand if it's viable yes or no.

It's up to the creative people to surprise us and transform what was needed in the market into a new concept. The reason why this project is different, is that from the beginning Erik said I want to be involved in the project as well, not as a designer but as an investor. Because I'm so enthusiastic about the project that I really think it's a good plan. Of course it gave us a lot of confidence, different from them just "working" on it as a regular project. If they want to invest it means they really believe in it. That gave us a huge amount of confidence, we tried to think maybe we need an investor a big party in the market. But we saw how passionate the guys were and they were saying no we need to do it ourselves, gave us still good confidence. They are almost the real third partner of the project. Otherwise they see us only as a client, they're so passionate about really willing to put money on the table, this is the kind of partner you want to have in a project like this. It's not just an advisor for the business case, almost a sort of partner. That the huge trick to get to this stage.

This is really disruptive as a thing we're doing. And our values are responsibility entrepreneurship and innovation, then you need to show it as well. This is disruptive not only as a new business case but also disruptive in the organization, also for bribus this is something exeptional. And you are making it concrete for us, and there's so much confidence that it's not just a nice idea, everything is based on a lot of research.

Everything is constantly based upon research and this gave us confidence. You can base your decisions on facts and figures, they constantly put the right input for us to make the next step. Also with good quality input, they were always one step ahead that we were expecting. They take it really seriously and they're really confident in this one.

Bernard is owner of the company and he can say we go left we go right. To us they say it's up to you what you do, that's our big advantage to our competition. Since we have the dutch market we are the experts on the market so they leave us do what we think it's best. It's much easier for us, for us is a local player.

The reason we're strong in the Benelux market, I mean we're quite small worldwide. We're faster, more creative and more flexible than all the giants in the world. We are pushing it in all departments, please, use it as if it's your own company. Maybe only one is viable but don't stop coming with ideas. But it's easy to sya because we can decide it with the three of us.

Values that I look in a partnership like this is ownership. We want to do something ourselves but we can't so we ask an external project manager that really leads the project, we will give our input but someone needs to be on top of the project. Take us by the hand, help us do the process and make up the steps to go towards this. It is something that has been done really well now. The project was owned by Livework, that does the project lead. You constantly surprised us and that gave us a lot of confidence. Also in the position where we are now, if it was maybe a different company with another attitude and different way of working maybe we would've abandoned this idea long ago. They really made it to the stage where we're now.

If there's something Livework could've done better. We are a very traditional market, sometimes it's not too

difficult to impress us. So we were very impressed by the research you have done, now that we are at the end of the stage it's some little things. For example we like the name you came up with but then the mod.nl it's been already been taken that's a pity, maybe you could've come already with a name with possibilities of a website. Very small points but that could've been a bit better so to have the complete experience. Okay we like the name but the reaction at the table when the mod website wasn't available, it didn't work. It's just a shame, they impress us constantly and small things turn out to be too bad.

The two things that they really do well is owning the project and impress us.

Designers entrepreneurs / experts

Boukje

We're not designing a product we're designing a solution, and the solution might be an event, a discussion, a website, a startup, whatever. We want to make the best design and therefore let go of what design is. Nordewind – designer and entrepreneur. I don't believe in just focusing on the physical product. We want to design business cases for ideas that are worthwhile and we want to see if we can find a way of doing that. Designing business cases is a bad business case, it's not interesting yet.

1.   You build a startup and go for an exit which means you sell it to a bigger company.
2.   You build a startup and go for an IPO, so you want to go public at some point, and you want to scale it
3.   You build a startup and say you're completely ok with becoming an SME. But these hardly get funding.

Most of the time is the combination of a team with a designer and a business developer. Even if you study strategic product design that doesn't make you a business designer. That makes you knowledgeable about how to design a business but that doesn't make you an entrepreneur. You have to start building real running companies, same with design you have to start to build and sell products to be a real product designer. Also it's not just about what you know but also attitude, I can teach everybody how to build a business case, I literally can but I can't teach everyone to be an entrepreneur. It's about taking risks, becoming strategic it's really something people have or have not a talent for. I think if you study design you have a better chance to become an entrepreneurs than for example if you become a doctor or a chemist. I think the design mindset definitely helps. Because to some extent the design mind is needed to design a business case the mindset is very similar and what differs is that the product design adds something to that, so being able to make something look good, passion for material and for that you have to be quite meticulous. Which is opposite with a part of the entrepreneur design mindset. It has nothing to with being meticulous it's about seeing the

big picture, taking risks, having a vision, but also hiring people. You need a team, you need partnerships so it's also a lot about communicating skills. It's that seller mentality, you need to be charismatic. And I think the combination of a very good designer and an entrepreneur is contradictory to some extent, although the design mindset is the same. Entrepreneurs make decisions on very business principles.

Design thinking and lean startup are basically the same thing, they're both research based, iterative, human centred, tool kit based. Customer journey mapping // validation board. For me it's almost a marketing thing, I use the same tools but call them depending on the clients.

What is the design agency of the future?

I think who uses lean startup listens much better to what their customers do, it's much more human centred. Already Ford had the wrong question, he shouldn't have asked people "what do you want", he asked for a future that people cannot predict, he should've asked about the past. You learn in lean startup about what is currently not working, what do you currently not like, what you miss in the experience. Then you take those learnings and you turn it into a better product. I think this is also an ego thing, I worked with a lot of designers and all of them are very much saying that they're listening to the customer but they actually don't. You secretly slowly inject your idea into the people you do co-creation session with. So we sell it as if it's their idea. (But if it's what you do, and you're more experienced isn't it how it's supposed to be?). I believe in intuition and in guts feelings, to me a good designer and a good entrepreneur has good gut feeling, not only listening to people but also reading between the lines. I think this is what makes a good designer and a good entrepreneur.

Case: a customer asks have a new scarf. The product designer, artist or fashion designer will just design it in the best possible way. The strategic, service designer will ask, why do you want a scarf? What should the scarf do and who is going to use it? The entrepreneur will look at who is using it, who's producing it, who's paying for it. For me it starts with the thing it becomes broader and broader in what you offer. So from designing product > experience > venture the traditional designer doesn't stay in the lead. If the designer wants to stay in the lead then he has to move from designing products, to designing experience and hiring someone else to design the product, then he works on the vision and the bigger picture and he has someone else to design the product and the experience. If you start with a product and you go towards the venture, by the time you're at the venture you're not a product designer anymore. A designer, and engineer will start with "the thing", we at Nordewind start with the business case, the venture.

Concurrent design - In space engineering they have several teams developing different sides of the same project and there's a lot of literature for that.

Experiment with specialists: a sociologist, a fashion designer and a business case designer, at the end of the week they had to come up with a solution, the single ideas were of a super high quality but they couldn't communicate with each other, they didn't manage to come to a common solution. The same experiment with designers, the quality of the single solutions was lower but they managed to communicate and come to a common solution. So maybe the designer has a role of communicator between the three specialist, maybe he doesn't do the design but he takes the different elements and he glues them together.

I think it's really difficult to find good entrepreneurs for hire, if you're a good entrepreneur you can do it yourself and become filthy rich with it.

I think to some extent our design background is limiting us because it makes us the behind the scene people. For example branding doesn't come natural to us.

Marcel

We are very entrepreneurial in our design practice. You have more entrepreneurs as clients, not big corporates, so we take a share or royalties.

Not every company has an R&D department, outsourcing you can quickly purchase a capacity of work with people that are not in their territory so they have more insights from the outside and from the markets. Their staff always works on the same products, strollers and trolleys. Companies like us do all sorts of projects so we have different viewpoints, we're in Amsterdam we get trends faster. I consider myself an entrepreneur, I started this spinoff that I'm running. Certainly coming from delft, a lot of them also have studio, it's a very broad education. You don't get entrepreneurial skills but the mindset you get good in tackling different types

of problems, including business things. In general you're still the designer not the hard core business guy. So who's going to be the business guy? Outside they're always sceptical but for a part it's understandable. You can bring in other people or focus on the assets that you have. Doing it in the company as much as you can but you are going to need other people to run the show, because expanding the company is something different than expanding something new.

We are focusing on the strategic and conceptual part of design, we don't do engineering projects anymore. One of the developments that you see if it's more conceptual we hire people for research from our close network. Nike has a team that is called Explore to research into different product categories they have a team of designers and business people that create a mini business case.

Relationship with the clients depends on what they want and on what kind of team they have on their side. We are more asked to do disruptive projects. We worked with a company and they had other priorities and they didn't do anything so we were a bit frustrated. They had meetings about it instead of doing something and it was shelfed for some reason you're not really aware of. You have to be realistic that there are some business arguments that you are not familiar with and this is the reason sometimes to do your own things, your own projects, no clients projects, it's a different type of work.

You do what they ask you to do and then sometimes you do something on the side and you work on what you think is the solution and you have to present it next level if you don't want to be shut down directly. You have to present it at a level so that you can feel you can bring an argument across the table.

We have been talking about it with my partner and we know we lack the guy with the complete commercial focus but it's very hard to find because it's quite a cost and also it's not easy to find someone that fits in, that speaks the same language. You can find a sales dude but he lacks the skills to bring across a story from a content point of view. When you find someone that steps in from a partner level the agency would benefit from it and more agencies could use someone like that.

We help companies with design but not really to set up their business. And now design is trending and startups are trending so it's easy to put them together and have the attention for it, I think there is a market.

When you have meetings, also a new business idea gets much more momentum when you have something to look at and the real excitement starts. But designers are trained to look into different areas, creating an overview. Of course the disadvantage is that sometimes we're focused a lot on the content and we think the detail is really important while sometimes it's not the case.

I believe a lot in the power of design research, in asking people. But you don't always get the answer. Creativity is the start of everything and you need all sort of tools to test it with people. It's not useful if you stay in your own garage for all the time you develop something. In hardware it's a bit more difficult, we have an idea, talk with specialists, we make it and test it as soon as possible. it's more lean, of course there is a little of tension between doing that and being strategic because you need to do it for a reason. You have to find a balance.

Marc

I work in the field of service design. How to embed service design in organizations, rather large organizations and not doing projects anymore. I'm not a designer, my background is in strategic management. Phd is in Design Science.

Business plan and execution doesn't work in reality, different approaches on how to do that. I was intrigued about the iteration of design.

I was trained in a really traditional business school and I learned very linear tools, for an year you had to develop a business plan and then you realised that the whole concept didn't work.

Traditional business is very linear and it's not iterative. With iteration you do a lot of small decisions and each decision is tested.

Three cofounders, IT guy, designer, management. Key aspects you need to start your company, that is the golden rule. You need someone with the core competence beside designer and management. I used to frame startup but there's a difference between a company that starts only as to gain venture capital or if you want to build a sustainable business with a long term goal. I want to do that with less money from outside as possible.

We carefully selected an investor after two years of process. For us finding an investor is not about the money per se but about what you can do with it and the network that you gain with it, more of a business angel than a venture capitalist. It took so long because you give ownership of your own business to someone else and you get money for that and if you can manage without it you have the power.

If you studied at a university or if you worked at a big company it doesn't mean you are able to start your own company. If you studied management, I think it's really important to have management skills because you need to know your tools, you need to be able to read a balance sheet, to talk with banks, investors in management language. You need to know how to do accounting and invoices and regulations etc. But you need to learn that again from university and it's really different if you do a project at an agency, with management in the backstage. You don't care a lot about accounting and how do you send invoices.

All our design effort is in costumer-face things, that makes sense. We can handle our internal processes, it's not perfect but we can focus on the once our business survives. Starting a company means you have a thousand different tasks to do, and the critical factor is always time. Just on the internal side, in the beginning you're a small team, you can handle processes on the fly and everything is changing all the time. So it's a waste of time, you need to put design on the customer, to make a kickass product. Before that what's in it it's fake it until you make it. So the internal processes are always on progress also with a growing internal team.

Internal and external behaviour. In the inside you don't need a designer because the designer is focused in bridging between inside and outside with the product. Once the business is more stable and especially when the team is growing you need the designer to be part of the internal processes. In the beginning you have very clear roles: different people take care of different stuff in your company. And if you have a team of one they can handle that they find their own hacks. As soon as you have a team of three or four you need to define the process, how do you do that how do you cooperate. As soon as you start that then the power of design kicks in. If you're in one office it's quite simple to handle it somehow and learn for it. Until the magic team size of 15 you could handle it like this, from 15 up you need processes and you need design for that.

I think that starting the organizational part later is important. Many startup are really good in building a company but they suck at building a good product. You need to start a kick ass product and then start your corporate structure. There might be a lot of wasted time, the most important thing for a company is to have a good product and to test it in the market.

So you always work on the same product, you're going to start to update but you're always going to work on the same product with the same routine every month. It's different from project work, and what I see is that people

get bored very quickly and you might need different people to run it. You want the company to grow with your culture and you want the people in it to believe in what you believe in.

The most important thing for me is to have founders from the very first day until the day they exit the company. The founders are the one who shape the team who shape, the product, the culture. The company would get good or bad depending on the team behind it. Investors don't invest into products, because it will change, it will pivot so it will be adjusted once you put it to market you'll see that people use it differently. If the team who designed it is not part of the company, I think it might be very critical. And if you really want to start business you need someone behind that who absolutely lives for this idea who says this is my baby, this is my company and I'm going to make it great.

Way one to do that: bootstrapping, the other way is you have some external money and you can do a lot of stuff then- This results in a very different way of doing business and in a different culture, what often happens in these intrapreneurship projects, you don't think early enough about a viable business model, you have different metrics in mind. The idea is to start form a shitty draft and make it better and better, this is very much in line with the entrepreneurship concept of lean startup, with software agile development. It's a different name for the same thing at the end. Same principle behind that. What helps from that design background is that you already have a lot of background experience in this iterative developement. When you come from service design definitively the user centred approach, you do a lot of testing with end user as soon as possible. That helps you a lot because you have the same basis. Someone who comes in with a traditional management thinking they struggle a lot with that cause they are not used to this iterative way of working they're used to a rather linear way of working. Designers have that way of thinking already I think it's a great advantage.

Engineers also put the prototype in front of the user when it's final and there's no such thing as final. So it's really important to understand what's the use, why do we do this. It's important when you start in the same team that you are in line with the same way of working and that's an advantage if you come from design. But there's also a very linear way to do design, and a very disconnected from user way to do design. I think that helps because you all have the right mental model to start a business. What is lacking at some point is the management competence, you need somebody with the same mindset to bring in the management competence and depending on what the product is also the technical competence. Not externally but part of the team.

Innovation processes in large companies often still have that stage gate process, and that is always a problem for very iterative process. If you have a design process and the gates to reach the next stage are measured in the same way that might kill a very good project, because you don't care about how they did it. That's something large organizations are really struggling with connecting with the design process of innovation with a classic stage gate. You have to pass their test and especially if you're in the way of disruptive innovation probably that product-market fit doesn't relate to your project anymore. Some projects are pushed out of the funnel not because they're not good but because they don't fit the old matrix.

The topic of predicting the success of early stage companies, their success depends on so many parameters that it's just impossible. You can have a kick ass team and a kick ass product but there's a competitor that has a slightly better product, it's out of your control. There's a shift in regulations, you're out of market, there might be a shift in technology, you can't predict the success of a company, that's the problem. It depends on so many parameters of the future while you don't know how the future is going to look like. You can predict the future for the next year or for the next two years but not beyond that. There is still a large portion of luck, and time is actually one of those crucial things for a company, if you're too early in the market it won't click, if you're late there's too many competitors already.
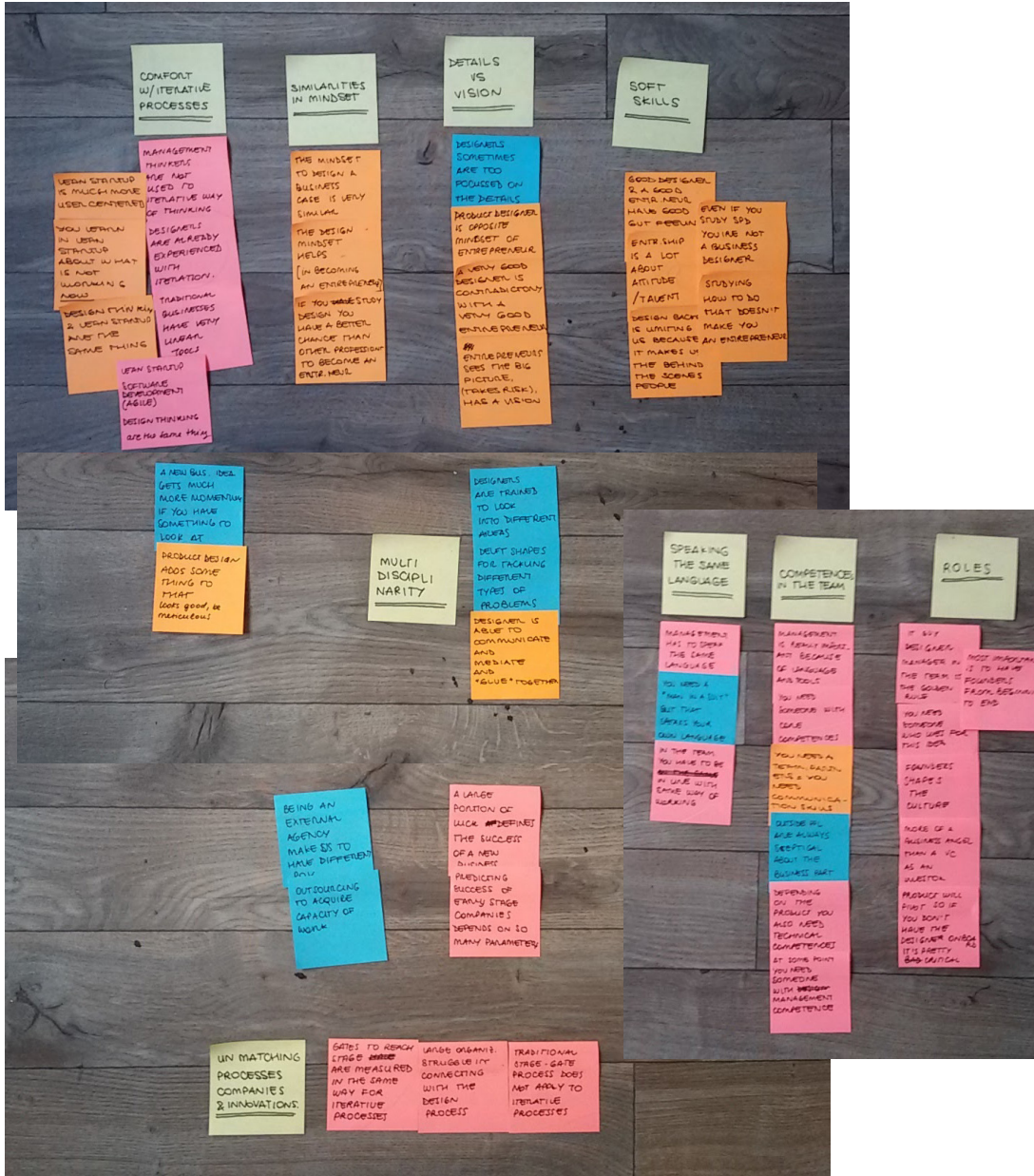
3 Interview insights

The interviews findings on each research topic were analysed with deductive reasoning, by creating macro categories. Here are displayed the work in progress of the analysis.
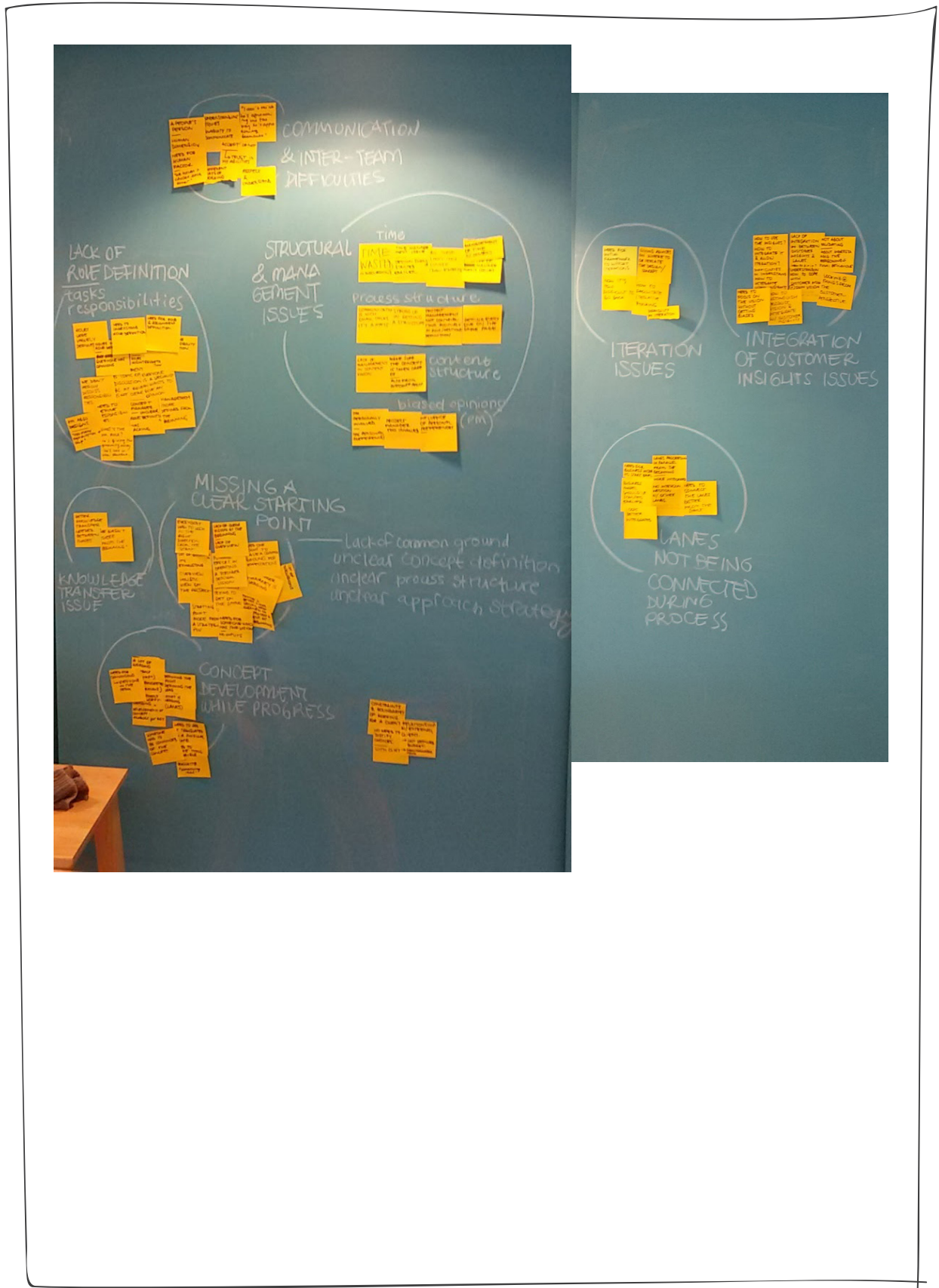
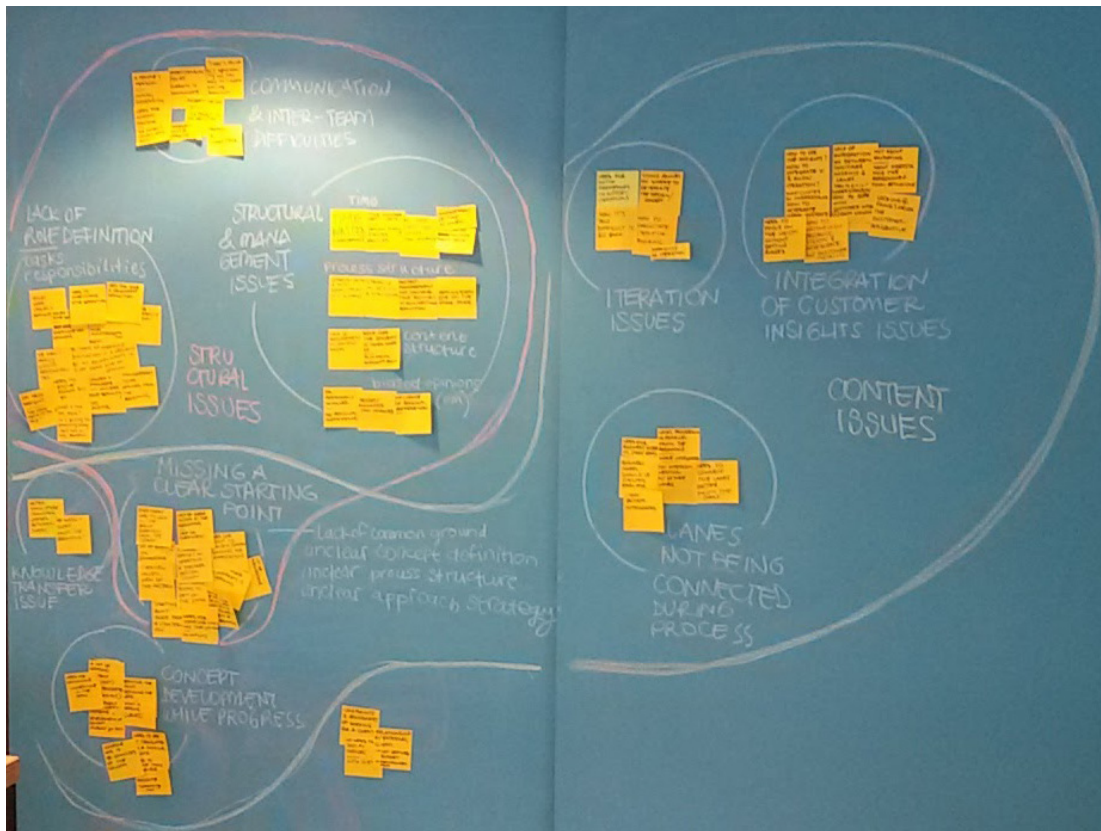# Companies / clients
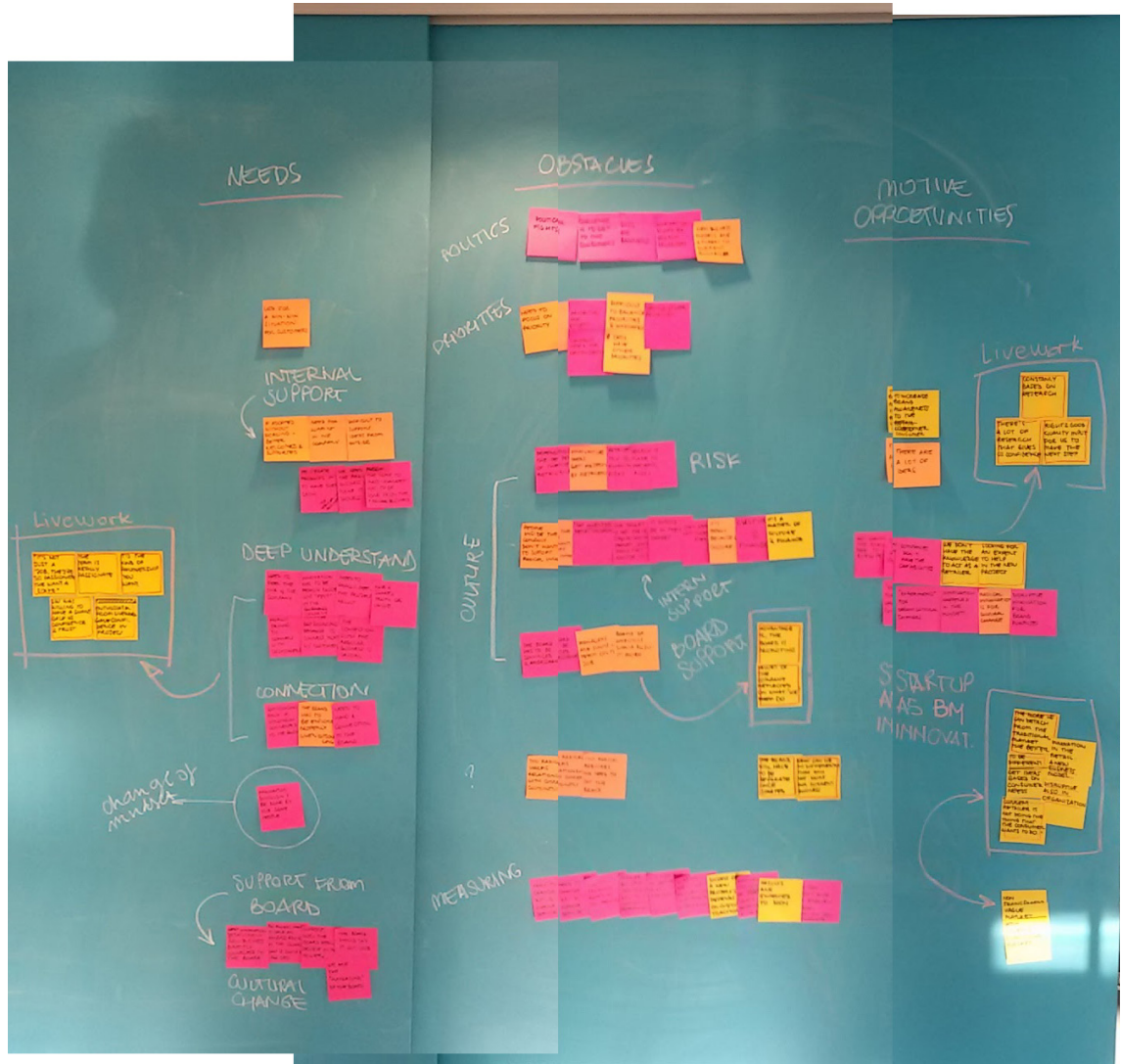
Designer entrepreneurs / experts

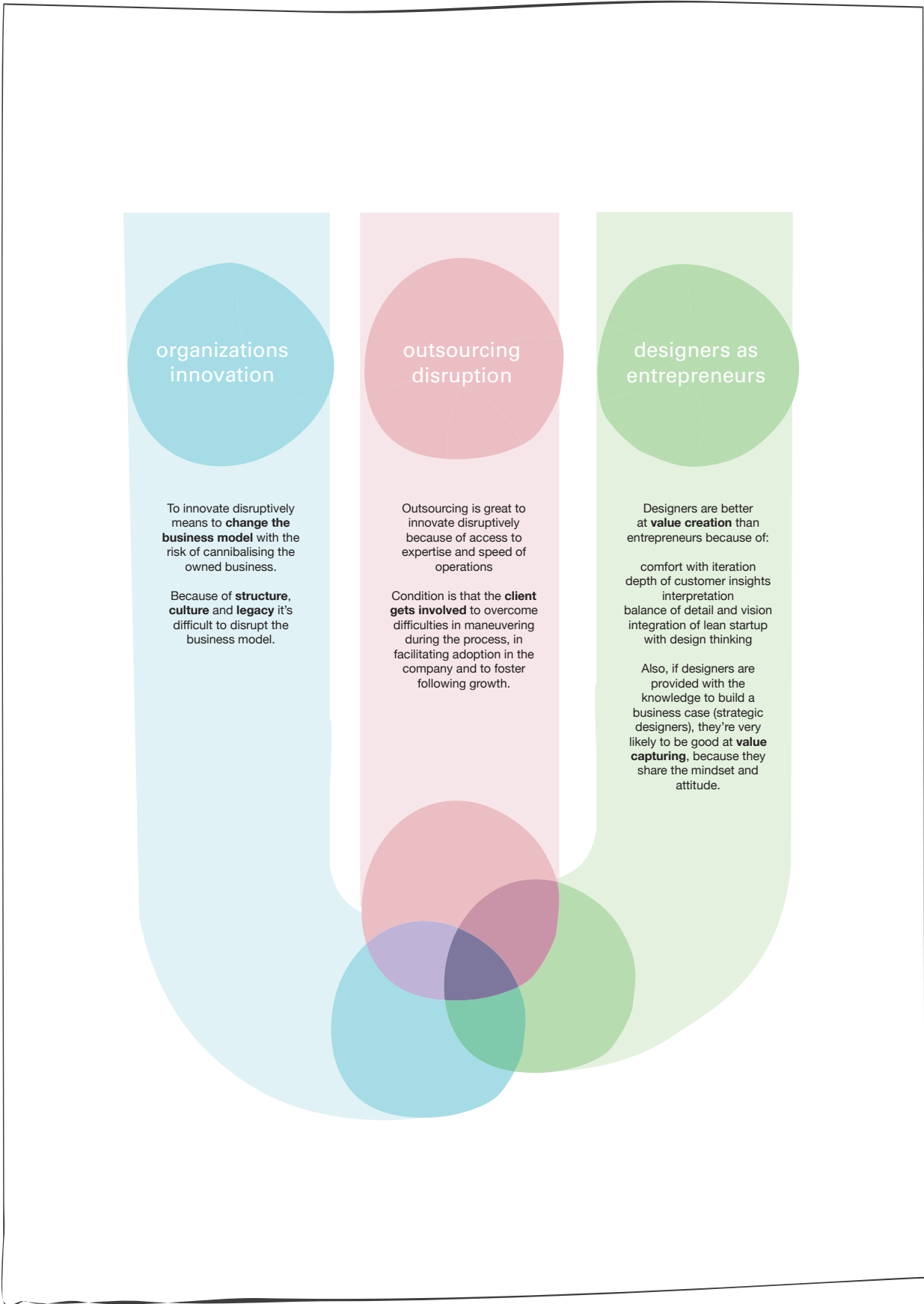# Kitchen project / Liveworkers

Kitchen project / Liveworkers

4 Co-creation session material

Towards the end of the project, a co-creation session was conducted with the team. This session aimed to look back at the project with a critical look and to reflect on the successes and downfalls of the experienced process. The goal was to identify how to improve this process for the new service.

Here is presented the material that was used during the session and what was the result after the session.

Draft of research conclusions

organizations innovation

To innovate disruptively means to **change the business model** with the risk of cannibalising the owned business.

Because of **structure**, **culture** and **legacy** it's difficult to disrupt the business model.

outsourcing disruption

Outsourcing is great to innovate disruptively because of access to expertise and speed of operations

Condition is that the **client gets involved** to overcome difficulties in maneuvering during the process, in facilitating adoption in the company and to foster following growth.

designers as entrepreneurs

Designers are better at **value creation** than entrepreneurs because of:

comfort with iteration
depth of customer insights interpretation
balance of detail and vision
integration of lean startup with design thinking

Also, if designers are provided with the knowledge to build a business case (strategic designers), they're very likely to be good at **value capturing**, because they share the mindset and attitude.

Draft value proposition

value proposition

With our **service**, we can help you overcome your **barriers** for you to reach your **goals**.
We are the perfect partners for you because of our **know how**.

Let us show you **how** we do it.

service

an opportunity to design a new organization from scratch

a way to force out of legacy

a good container for innovation and design approaches,

a demonstration and exercise of disruptive innovation

a new entity that focuses on a well defined value proposition, (new market, target group, technology...)

a way to create value and design the way to capture it

barriers

structure
bureaucracy
silos
hirarchy

culture
risk avoidance,
short termvision, z
value capture over
value creation

legacy
obsolete system
consolidated assets

goals

learn how to innovate disruptively

gain competitive advantage with relevance rather than with price

make the transition towards a more digitalised orientation

have a foot in the door of innovation

grow the market, brand awareness or target grou

know how

expertise
design thinking and design approach

customer lifecycle, insights, experience design

service design

business design

skills
balance of long term vision & short term results

entrepreneurship & ownership

multidiscipline and integrated approach

holistic and omnichannel approach
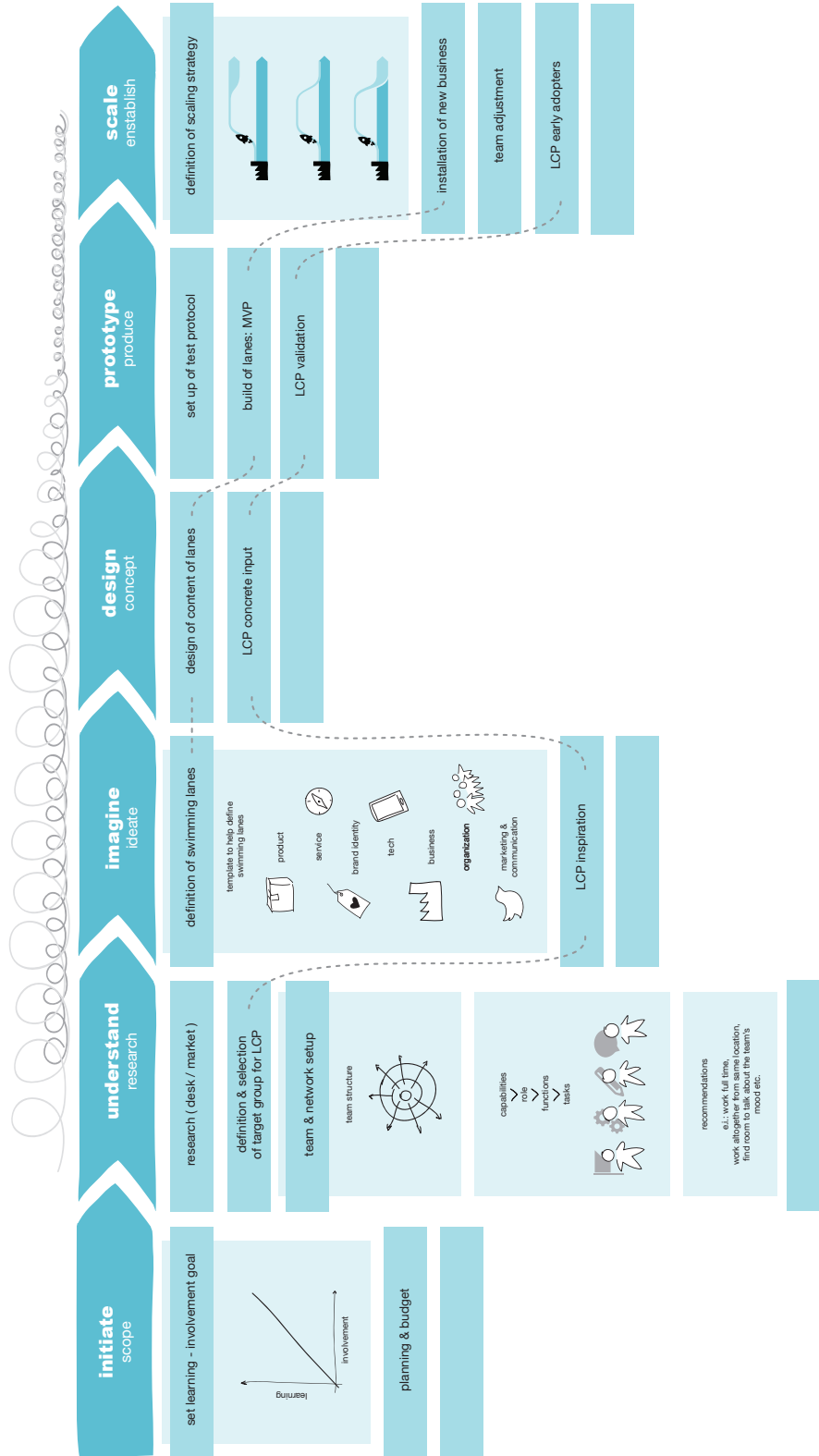
assets
in house capabilities

broad and diverse network
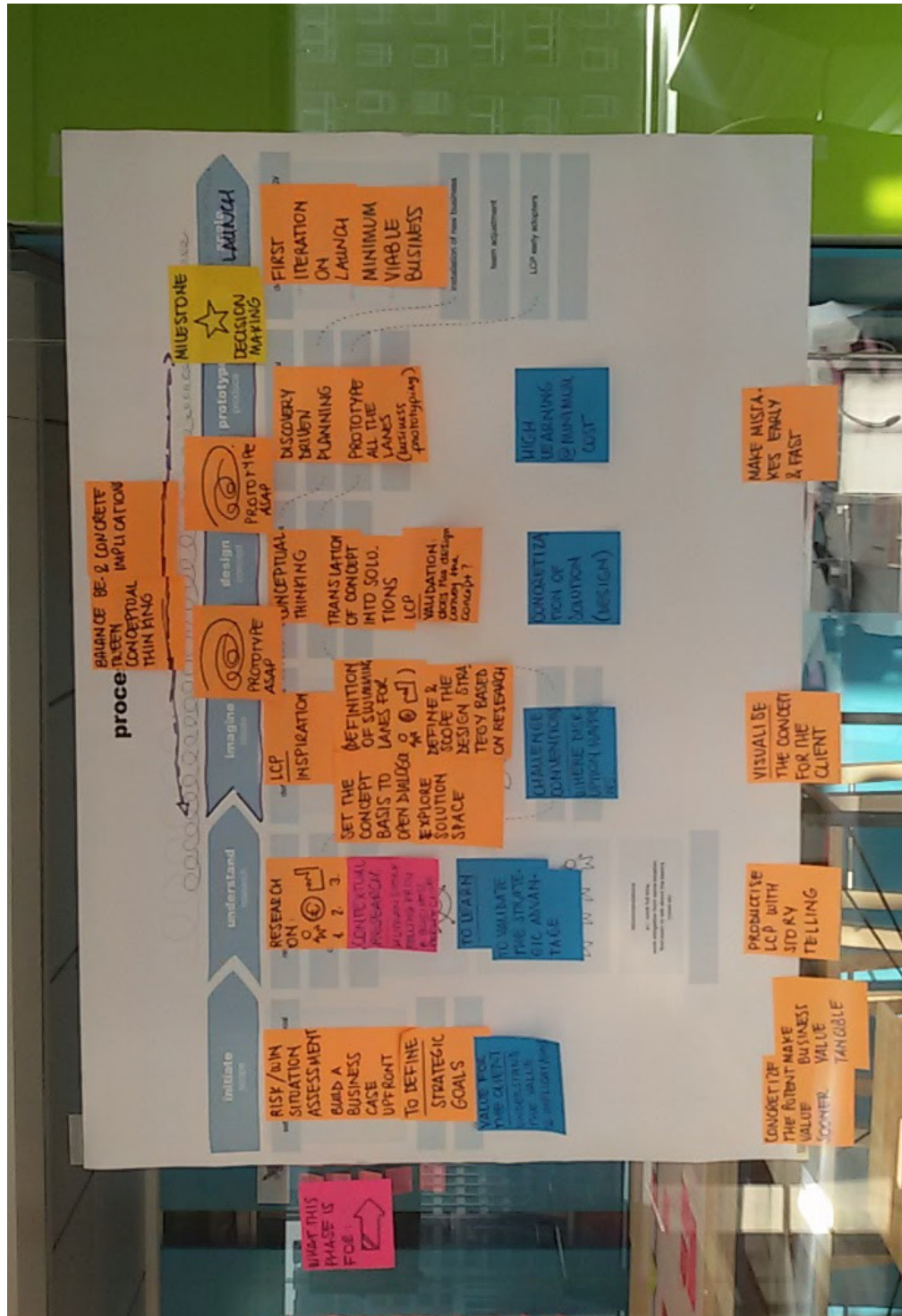
market knowledge

tools, techniques and methods for value creation and capturing

Draft of process map

process map

initiate scope	understand research	imagine ideate	design concept	prototype produce	scale establish
set learning - involvement goal	research (desk / market)	definition of swimming lanes	design of content of lanes	set up of test protocol	definition of scaling strategy
planning & budget	definition & selection of target group for LCP		LCP concrete input	build of lanes: MVP	installation of new business
	team & network setup			LCP validation	team adjustment
		LCP inspiration			LCP early adopters

involvement / learning

team structure

capabilities > role > functions > tasks

recommendations
e.i.: work full time,
work altogether from same location,
find room to talk about the team's
mood etc.

template to help define swimming lanes

product · service · brand identity · tech · business · **organization** · marketing & communication

Notes on process map

Relationship & process reflection poster

relationship

initiate scope	understand research	imagine ideate
what are points for improvement?		
what's the ideal situation & how to get there?		
what is the value of this phase for the client?		

goals

design concept	prototype produce	scale enstablish

Notes on reflection

goals

design
concept
drawing
FEATURES
altar

what looks promising!

INDICATION OF ITERATION BETWEEN PHASE

prototype
produce

MVP

MILESTONE ★

MINIMUM VIABLE BUSINESS LAUNCH

SERVICE BLUE-PRINT FOR CONCEPT & BUSINESS

START PROTOTYPE EARLY

HOW TO RUN A PILOT

DECISION MAKING

MVP FOR WIDER CIRCULATION FIRST ITERATION OF LAUNCH

TRANSLATING

CONCEPTUAL THINKING

THINKING OF IT AS A SERVICE (BUSINESS)

JUDGMENT IN FINDING THE RIGHT EXPERT

HOW CAN WE LEARN AS FAST AS POSSIBLE

PROTOTYPE EVERY GAME

BUSINESS PROTOTYPE

PROTOTYPE WHATEVER LEVEL YOU CAN

WORD OF MOUTH

VALIDATE
How to do it?

VALIDATE IF DESIGN MATCHES CONCEPT

UCP INPUT

MAKE TANGIBLE

MAKE MISTAKES

LEARN FAST

Discovery DRIVEN PLANNING

DOES IT WORK??

5 Mid- term presentations

Mid-term presentations give a synthesis and summary of all the findings and conclusions of the project while on progress. Here are presented the presentations in chronological order. Relevant slides of the presentation of the field research findings, the early design and the green light presentations are presented here.

Field research 14/12/2017

overview

interviews
with experts

designer
entrepreneurs

interviews with
companies

companies
needs

interviews
with Mod
team

startup
building

literature
review

3

overview

interviews
with experts

designer
entrepreneur

product
strategic
designer

service
designer

designer
entrepreneurs

4
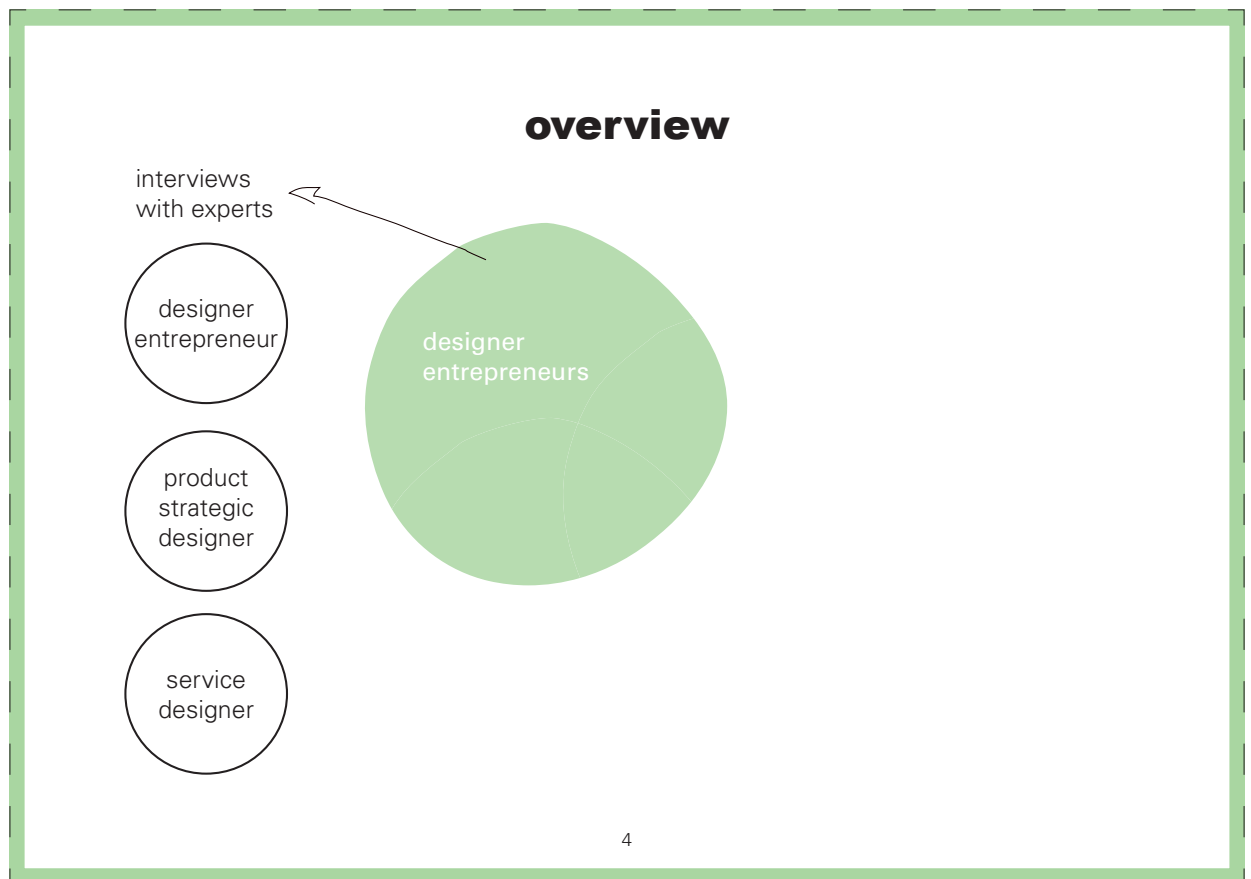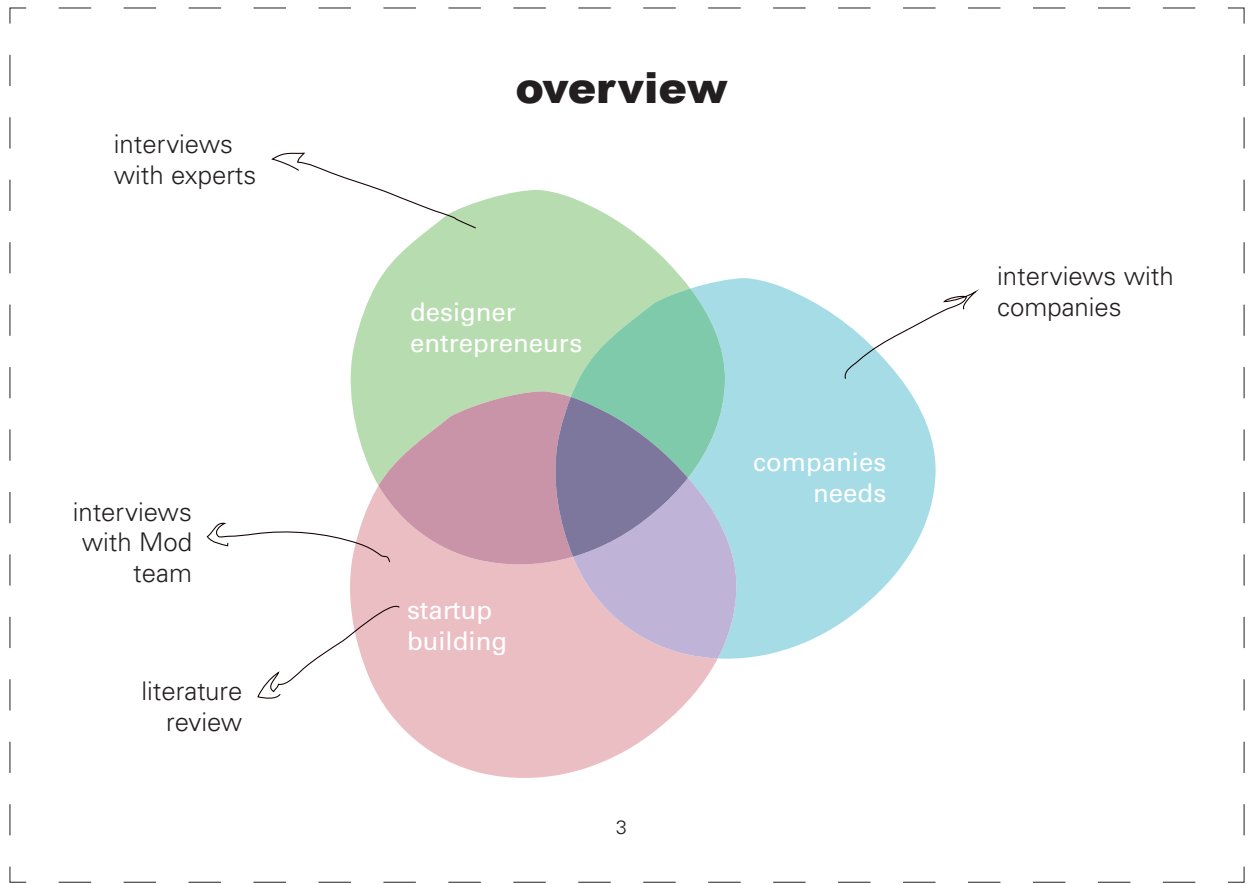
findings
designer & entrepreneurs

mindset & skills	attitude
gut feelings	" *I can teach everybody how to build a business case, but I can't teach how to be an entrepreneur.*"
interdisciplinarity	
ability to take risks	
ability to communicate	designers might be disadvantaged because of the "behind the scenes" role
confidence with iterative thinking	

5

findings
designer & entrepreneurs

product

entrepreneurship

design thinking

lean startup

service design

vision

6

findings
product & organization

ideate | concept | commit | validate | scale | enstablish

focus on product

focus on organization

7

findings
product & organization

ideate | concept | commit | validate | scale | enstablish

design effort

mgmt effort

8

overview

interviews
with Mod
team

startup
building

literature
review

Mod team
roles map

client &
supplier

atag bribus

client &
supplier

customer journey + concept
development

ext
agency

ext
agency

r

x

mb

mc

s

project
manager

concept
manager

online
exp

brand
identity

product
design

installation

business
model

LCP

service
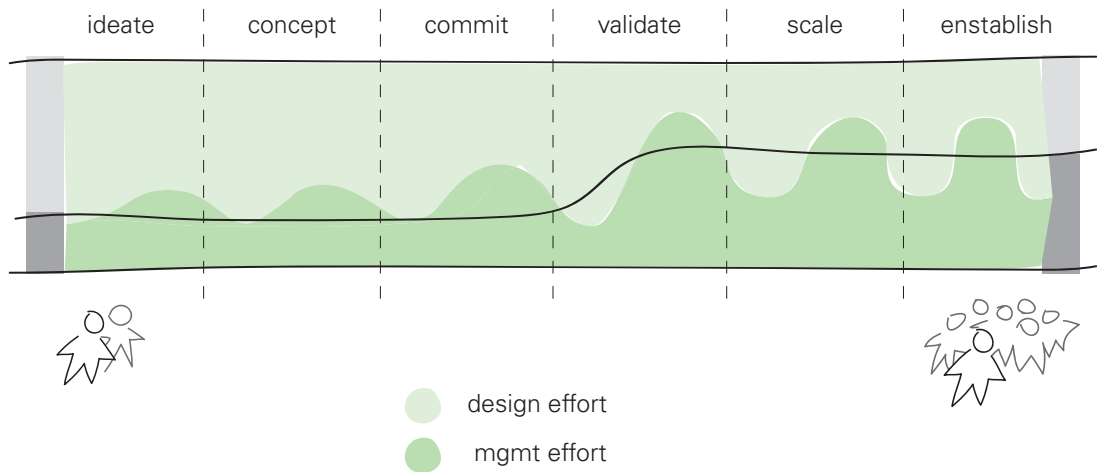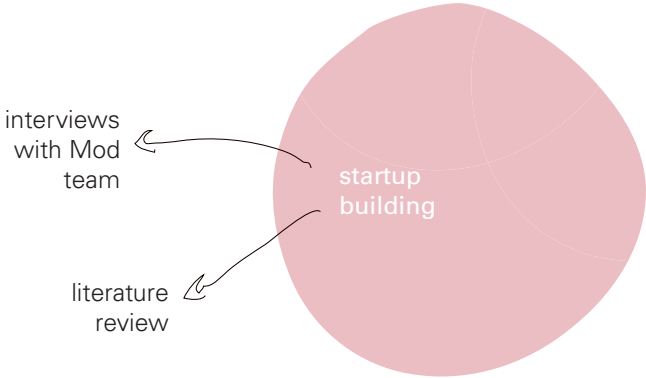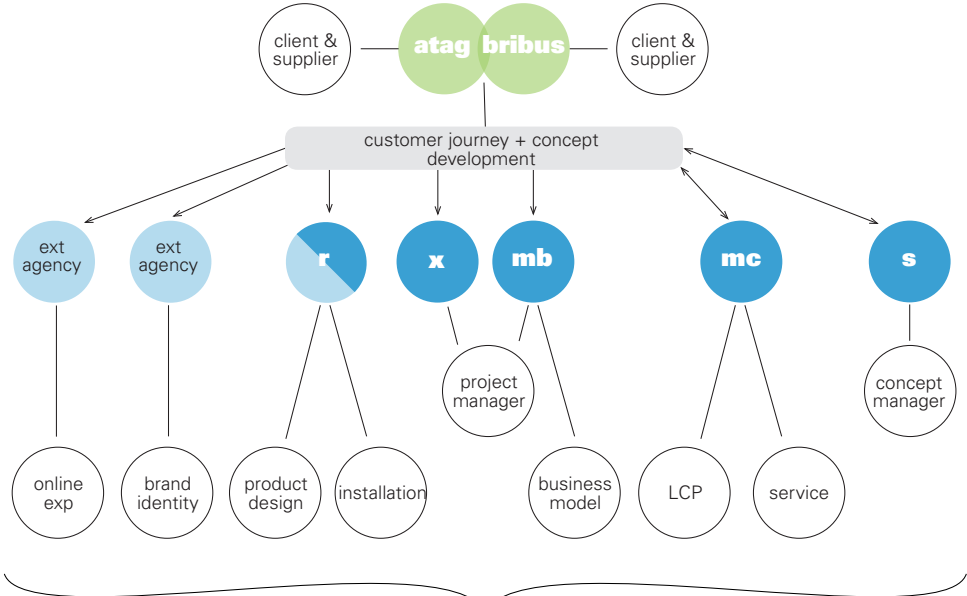
Mod team
findings

process' structure
_____

having a clear
starting point

defining
the roles

managing
iteration

connecting lanes
along process

content's structure
_____

transferring
knowledge

integrating
customer insights
in the vision

managing the
concept
development

11

---

co-creation session

"If you had to give advices to the next team that will work
on such project, what would you tell them to do
in order to encourage smoother interactions? "

ownership -   how to feel owner of the project

governance -   how to get a better sense of direction

communication -   how to share knowledge and moods

cohesiveness -   how to create more integration and unity

dependability -   how to enhance reliability and trust

12

co-creation session
findings

building
the team

---

not enough effort was put in
building relationships

roles were defined with a
function but not enough focus
on the personalities

lack of target and drive

13

insights
focus

designer
entrepreneurs

team and
behavior
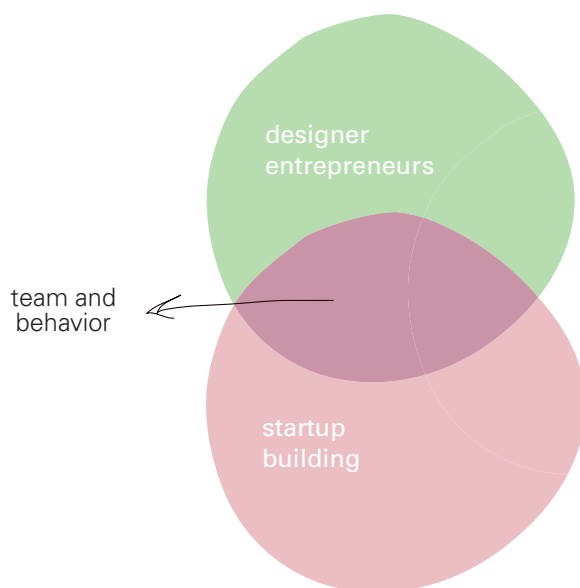
startup
building

14

insights
project vs startup

project	startup
idea comes from outside	idea comes from founder
it's a temporary collaboration	it's set up as a permanent organization
team composition:	team composition:

16

insights
team composition

founder

beating heart of
the startup

maintains the
culture / vision

company
developer

builds team
& brand

manager

speaks business
language

uses accountancy
tools

responsible for
operations

**product
developer**

technical
competences to
develop
the product

designer

focuses on the
consumer

develops the
product

outside in
communication

sales

communication

marketing

inside out
communication

17

43

insights
lean startup vs design thinking

lean startup

design thinking

18

notes
from Sal Altman's lecture

characteristics

unstoppability

determination

formidability

resourcfulness

passion & intelligence

founder

jobs

sets the vision & focus

raises the money

evangelises the company

hires & manages

makes sure the company executes

27

44
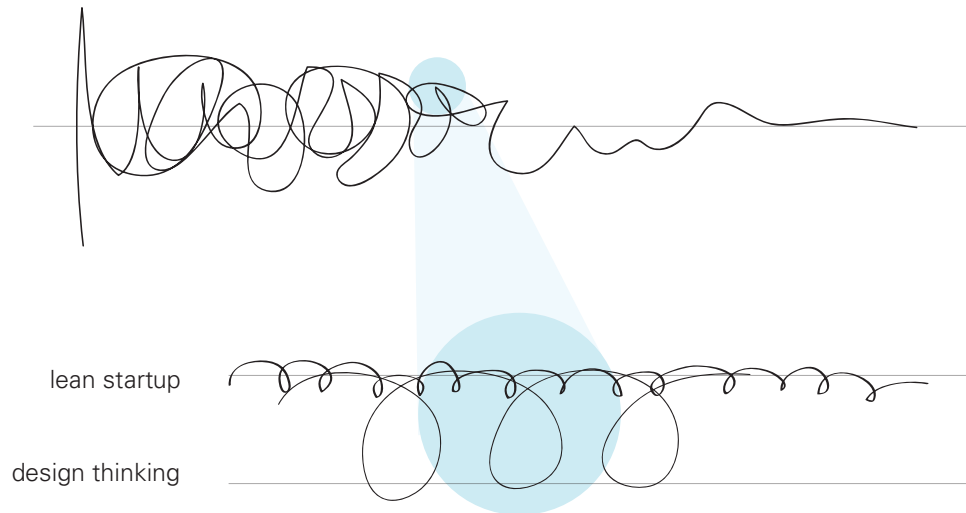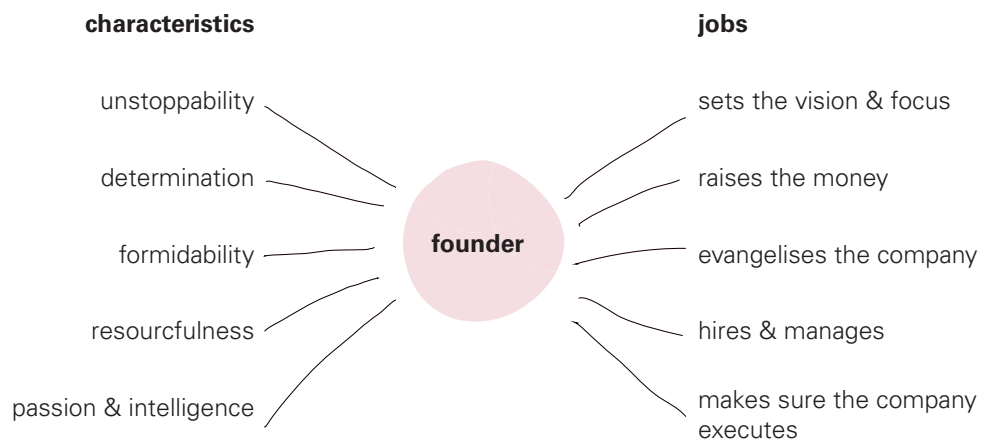
notes

from Sal Altman's lecture

never lose momentum

great product has to turn into a great company

work together in person

attitude wins over expertise

when the team grows, retain the employees

28

overview

insurance company

camping products

newspaper

newspaper

telco

kitchen appliances

companies needs

interviews with companies
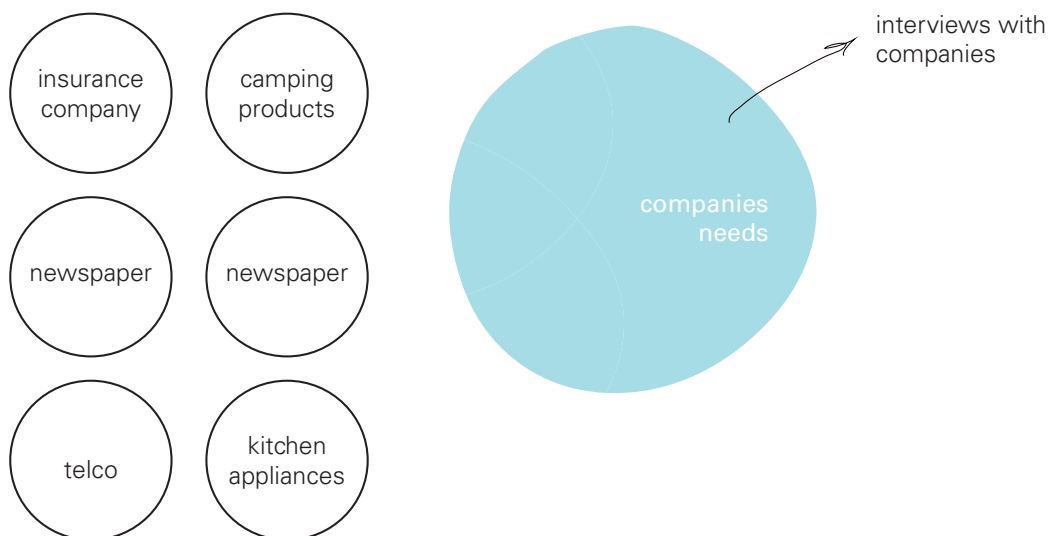
19

findings

reasons to innovate
disruptively
_____

changing market

stay relevant

elevating the brand

increase brand awareness

TO INNOVATE
DISRUPTIVELY
MEANS TO
CHANGE
BUSINESS MODEL

reasons to outsource
_____

lack of knowledge
and expertise

overcoming
internal processes

fresh look on the brand

for some, deep
understanding and
connection with the
brand is necessary

20

findings

obstacles
_____

slow processes

legacy

lack of support

board

not in the targets
(not measurable)

not a
priority

internal
departments

"not invented
here"
syndrome

risk averse

culture

threat to the
current bm

short term
board
positions

21

46

insights
value proposition

"For companies that want to **innovate disruptively**, Livework startup is a service that **develops your concept into a startup**. Unlike other (outsourcing innovation options), Livework **combines lean design and design thinking to entrepreneurship**. The Livework startup service helps companies to explore **customer centred business models** by **developing and prototyping them**."

overview

process visualisation
poster/ infographic

(to do)

value proposition
/ brochure

process map
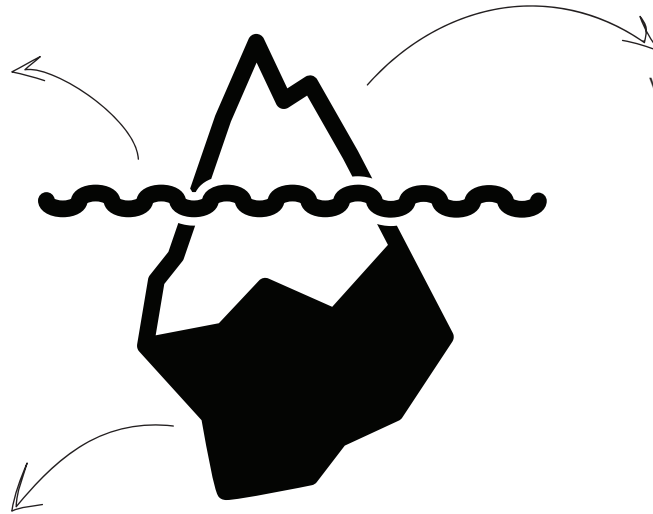
Livework Foundry

Using design thinking
to co-create new ventures

Livework Foundry is a service that provides a platform to
design, develop and prototype new disruptive businesses. Its
speciality is in using design as an approach the process. This
means that design thinking culture, methods and tools are
used to create sound concepts and build solid solutions that
include the business and organizational aspects in the design.

The intent of this service is to help companies to innovate more
disruptively, learning a design thinking approach to business
development by exercising it with experts.
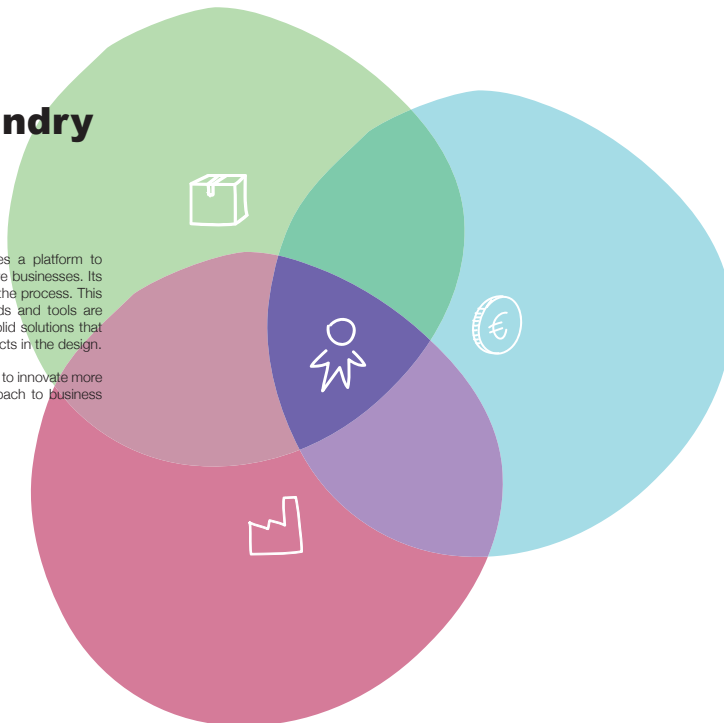
what we do

> We use **design as an approach** to develop new disruptive businesses

The customer

The customer is always at the heart of our attention.

The customer is always at the heart of our attention. We do in depth customer and market research to shape new disruptive value propositions.

We generate and refine a concept based on customer insights.

Throughout the process, we continuously stay in touch with our customer pool to validate our message and our designs.

The solution

The product is only part of a solution.

A solution for us is inclusive of all the aspects that complete customer-centric experience requires, from the customer journey to the online experience.

Qualitative research provides ground from which we extrapolate ideas that we elaborate in sound concepts.

Then we use our design expertise to translate concepts in unique, integrated and multi-channel solutions.

The business

We build the business with an outside-in perspective.

We use an outside-in perspective to build a business that generates value by making customers happy.

We use customer insights to design a business model that best fits the concept and therefore customers needs.

We use service design as an approach to understand how to engage customers and how to build and improve relationships.

The organization

The organization is set up to deliver customer satisfaction.

We use a holistic approach to build an organizational structure set to serve the customer at best.

By starting from the customer's expectations and needs we build internal operations to deliver customer satisfaction through every channel.

who we are

> We are a team of **designers** with an instinct for good business and **entrepreneurs** with a soft spot for design thinking

Mindset

Design thinking is at the core of our doing.

We are a multidisciplinary and multi-skilled team. We believe in what we do and we like to take responsibility in the projects that we pursue.

Our expertise is in understanding the perspective of the customers and design human-centred solutions. With a design thinking approach we tackle the projects holistically and omni channel.

We use our multi-disciplinary to design integrated solutions that work across all the aspects of the new business.

Partnership

We do this for you, with you.

You are the expert of your field and we want to share with you our design knowledge and expertise.

For this we like to combine teams so that we can learn from each other and develop the best start up together.

Thanks to our work as consultants, we have a broad and diverse network. We know how and where to find the right expertise to develop the best solutions.

Scope

We know our strengths and we know our limits.

We are experts in in-depth, qualitative research, conceptual and deductive thinking. We don't have vertical, content type of knowledge, but we hava a horizontal knowledge. We elaborate customer insights from qualitative data to develop strong customer-focused concepts.

We don't have an interest in quantitative research, we don't do big data analysis. We don't take numbers as a starting point. If you're looking for number-driven people, but we'd like to convince you of the value of our approach.

human centred

holistic approach

multidiscipline

ownership

Expertise

We're a hybrid between design and business thinkers.

Our team is a hybrid between design and business thinkers.

As designers we always advocate for customers. We analyse problems, make qualitative research and we co-create innovative solutions.

Our strength is in creating solutions in such a way that they positively impact the organization and bring value to the business by making the customer satisfied.

Methods

We use service design as a method for our projects.

We use service design methods and tools to support us through our projects.

Not only we start from the customers' perspective but we also maintain their perspective throughout the process. We create and deliver organizational structure starting from the front stage and we progressively align internal operations and teams in the backstage.

We collaborate with teams and customers to reformulate problems and to co-create solutions. As designers we like to make things tangible, to prototype to learn fast from our mistakes.
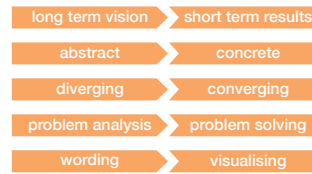
Skills

We solve paradoxes and balance opposites.

Design is about solving paradoxes and as designers we have the mental agility to balance opposites.

We translate long term visions in quick wins and short term results. This requires the ability to deal both with abstract concepts and concrete solutions. We take our time to diverge and explore possibilities before converging and polishing the best option. We analyse problems and find in them the seed that we use to solve them.

long term vision	>	short term results
abstract	>	concrete
diverging	>	converging
problem analysis	>	problem solving
wording	>	visualising

our solution

" Livework Foundry is a **service** that provides a platform to design, develop and prototype new businesses "

Startup

Building a whole new business entity from scratch.

Livework Foundry is an opportunity to startup a new business from scratch.

It's a way to really innovate disruptively because it forces out of legacy.

Designing a whole new entity gives the chance to focus on developing a well define new value proposition (a new target group, a new market, a new technology etc.)

Exercise

Exercise disruptive innovation with a design approach.

Startups processes are good containers for innovation and design approaches. Designing and building a startup is a great way to exercise disruption.

By combining design thinking, tools and methodology to lean startup, Livework Foundry provides a learning platfor that will increase innovation skills.

to your problem

> " We can help you overcome your **internal barriers** for you to reach your **strategic goals** "

Structure

Culture

Legacy
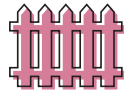
Barriers

We identified the internal barriers that keep you from innovating.

We identified three types of internal barriers that companies face in the attempt to innovate disruptively.

It's really difficult for companies to win over organizational structures. Bureaucracy slows processes, and hierarchical and silo systems inhibit innovation.

Company culture defines the ability of dealing with risks. Generally companies prefer to avoid risks and have a short term vision.

Also, companies are constrained by their legacy, having to stick to their consolidated assets and obsolete systems.

Strategic goals

The Foundry can be used in different ways to serve your goals

Together we can decide how to use the Foundry to achieve your strategic goals

The Foundry helps to explore new possibilities without already damaging your ongoing business.

A new startup can be used to serve different purposes. It can be used as traction to redirect the old business' vision. Once the startup is launched, the startup can scale up and continue its indipendent course. Otherwise it can become a sub-brand of the existing company. On the long term by scaling up it can slowly replace the old company.

Traction

Sub brand

Replacement

Concurrent

how are we different

> " We create solid **concepts** that we mature into **holistic customer-centric** solutions before harvesting their **value**. "

Research

We don't start with an idea, we start with deep contextual research.

What "they" call an idea we call an intuition, and as such it needs probing. Contextual research provides solid ground to identify possible directions to follow.

Intuitions are supported by research insights: we let concepts emerge from observing real life, with market and in depth customer research.

Omni channel

We don't only look at the product but we design and develop the whole ecosystem.

Typically startups focus all their effort in developing just the product. Instead for us the product is only a part of the solution. By putting the customer at the center of our concepts, we design all the channels and touchpoints.

This means that we take into account all the aspects of the interaction customer-new business in order to deliver a holistic experience.
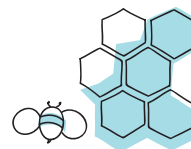
Value creation

We nurture our concepts before designing the best way to harvest them.

Traditional entrepreneurs get an idea and they build a business around it, trying to get the most out of it. We instead put a lot of effort in creating a sound concept before designing the best way to capture its value

Design is all about creating value, and now we also build the business around it.

Customer-centricity

We use customer-centricity to define all the aspects of the new business.

We don't only use customers insights to develop solutions but also to build the organizational structure and the business architecture so that the customer can have the best possible experience.

HELLO!

This poster shows the six phases of the project with an explanation of each phase. The poster displays both the guidelines for outcomes of each phase and the activities for the team in the said phase. The lanes for each of the three aspect fo the triangle solution-business-organization are represented to give a clear explanation of what each aspect requires.

This poster aims to give general guidelines for consultation and inspiration throughout the whole process.

	1. initiate	2. research	3. concept	4. design	5. prototype	6. launch
	Together with the client are defined the strategic and learning goals.	Contextual research is conducted on the current situation to scope the problem and identify opportunities.	Solution space is explored and the scope and definition of the design strategy are traced. Here the principle that will define the design are defined.	Here the concept and principles are translated into holistic and integrated solutions that include the business, the organization and the customer channels	Prototype often to learn fast. All the designs of the integrated solution have to be built and tested.	Here the Minimum Viable Business is launched. This prototype is going to be tested with the public and progressively adjusted and pivoted.

outcomes

	1. initiate	2. research	3. concept	4. design	5. prototype	6. launch
	Evaluation of current situation, what-if scenario hypothesis	Customer research to validate and adjust the initial hypothesis	Pin pointing opportunities for disruption in the customer experience	Design of the content of all the touchpoints and the overall solution from the customer journey to the organization platforms	Fast iterative learning on all the touchpoints	First iteration of the launch, pivoting the solution through customer feedbacks
	Concretisation of new business' potential value	Validation of strategic advantage	Exploring possibilities for a business model that fits customer's needs	Design of the business strategy and business model and mapping of business case	Fast iterative learning on the business assumptions	Decision making process, launch of the new business
	Evaluation of assets and potential available	Research on current capabilities and stakeholders dynamics	Exploration of the capabilities needed to develop the new concept	Design of the internal organizations in terms of capabilities and systems	Fast iterative learning on the organization set up	Prototype the organization set up

activities

	1. initiate	2. research	3. concept	4. design	5. prototype	6. launch
	Recruiting of possible customers pool	Customer research, customer insights, customer journey mapping, pain points mapping	LCP inspiration, definition of concept principles. Definition of customer-business-organizations touchpoints needed for the design.	LCP validation of concept. Design of the touchpoints (content of the swimming lanes) based on to the principles	LCP testing. Building of the swimming lanes, fast iteration on the design and testing	LCP installation and feedback loops to validate and pivot the touchpoints
	Risk assessment, lose/win scenario investigation, early business case building,	Market research, bench marking, research to validate business case assumptions	Definition of business strategy for the startup and business model principles	Making of the business strategy, model and case	Refine business case assumption based on building experience	Testing and pivoting
	Planning & budget for the project	Stakeholders mapping, research on capabilities involved in the existing situation	New organization setup and exploration of capabilities.	Mapping of the infrastructures, the systems and the interactions needed	Recruiting capabilities, set up the new organization capabilities	Team & systems adjustments to run the new business
	Learning goal setting, strategic and business goal questioning	Team set up, recommendations: work full time, work altogether from same location, find time to talk about the team's mood etc.	Does the concept meet the strategic and business goal? If not, what has to change, The concept or the goal?	Does the design convey the concept principles? What is the impact of the design on the principles? meet the strategic and organizational goal?	Are the goals expectations met and maintained?	

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Green light meeting 8/03/2017

context

> **Disruptive innovation** happens when conventions of an existing market are radically changed through a new product or service

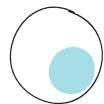Because the markets are changing, companies have the need to innovate disruptively.
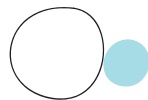
digitisation

empowerment of customers

access over ownership

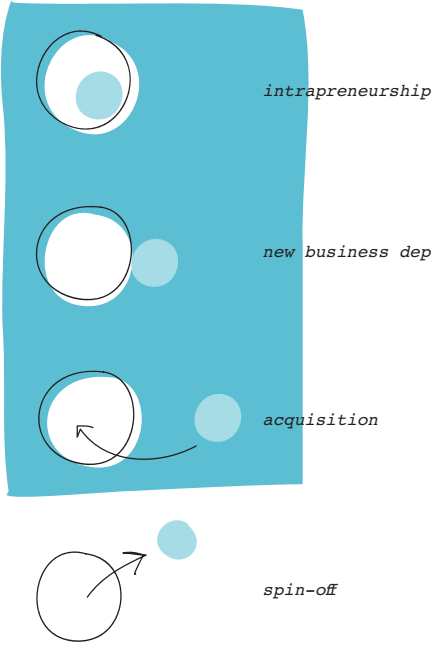## existing solutions

intrapreneurship

new business dep

acquisition

spin-off

barriers

intrapreneurship

new business dep

acquisition

spin-off

Companies find it difficult to innovate disruptively because of certain internal barriers.

structure

culture

legacy
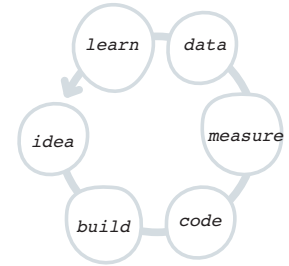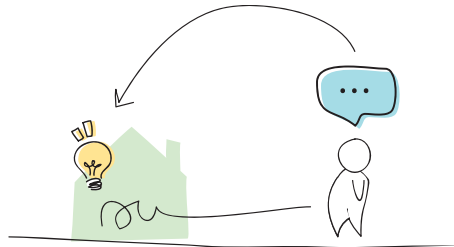
existing support

incubators

accelerators

venture capitalists

Alumni network

facilities

legal/financial assistance

product/branding design

investment

...

approach

lean startup approach

The ideas come from known problems

The focus is on exploring the answer rather than looking for the right question

The product instead of the customer is at the center of the business

Customers feedbacks are used for validation not for inspiration

Livework Foundry

> Livework Foundry is a service that provides a platform for companies to design and develop disruptive startups with a **service design approach**.

the pillars

The ideas come from known problems

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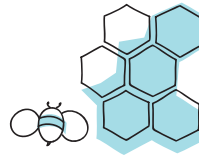
contextual research

Rather than using research to validate an answer, it is **used to explore** what is the right question to ask.

customer - centricity

The **customer experience** is always at the center of the project. Through understanding the underlying needs and motivations, opportunities are unfolded to create new value for customers.
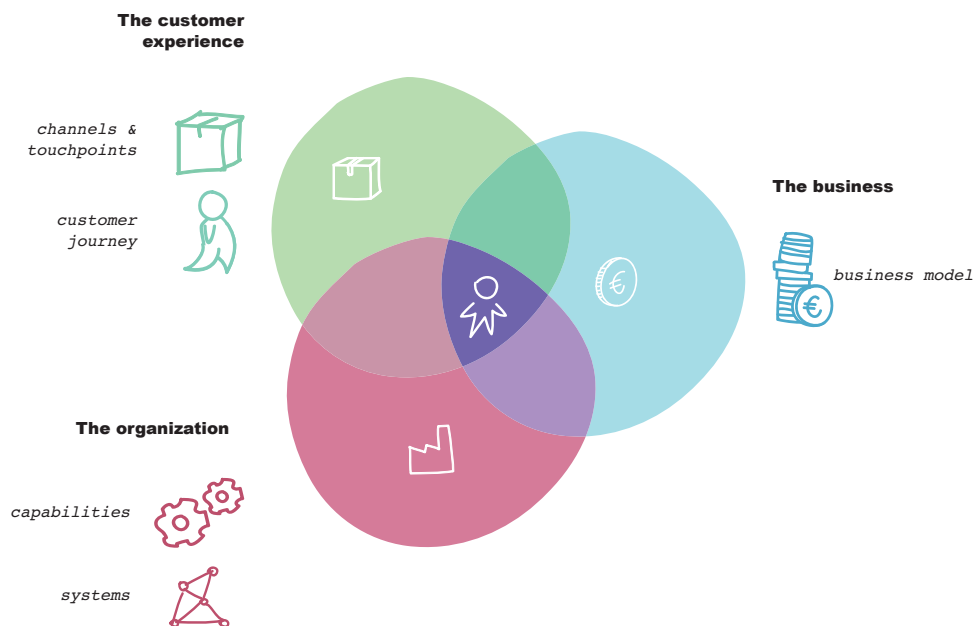
value creation

Design is about creating value. A holistic customer-centered **vision is created as an answer** to the question formulated in the research. This vision is then elaborated into concept and following framed into the design of the ecosystem.

holistic design
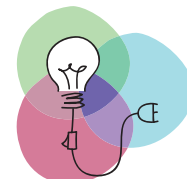
Service design takes into account all the elements of the future business' **ecosystem** (CX, organization, business) in an integrated manner.

the ecosystem

The customer experience

channels & touchpoints

customer journey

The business

business model

The organization

capabilities

systems

the benefits

| initiate | research | concept | design | prototype | mvb |

initiate

The scope and **strategic goals** of the innovation project, and the necessary resources, are well defined from the start of the project.

When things along the project change, this initial set up will **help adapt the plans strategically**.

research

The exploration of the context from the customer perspective gives the opportunity to **identify areas for disruption**.

Rather than using research to validate a product idea, **research is used to explore** the rich context of customers lives.

By understanding underlying customers motivations and needs we find **opportunities to challenge conventions** and create new value for customers.

concept

Customer insights and conceptual thinking are the basis for an **open exploration of the solution space.** Assumptions and conventions here are challenged.

Concept creation is a holistic activity where all elements of the future business' ecosystem are conceived in an integrated manner.

design

Here the concept is brought to life in the three dimensions of the ecosystem:

• The value proposition and **customer experience** with its channels and touchpoints.
• The **organization** that supports is set up, gathering the necessary capabilities and roles
• The **business model** thorugh which the value of the new proposition is captured.

prototype

Prototyping early, often and quick gives the possibility to **test and understand** what can and has to be improved.

Prototyping is essential to give customer something concrete to reflect and elaborate on. This gives the opportunity to have a subject for discussion, as a boundary object.

Not only the product gets prototyped but **the whole ecosystem**: the customer experience (with channels and touchpoints), the businss model (through cases and scenarios) and the organization (through role description and recruitment)

mvb

The **minimum viable business** is the result of the project: a complete testable prototype of the new business to learn everything possible for a successful launch.

Here customers can go through the total experience, the team can practice running it and the business impact can be validated.

the tool

Service blueprint

The blueprint is a tool that helps in the design and development of the startup by keeping track of all the dimensions of the ecosystem in each phase.

Also, it helps keeping track of the strategic goals by measuring the development in the light of the improvements that happen along the project.

	before	during	after
customer			
channels			
business			
capabilities			
systems			
metrics			
goals			

outcomes

traction

through the learning gained while developing the startup, the mother company's trajectory can be directed towards the new route opened by the startup and replace it.

sub brand

the startup can provide enable access for the mother company to shift progressively towards the newly discovered routes while maintaining the startup as a sub brand.

concurrent

The startup can be used as an exercise and a demonstration of how design can be used for disruptive innovation while the startup keeps on growing independently.

replacement

The startup can grow until it's ready to fully replace the mother company.

conclusions

" Livework Foundry helps companies develop **disruptive startups** through a **service design** approach.

By deeply exploring the customer's context, **opportunities for disruption are discovered** and then evolved into a long term vision. **Integrated, holistic** and **customer-centered** concepts and solutions are then designed and developed.

The Foundry's outcome is a new startup that either through the **learning gained** or from the **new value proposition created**, will help them meet the goals initally set. "

benefits for LW

Promotion
From costing money to making money for our
clients
ther design consultancies don't do this

Internally
we get the canche to fully exploit the potential of
service design as we operate it

New clients
up sell opportunity for existing clients

Business case
In the long run create your own clients/business
(incorporating startups) by bringing in startups we
find ourselves => create more autonomy

Business Model
from hour factory to pricing of value

Organisation
cross-over benefits (revenue, knowledge, network):
Studio - insights - Ventures

Strategic Product Design Master Thesis
Industrial Design Engineering Faculty
Delft University of Technology

Project commissioned by
Livework Studio, Rotterdam

Supervisory team composed by
Chair: Jos Oberdorf
Mentor: Giulia Calabretta
Company mentor: Erik Roscam Abbing

April 21st, 2017
Delft