Creating a transition strategy for design agency Nacar

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NACAR Design Agency

**Creating a transition strategy
for design agency Nacar**

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Assignment by
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Advisory team
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Ir. Bart Bluemink (mentor)
Rafael Perez (company mentor)

Preface

Dear reader,

As I approached the end of my master's program in Strategic Product Design, I deviated slightly from the main path by exploring the field of organisational transformation for my graduation project. Since the start of the master's program, I have been fascinated by organisational design. What makes organisations successful, and most of all, a great place to work? The result of this exploration is this graduation report, a collection of the invaluable learnings and experiences I gained along the way. However, this project would not have been possible without the support and guidance of various people.

First I want to thank Nacar for providing me with the opportunity to pursue this project and for opening up their doors to me. I am grateful for the contributions of many Nacarians who participated in my interviews and workshops and offered their insights and advice throughout the research, ideation, and validation phases of the project. Their participation was crucial to the success of this project, but I am most grateful for the Thursday afterworks where we had beers together and I really got to know everyone! A special thanks goes out to my mentor at Nacar, Rafael, who guided me through every step of the way with his support and enthusiasm. I could always rely on you when I needed guidance or a fresh perspective.

I also want to express my gratitude to my supervisory team, Ruud and Bart, who always took the time to listen to me and offer their advice and support. Your confidence in me has been a great motivation and inspiration throughout this project, thanks for always knowing what to say to make me feel sure about myself again!

Lastly, I want to give a big shoutout to my friends and family around me. My IDE friends who were always there when I needed to have a brainstorm or to give me plain and simple advice, my friends in Barcelona who mostly helped me to take my mind off the project for a change and my boyfriend who supported me in every way possible.

Thank you all for being a part of this journey and I hope you enjoy reading this report!

Danique

Executive summary

Design Agency Nacar has experienced remarkable success since it was founded in 2006, transforming from a small industrial design studio to a prominent agency with around 120 employees in Spain. Due to their recent growth spurt, it was found that Nacar is currently in a transition phase from being a small-sized agency to a medium-sized organisation. Due to this transition phase, Nacar faces new organisational challenges. This project aims to identify these challenges and develop a sustainable growth strategy that will allow the organisation to maintain its success in the long term.

The central focus of this graduation project is therefore to answer the research question: "How can design agency Nacar create an effective transition strategy?" The chosen approach involves engaging various stakeholders throughout the different phases of the project. This includes direct participation from employees across various business units, with validation from top management afterwards. To guide the research, two sub-questions are formulated to guide the process, aiming to find the obstacles and enablers of the transition that Nacar faces, as well as the organisational challenges Nacar encounters in facilitating the transition.

Nine insights are identified from the research, being obstacles, enablers, or challenges. To refine these insights, they are further categorised into three levels: operational, tactical, and strategic insights. After validating the research insights with top management, the following conclusion could be drawn: "There is a need to create a bridge between the perspective of the employees and the perspective of top management." In order to develop this bridge, employee participation during the creation of a solution is crucial. Therefore employees are recruited for a workshop to share their input and ideas for the solution, after which a roadmap for 2025 is created, addressing the insights found during the research. By collecting both perspectives in this roadmap, a framework for the transition is created.

However, the roadmap does not provide directions or guidance for Nacar during the transition. Therefore three strategies are created in the shape of routes that can be taken within the roadmap. These strategies each prioritise a different strategic goal for 2025 and provide the path to achieve it. The strategies are validated to ensure they resonate with the perspective of the employees. After this validation, the final solution was created.

The transition strategy exists as a combination of the strategy with a business focus and the strategy with a people focus. This combination results in a strategy that aims to introduce a new innovation lab and optimise daily operations to improve the employee experience. Further recommendations are made to support the outcome in terms of advice on implementation and execution.

Overall, this report provides a framework for designing an effective transition strategy that can help Nacar navigate the complexities of change in the future.

Terminology and abbreviations

|	
Business unit	How the business organisation is set up within Nacar, the business unit describes the collaboration structure that exists with the client. Currently there are two business units within Nacar:
▪ Nacar Accounts	Also called Business Management. This unit is dedicated to the collaboration with large clients such as HP, where designers work full-time for these clients
▪ Nacar Studio	The Design business unit, which focuses on design projects with various clients, where designers operate in either a UX, ID or Digital team and projects and clients vary
▪ The Nacar Lab	A third business unit dedicated to innovative projects with high design value to showcase the capabilities within Nacar and attract new clients. It does not not exist yet but is planned to be set up in the future
CX team	Customer experience and strategic design (research) team
Digital team	UI (user interface) and graphic design team
ID team	Industrial design team
Design lead	Designer that is responsible for leading the projects within a design team
KPI	Key Performance Indicator, a measurable indicator that tracks performance over a period of time towards a particular goal, which is often used in strategic planning
Middle management	Employees with managing roles focused on the internal organisation, such as HR managers, the administration manager and the resource manager
Organisational culture	The set of norms, values and behavioural expressions shared by the members of an organisation that connects the members with each other and to the organisation
Top management	The two founders and a business manager

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Chapter 1
Project introduction

Chapter 1 provides an overview of the context and structure of the project. It begins by introducing Nacar and its background to provide a better understanding of the project's starting point. The purpose of the project is then discussed by introducing the research questions and the methodology and approach are defined.
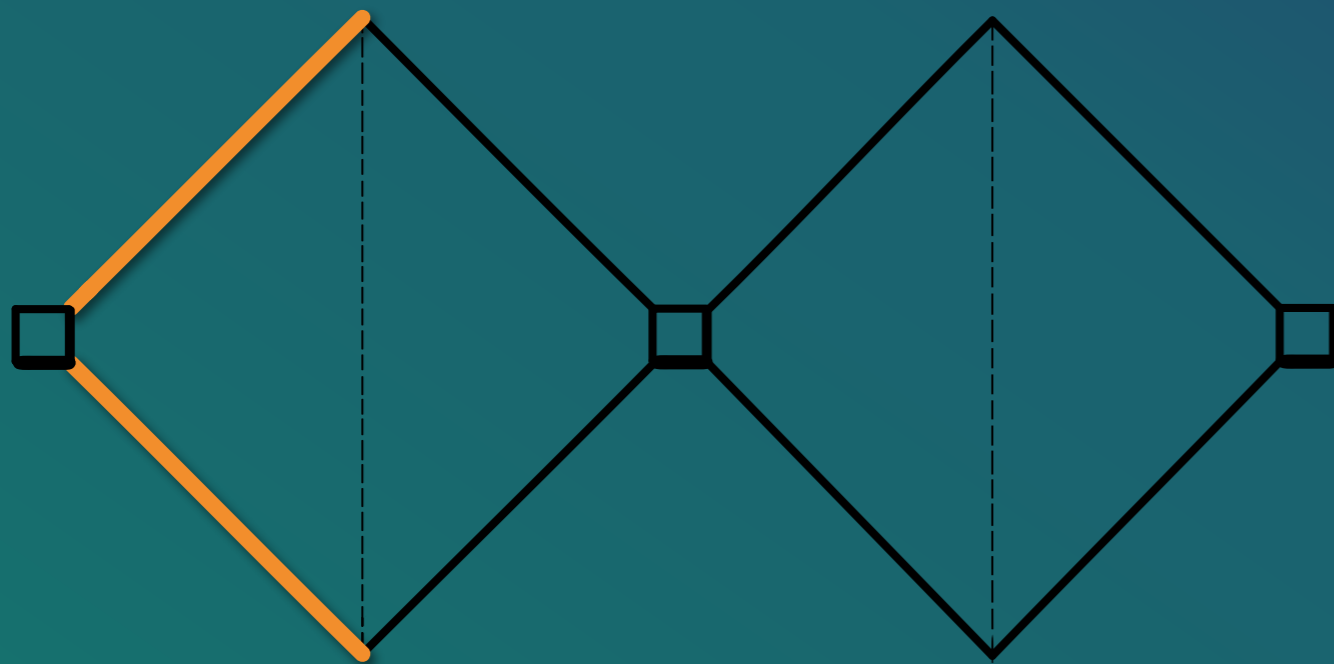
1.1 The organisation

This first chapter explores the context of Nacar, including its history, business model and organogram. This knowledge is gathered to gain an understanding of Nacar's growth journey so far and where it stands now.

In today's competitive business environment, growth is a key objective for any organisation. Amongst other things, growth could take the form of increased revenue streams or an expansion of the workforce. In any case, it is crucial that growth is properly managed. To achieve this, organisations may adopt strategic growth methods such as organic, inorganic, or hybrid growth strategies (Agnihotri, 2014). Organic growth relies on internal development and focuses on strategies such as market or product development for natural and steady growth. Inorganic growth on the other hand, involves external growth through mergers or acquisitions. Evidently, both strategies have their pros and cons.

In reality, few organisations limit themselves to only one approach. Hybrid growth strategies combine elements of both organic and inorganic growth and are often used to maximise the benefits of each approach (Alnoor et al., 2022). For example, an organisation that primarily pursues organic growth may seek to acquire another company in order to gain access to new markets or clients.

Design Agency Nacar has successfully employed this hybrid growth strategy and has grown to become a successful and well-known agency in Spain. However, as the organisation continues to grow, new organisational needs arise that must be properly managed in order to remain successful. The purpose of this project is to research the evolution of Nacar and develop a strategy for sustainable growth in the future.

History
Nacar is a design agency based in Barcelona that was founded in 2006 by Bern Donadeu and Jaume Jane. The organisation began as a small industrial design studio and has grown to become a well-known agency with around 120 employees. Over the years, Nacar has pursued a combination of organic and inorganic growth by gradually hiring more employees as workload grew, as well as strategically pursuing opportunities as they arose.

Nacar landed HP as a client in 2011 and realised the market was evolving. They recognised the need to expand their design offerings to include services such as service design, digital design and CX design. In 2020, with a team of around 40 employees, Nacar decided to acquire a digital agency that was working with HP, adding more digital designers to the team and expanding their collaboration with HP. In 2021, Nacar grew to around 100 employees after acquiring a small design agency in Bilbao. As a result, Nacar is currently in a transition phase from being a small-sized agency (less than 99 employees) to a medium-sized organisation (100-499 employees) (Brooksbank, 1991).

Business model
To understand Nacar's organisational structure, it is important to first understand its business model. Similar to many agencies, Nacar used to operate on a project-by-project basis only. This means that for each new project, a project proposal is created to outline the amount of designers, time and other resources to be allocated. When a client did not require a designer's full time services, the designer would work on projects from different clients as well. For example, a designer might work 75% of the week on a project from client A and 25% on a project from client B.

However, the successful partnership with HP resulted in a sufficient number of ongoing projects to fully occupy Nacar's designers. As a result, Nacar's internal organisation was divided into two business units:

- **Accounts:** This business unit is dedicated to the collaboration with large clients such as HP, where designers work full-time for these clients. Clients in this business unit are referred to as Accounts throughout this report

- **Nacar Studio:** In this structure there is a focus on design projects with various clients, where designers operate in either a UX, ID or Digital team. This business unit is referred to as Studio.

Besides HP, Roche Diagnostics and Vueling are currently operating within this accounts structure. With some designers from Nacar working full time on one of these accounts and some working on various projects in Nacar Studio, the business model of Nacar has two layers. For instance, there are two different types of revenue streams. HP pays a yearly salary for each designer that works for them plus a percentage to cover Nacar costs.

Studio clients pay an hourly wage times the amount of hours each designer works. The revenue stream from the Nacar Accounts are therefore more consistent than from Nacar Studio, as the designers have a more secure workload.

Organogram

The current organisational structure of Nacar is based on the two business unit. The organogram as presented in figure 1, shows the general structure for the division of roles, relationships and gives an indication of the size of the teams.

The founders have divided responsibility over the two business lins, where one of them takes the role of CEO and focuses on business management and the other serves as CDO by overseeing the design work from Nacar Studio, as well as managing those clients. The employees are divided over the two business lines accordingly, besides the employees in the middle of the organogram. They are not dedicated to one business line and their work impacts the internal organisation. Further on in the report they are referred to as middle management.
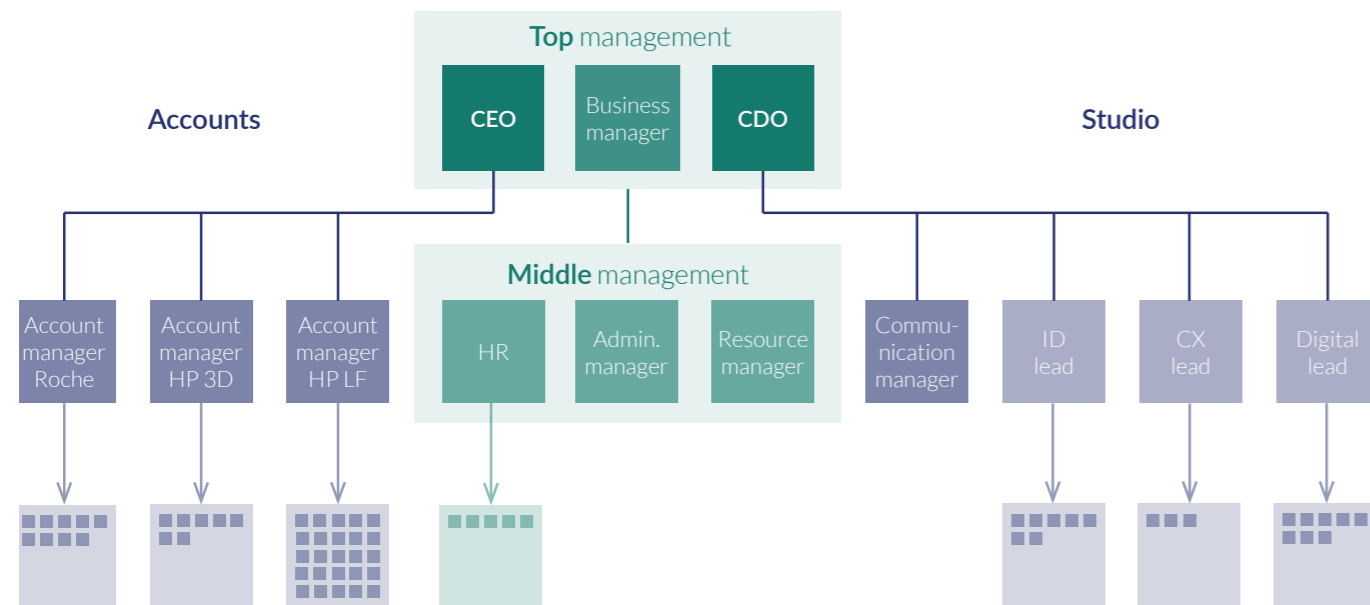
Figure 1.   Nacar Organogram

1.2 Project assignment

As mentioned before, Nacar finds itself in the middle of an interesting transition: they are no longer a small agency, but not yet a large organisation either. With 120 employees divided across various teams and clients, managing such a transition comes with challenges: the organisational structure, the daily operations and the way of working are influenced by the current growth.

The aim of the research is to identify these challenges. After validating the findings with stakeholders such as the HR team and top management, a transition strategy can be developed to guide Nacar through this transition smoothly, allowing them to continue to grow in a sustainable way. Therefore the research question of this project is:

RQ: How to design a transition strategy for design agency Nacar?

To answer the research question and develop a strategy and implementation plan, two subquestions have been formulated to guide the research:

SQ1: What are the obstacles and enablers of the transition that Nacar faces?

SQ2: Which organisational challenges does Nacar encounter in facilitating the transition?

The difference between these questions is as follows: an obstacle is something that stands in the way of creating the transition strategy, for example when a building block for the strategy is missing or unclear. Similarly, an enabler is a characteristic of the organisation that could aid in the process of creating a strategy. Lastly, the organisational challenges in facilitating the transition refer to structural or relational issues that get in the way of properly managing the current growth.

Insights assumption

As the research aims to find obstacles and challenges, it can be assumed that issues regarding relationships, responsibilities and strategy are to be found. A large part of the research is aimed at finding these issues through conversations with employees. But besides talking about organisational issues, their opinions and perspective on working at Nacar are explored as well. The research dives into this topic because of the following assumption:

Employee satisfaction plays a role in Nacar's growth and the transition that Nacar faces, as it influences the retention of employees

As is commonly known, hiring talented employees is a time-consuming and costly process. The expenses for hiring a new candidate can pile up tremendously, therefore it has been widely acknowledged that retaining employees is crucial for any organisation, both from a financial and internal resources perspective (Singh, 2019). In today's labour market this becomes of even greater importance, as many industries cope with a shortage of talented candidates (Wójcik, 2018).

This means that nowadays employees have a larger say in what they expect from their employers. By looking at trends in employee retention, it becomes apparent that training and career development have become more important factors in job satisfaction (Singh, 2019). This shift can be explained by generational differences: Younger generations are more individualistic and care about their personal development, which influences their career choices greatly.

1.3 Project approach

This section delves into the methodology of action research, which is adopted throughout the project. The double diamond model serves as the framework for the project's organisation.

Methodology

The objective of the project is to gain an in-depth understanding of an organisation and to transform the structure from within. As a result, it was determined that action research would be the most appropriate methodology to employ during the project (Kock, 2007).

Action research is a participatory, self-reflective and iterative method of investigation that aims to bring about practical and positive change in a specific context, such as an organisation. It involves close collaboration between the researcher and stakeholders in the problem-solving process, and seeks to generate both new knowledge and practical outcomes.

In an organisational context, action research typically involves a cycle of planning, taking action, observing the effects of the action, and reflecting on the results to inform future actions. This process is repeated until a desired outcome is achieved.

However, there are limitations to action research. Firstly, it is complicated to scientifically validate results, as the methods used may not be rigorous enough. Secondly, the variability of the situations and contexts can make it difficult to generalise findings. Finally, the success of action research depends heavily on the participation and engagement of people within the organisation, on which the researcher may have limited influence.

Model

The Double Diamond model (Design Council, 2005) is used to guide the structure of this graduation project. The model divides the design process into four phases and helps to maintain the right focus at each phase of the project. Figure 2 visualises the process and main activities of each phase. The model consists of the research diamond and the design diamond, both of which start with an exploration phase to deeply understand the issues at hand (divergent thinking). After the exploration phase, the findings are defined and action can be taken (convergent thinking). Although the model seems linear, in reality the process is iterative and steps can be revisited if necessary. On the next page, the activities of each phase are described and figure 3 visualises the chapter structure.
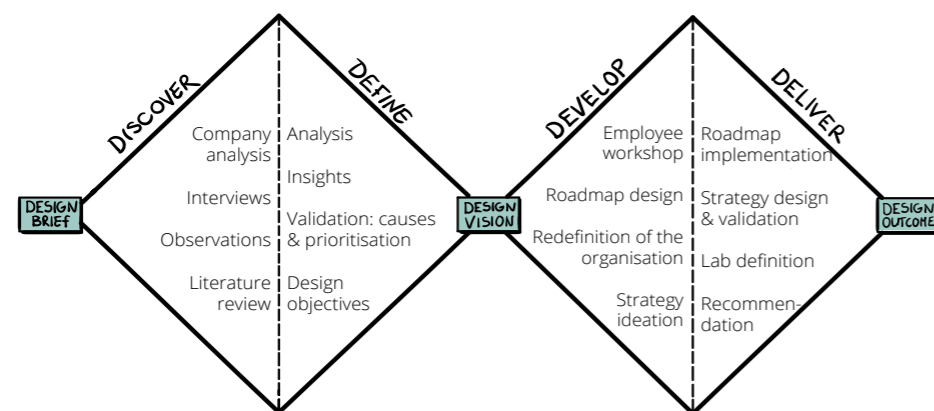
Figure 2.   Overview Double Diamond process and main activities

Discover Chapter 1 & 2

The first phase focuses on gaining a deep understanding of problem space, in this project defined as managing growth within Nacar. Essentially, the objective of the discover phase is to ensure that the right problem is being tackled. To achieve this goal, the research is guided by the subquestions listed before. The research begins by conducting qualitative, in-depth interviews with various employees within Nacar to gain insight into the organisation's structure, roles, and responsibilities. These interviews aim to identify the obstacles and challenges that Nacar is currently facing, as well as to gather insights on employee experiences and opinions regarding growth, collaboration, and work practices. The data from these interviews is analysed and personal observations are reviewed as well. Additionally, literature on growth strategies, organisational structures and employee retention is explored to get a deeper understanding of organisational transformation.

Define Chapter 3

After exploring the context, the define phase is about regaining focus and to define the right problem. The findings of the discover phase are structured and transformed into insights. These insights are shared with stakeholders, including the HR team and top management, after which a discussion is facilitated to identify causes for the obstacles. By evaluating the insights, an overview and prioritisation is created together with these stakeholders. Through analysing the discussions, the design vision of the project was created.

Develop Chapter 4 & 5

The develop phase is about designing a solution to the problem identified in the first diamond. The design vision provides guidance for the exploration of potential solutions. Given that the problem involves internal obstacles, employees are engaged to provide their perspectives and contribute to the ideation process. They participate in a creative

workshop to brainstorm possible interventions to overcome the obstacles and challenges that were found. The proposed ideas are gathered and translated to a concept which is validated and tested with stakeholders. The concept, a roadmap for 2025, includes goals and initiatives that aim to contribute to Nacar's transition.

Deliver Chapter 6 & 7

The final phase focuses on presenting the solution to Nacar. From the roadmap, three implementation strategies that outline possible approaches to growth are defined. These strategies for the implementation of the concept aim to provide focus during the coming transition years. Finally, recommendations regarding which approach to take and further advice are delivered. This phase marks the conclusion of the project and the delivery of the solution, which is presented in a report and final presentation.
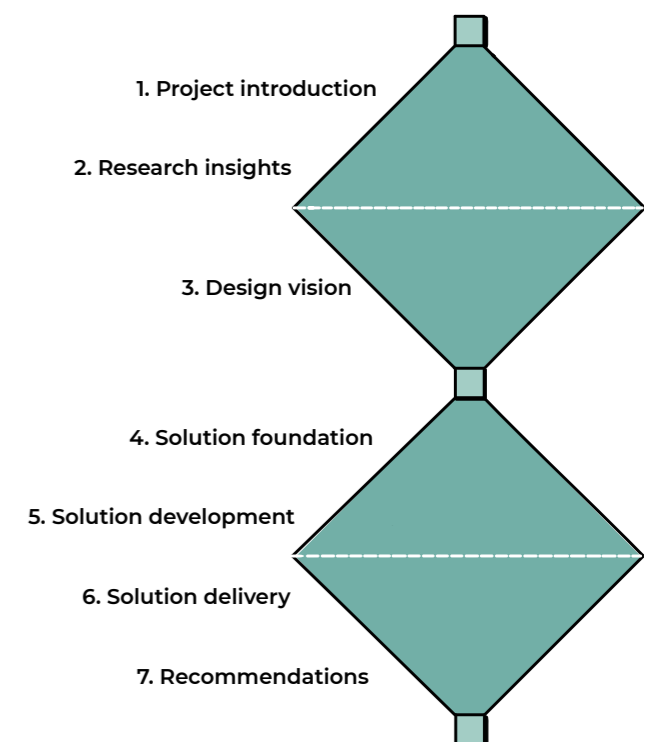
Figure 3.   Chapter structure

Chapter 2
Context research

After an introduction to the organisation, the project and the approach, chapter 2 explores the internal organisation of Nacar. Through in-depth interviews with employees and top management, the aim is to find answers to the subquestions. The research data is analysed and nine insights are formulated to help define the design vision, which will be presented in chapter 3.
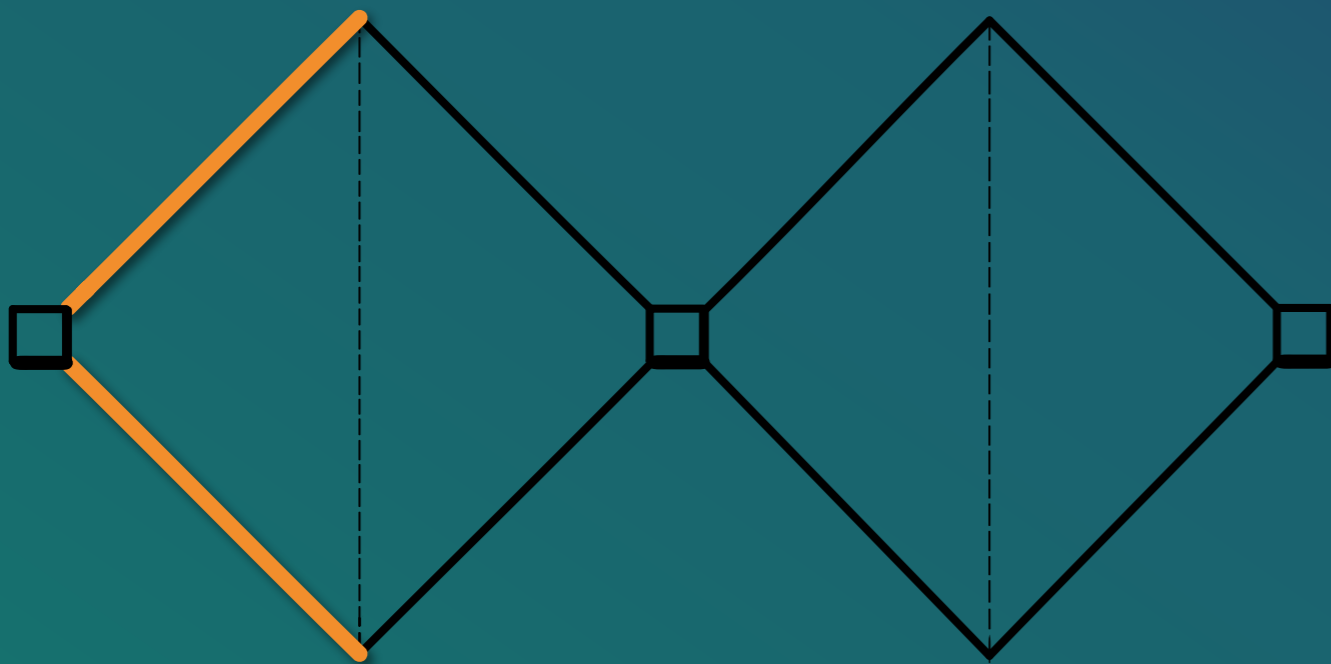
2.1 Research approach

Before presenting the insights that answer the subquestions of the project, the research approach is presented, which includes the method, sample and the data analysis.

The research input comes from twelve qualitative, in-depth interviews conducted with various employees within the organisation. The goal of the interviews was to understand the organisation structure and the different roles and responsibilities that people have within Nacar. Besides learning about Nacar's internal organisation, experiences and opinions of employees about the growing rate, collaboration and the way of working were explored to find answers to the subquestions, being:

SQ1: What are the obstacles and enablers of the transition that Nacar faces?

SQ2: Which organisational challenges does Nacar face in facilitating the transition?

Naturally, conversations with top management and the HR team and observations at the office have contributed to the research insights that were drafted after the interviews, however these conversations are not included in this analysis.

Method
A semi-structured interview guide was used to ensure that participants would answer the same general questions, however they were encouraged to dive deeper into questions by following up with probe questions (Kalio et al., 2016).

The data was transcribed simultaneously to the interviews in digital post-its, to increase efficiency and prepare the analysis directly. The interviews were recorded and automatically transcribed so that every quote could be recovered.

Sample
Twelve employees were interviewed. Variation in the qualitative research was ensured by careful recruitment of participants:

Gender:	4 female, 8 male
Age:	28-58
Years at Nacar:	6 months - 6 years
Role:	HR, resources, business, communication, service design, UI, engineering, UX lead
Client:	Internal management, Roche, Studio, HP

Data analysis
The interview data has been analysed in three phases. First, relevant and interesting data of each interview has been evaluated by marking quotes in four categories (see appendix 1.1):

- Pain
- Delight green
- Opinion or preference
- General explanation

After marking, the quotes from all interviews were collected and clustered based on topic, which resulted in various themes and subthemes (see appendix 1.2). This provided an overview of the themes that were mentioned or discussed often, however a deeper understanding of the values and reasoning behind the quotes was missing.

During the final analysis phase, the data was coded and statement cards were created to find underlying values (see appendix 1.3). From these statement cards, a narrative was found and nine insights have been formulated from there.
From the employee interviews and internal observations,

2.2 Interview insights

nine insights have been formulated about the way of working within Nacar, eight of which are classified as obstacles or challenges. This subchapter provides a visual framework of these eight insights and a summary of the insights and implications follows after.

The insights are divided in two categories:

- Insights 1, 2, 3, and 4 answer SQ1 and are classified as employee satisfaction insights.

- Insights 5, 6, 7, 8 and 9 answer SQ2 and are classified as organisational insights.

For the full reasoning behind the research insights, see appendix 2.

Insights overview

The insights framework shows the complexity of tackling the obstacle or challenge versus the priority it has within the organisation. This categorisation was found during a workshop with the HR team where the insights were shared and a prioritisation exercise was facilitated. The team first clustered the insights in three categories: **operational, tactical and strategic insights.** Within the clusters, the priority of each insight was discussed and compared to the complexity to tackle the insight. More conclusions from this workshop are discussed in chapter 3. The exercise provided the visual overview that is shown below in figure 4.
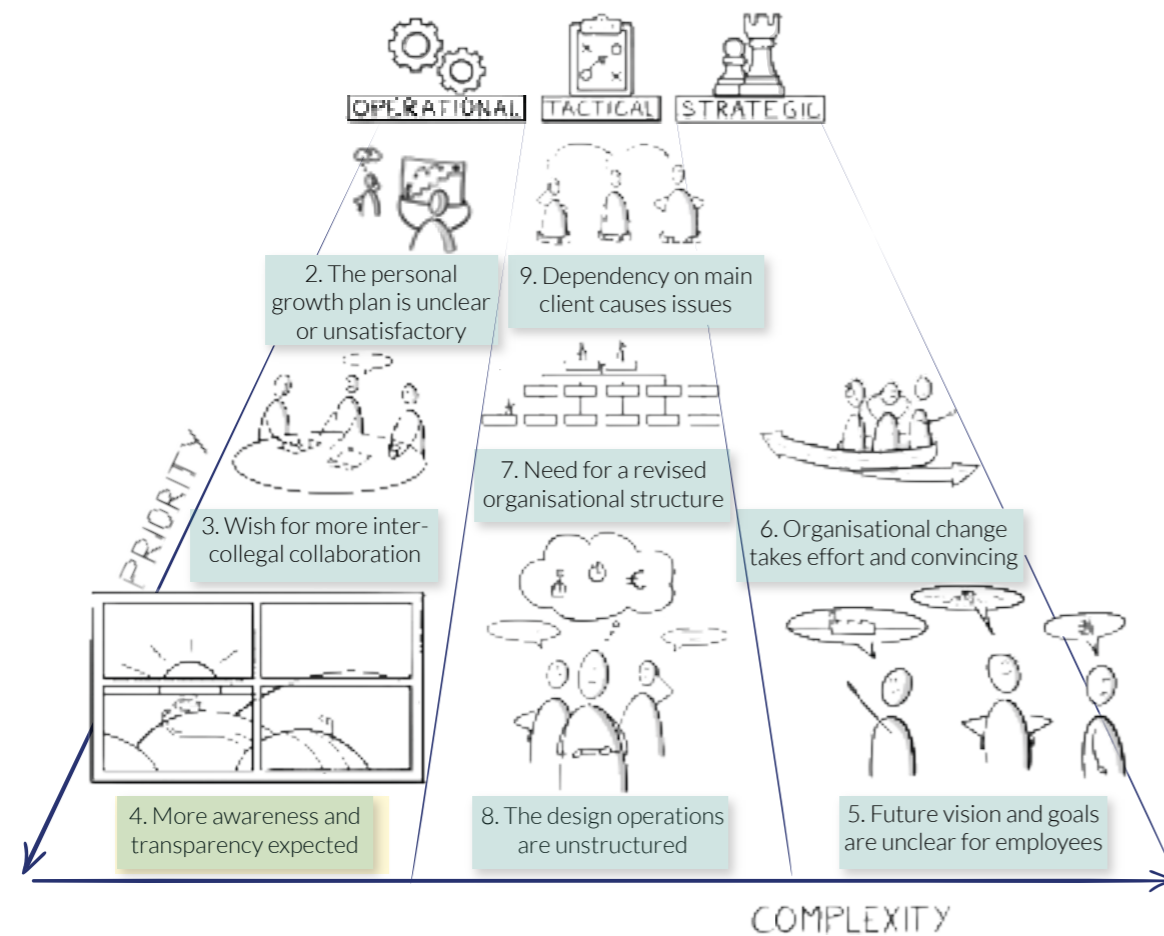
Figure 4.   Framework of the insights, plotting priority against complexity

Employee satisfaction insights

Insights 1, 2, 3 and 4 dive into what concerns employees about working at Nacar and what they would like to change. As explained in chapter 1.2, the needs and wishes of employees are evolving and when an organisation does not value those wishes, they risk losing valuable employees. The insights support the assumption that was formulated:

Employee satisfaction plays a role in Nacar' growth and the transition that Nacar faces, as it influences the retention of employees.

Thus these insights answer the first subquestion SQ1: What are the obstacles and enablers of the transition that Nacar faces? The employee satisfaction insights and their implications are described in table 1 below.

Title	Sub-question	Insight	Implication
The Nacar culture is appreciated Insight 1 SQ1 | enabler		The culture is perceived as great for change, the great relationships between colleagues and the flexibility of working at Nacar are appreciated a lot *"The relationship between people is pretty cool, we are like friends, but not friends at the same time. Everyone can feel comfortable, there is a lot of trust and we are collaborative."*	The adaptable and flexible culture is an enabler for change in the organisation: it is implied that people within Nacar are open to change *"Nacar is a company with a lot of opportunities, for employees and for the company itself. I like the possibility of changing things in Nacar."*
The personal growth plan unclear or unsatisfactory Insight 2 SQ1 | obstacle		There are contradicting opinions on the personal growth plan and not everyone is aware of the benefits. The ambition is there to offer a great plan, but the resources and time are not yet available for everyone *"There is no personal growth strategy: we got a half year review but it's not on learning goals, it's on client feedback and performance"*	Awareness on the personal development plan and time available to work on this are the most crucial improvements needed *"You get 2000 euro per year for learning but no time [100% of your time goes to client] and it's not mentioned to everyone, so there are people that have worked here for months but didn't know"*
Wish for more intercollegial collaboration Insight 3 SQ1 | obstacle		There is a wish for more intercollegial collab: to improve designs by inspiring each other and to simply feel more connected *"It would be cool to have some time in the week to work on initiatives with people from the studio, to exchange ideas and to be more connected. Not only after work, but during our daily work we could be doing more together"*	Allowing employees time to spend on projects other than for clients implies a major investment for Nacar, meaning a different solution needs to be developed *"Everyone here works individually on projects, I would like more collaboration so that we can offer better results. Problem is that people have to spend some personal time on this"*
More awareness and transparency expected Insight 4 SQ1 | obstacle		Employees would like to be more aware of the reasoning behind (strategic) choices. Additionally. they would like to be updated about colleagues' roles and projects to feel more connected to Nacar *"Often people switch roles and I would like those things to be communicated better so that everyone understands who does what"*	More transparency on strategic decisions and developments of Nacar implies the decision makers, often top management, have to be willing to share that information. *"I would like to know more about the decisions they [founders] make before things happen. We need more transparency within Nacar"*

Table 1.   Employee satisfaction insights, implication and SQ

Organisational insights

The following insights and their implications (5, 6, 7, 8 and 9) are classified as organisational insights.

These insights answer SQ2: Which organisational challenges does Nacar encounter in facilitating the transition? In table 2 the organisational insights and their implications are explained.
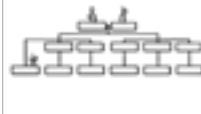
Title	Sub-question	Insight	Implication
Future vision and goals are unclear for employees Insight 5	 SQ2 | challenge	There is no clarity about the future vision of Nacar amongst employees, as they mention different future scenarios. This means the goals are unclear, however these are crucial for developing any strategy (Eigeles, 2003). *"A needed improvement is visibility about the strategy, but we actually don't have a clear strategy at all. It's not set in stone"*	These various visions for the future imply that business direction is missing. The goals should be better communicated, but first a vision for the future of Nacar need to be set *"We must set clear goals, so that we know where we want to be and we can make strategic decisions to reach those goals, instead of ready at hand tactic decisions"*
Organisational change takes effort and convincing Insight 6	 SQ2 | challenge	Middle management has mentioned having a different approach and/or way of thinking than top management, which means they have to put a lot of effort in explaining and convincing that changes need to happen *"We need to go to the limit before we can get something done. My biggest challenge is to get everyone on the same page"*	A better division of responsibilities and decision making power have been suggested, however trust is required. It implies that the organisational structure needs change *"For a company this size, there should be more accountability for people in management roles, so that there is responsibility on different levels and decision making is more divided"*
Need for a revised organisational structure Insight 7	 SQ2 | challenge	Because Nacar is growing, needs have been expressed for more managers (design background) to create a better day to day structure and provide more guidance. *"Maybe there is a lack of Nacar leads or managers who are there with us during the projects: it's about empathy. We have managers but they don't know about design"*	To answer this wish, (financial) investments in managing and lead roles need to be made. This could also benefit the internal design operations, as these managers would take over some of the burdens of designers. *"Nacar needs to invest in management positions, as the clients won't ask for those positions themselves."*
The design operations are unstructured Insight 8	 SQ2 | challenge	Many people within Nacar have responsibilities in managing design operations and it becomes more complicated as Nacar grows, however a solid strategy was not found. *"We don't really have procedures on organising the work itself. What is the structure of doing a project, what are the human processes?"*	Some structure was found for Nacar Studio but for Accounts the operations are partly dependent on the client, which implies that the operations are currently disintegrated. *"The operations are getting more structured but it's also very dependent on the client demands: Need a fluid approach which represents how Nacar does business, where flexibility is crucial."*
Dependency on main client causes issues Insight 9	 SQ2 | challenge	Various obstacles in working for HP have been mentioned regarding project allocation, client relationship, workload and cultures clashing, which indicates a dependency *"Now it's difficult to change positions, we really need to create a plan first before this can happen, because there are many stakeholders involved in a position"*	This can obstruct internal growth for employees, as clients hold a lot of power and in Nacars business strategy flexibility is valued, but has the risk of causing dependency *"The growth model now works like if a client needs a senior designer Nacar hires a new employee, as this serves the clients' needs fast"*

Table 2.   Organisational insights, implication and SQ

2.3 Key takeaways

- The insights that were found can be categorised on three levels:
  - Operational
  - Tactical
  - Strategic

- This categorisation will help later in the design process of the strategy, as it helps distinguish on which level an obstacle or challenge needs to be tackled

- Employee satisfaction plays a large role in the retention of talent and thus is crucial for any growth strategy. Employees mention investing in personal development, more intercollegial collaboration and heightened awareness & transparency as the most important obstacles to tackle regarding employee satisfaction.

- The tactical and strategic insights are complex organisational challenges that are intertwined. Solutions to these challenges should therefore be strategically planned, as it will take time to implement big organisational changes

Chapter 3
Framing the challenge

In the previous chapter a number of enablers and obstacles of the transition were identified and explained. This chapter focuses on defining the design vision for the project by validating the insights with stakeholders, which are the HR team and top management, and defining the design objectives.
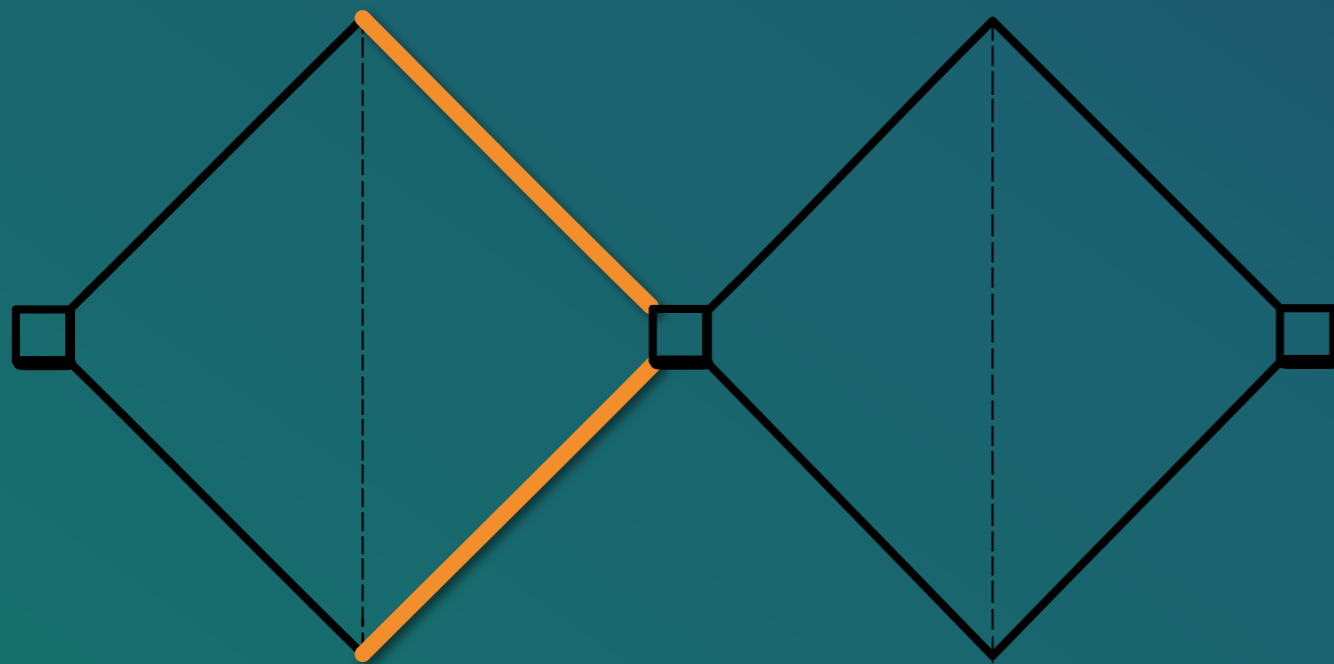
3.1 Stakeholder validation

To define the design vision and the design objective for the next phase, the insights were presented to the HR team as well as to top management. As the HR team works on the internal organisation of Nacar, they were asked to identify the causes for the insights that were found. Additionally, they provided a categorisation of the insights, which has been shown in subchapter 2.2. The goal of sharing the insights with top management was to find which insights have prioritisation over others from their business perspective.

Validation approach
The HR team meeting was scheduled first as a trial session to determine the most effective way to obtain feedback from top management. The insights and their implications were presented to the team, during which they were able to ask questions. After some time to discuss the findings, they were asked to categorise and prioritise the insights, which were hanging on a large wall. They proceeded with brainstorming and discussing the causes for each of the insights. These causes are used as input for an ideation workshop with employees, which will be described in chapter 4.

In the session with top management, the insights were shared and a discussion was conducted. This time, the focus of the session was to understand the perspective of the founders on the insights, as well as to find which have the most priority to them. This helps with determining a timeline for the next phase.

Validation conclusions
Besides the categorisation of the insights shown in figure 4 from subchapter 2.2, the results of the HR session provided a list of causes for each of the insights. This list of causes can be used when brainstorming and designing solutions in the next phase.

After the session with top management, a deeper understanding of their vision on strategic planning was found. Usually they do not define long term strategic plans and are not used to sharing strategic decisions with employees. The following priorities came to light when discussing the insights with top management:

- It was confirmed that revising the organisational structure is needed in the transition that Nacar faces. Top management sees value in a better division of responsibilities so that the daily operations of Nacar improve. (Insight 7)

- The need for a clear vision was acknowledged as a priority as well (insight 5)

- However, the need for more transparency was only partly acknowledged (insight 4). Top management is cautious about their communication regarding organisational decisions, as Nacar operates in a constantly changing environment and they are careful with making promises.

- Additionally, top management believes the development and maturity of leads and teams should be a priority as well

3.2 Design vision

The insights were created from the perspective of the employees and top management responded by explaining their perspective on those insights. The HR team was able to identify the causes of the insights, as they understand both perspectives.

Due to this focus on the different perspectives, the following interesting conclusion could be drawn:

There is a need to create a bridge between the perspective of the employees and the perspective of top management

The design vision for the project is therefore to create this bridge between the perspectives of the employees and top management. See figure 5 for a visualisation of the design vision.

After validating the insights and defining the design vision, the design objectives are established and presented on the next page.
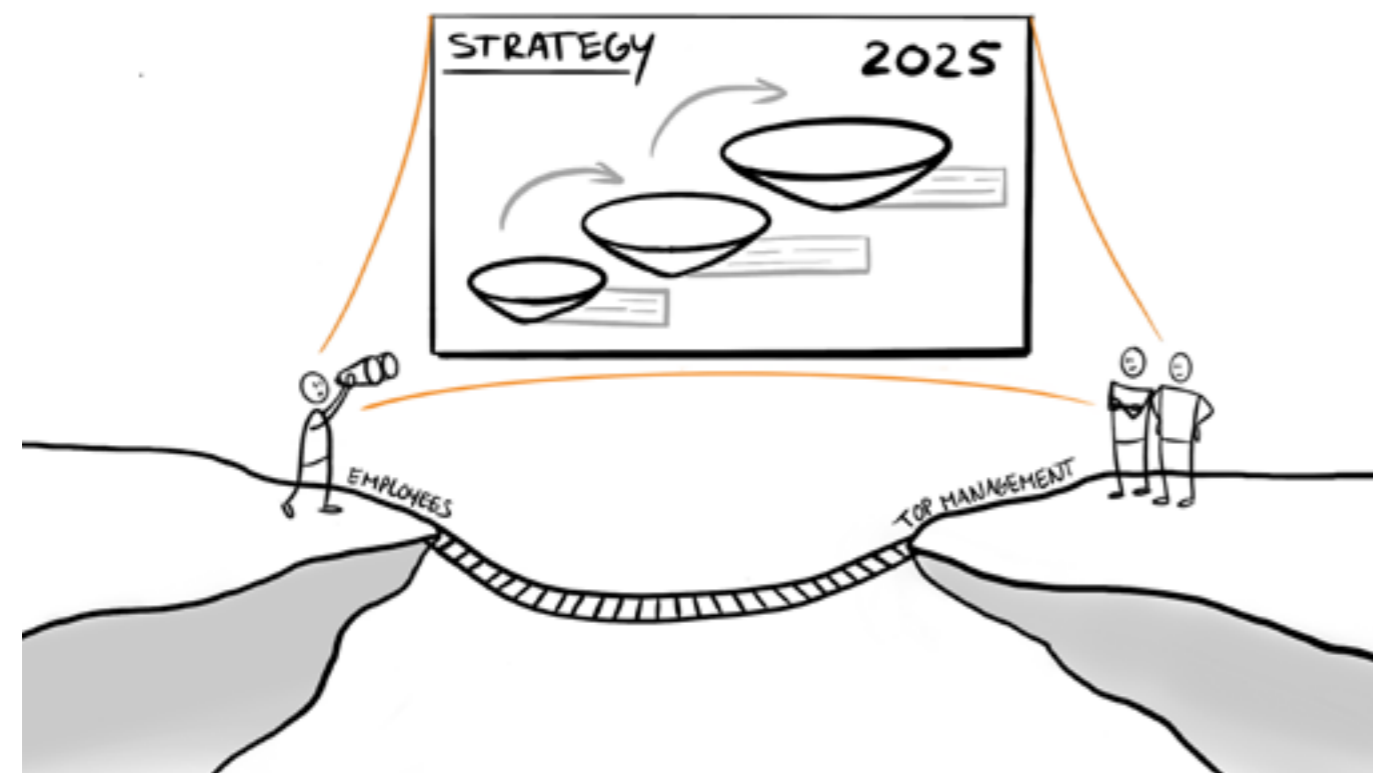
Figure 5.   Design vision

3.3 Design objectives

1
Roadmap
The key to closing the gap is communication. Employees are not always aware about strategic decisions and the planning for the future of Nacar and one of the reasons is that the strategic planning is not visually defined: **Therefore the first design objective is to create a roadmap that defines the opportunities that Nacar has in the coming three years (2023, 2024, 2025)**. The goal of the three-year time frame is to **challenge the top management to look beyond the daily operations**, but keep a realistic perspective on the strategic planning. This way, the roadmap helps to show the small changes that need to be made over time before real transformation can take place. **The additional purpose** is to serve as a means of communication, **to inform and inspire employees about the strategic planning of Nacar** and how they contribute to it. In chapter 4 the foundation for the roadmap is defined, after which chapter 5 delivers the roadmap, which consists of two versions: a strategic and a tactical roadmap.

2
Future vision
Additionally, one of the most important insights is that there was no unity about the future vision. Therefore the **second design objective is to define and visualise a future vision for the end of 2025**, so that this can become a shared vision throughout the organisation. This way, everyone in the organisation can feel part of the future of Nacar. The future vision can be found in chapter 5.

3
Transition strategy
The strategic roadmap is a complex document that outlines various perspectives of the organisation. **The final objective is to provide a transition strategy** and in order to do so, **three strategies to approach the roadmap are developed**. In chapter 6 the three strategies are explained and chapter 7 concludes with a final recommendation.

3.4 Key takeaways

- From the validation with top management the following priorities were found:
    - improved daily design operations
    - having a clear vision and strategic goals and a
    - Attention to the development of mature leads and independent teams

- Based on the research and validation with stakeholders, the design vision was created: to close the gap between the needs of employees and the vision of top management. To get input for the solution, it was decided to host a workshop with employees about the future of Nacar, which is described in the following chapter

- The design objectives for the project are to develop a roadmap, a future vision and to develop different strategies within the roadmap

Chapter 4
Solution foundation

This chapter focuses on the foundation of the solution, which is the 3-year roadmap for the future of Nacar. First the theories that the roadmap is based upon are explained. After a short elaboration on the design of the roadmap, the input for the content of the roadmap is discussed. The employee perspective is gathered by facilitating an employee workshop and through validation with top management, the foundations of the roadmap are laid.
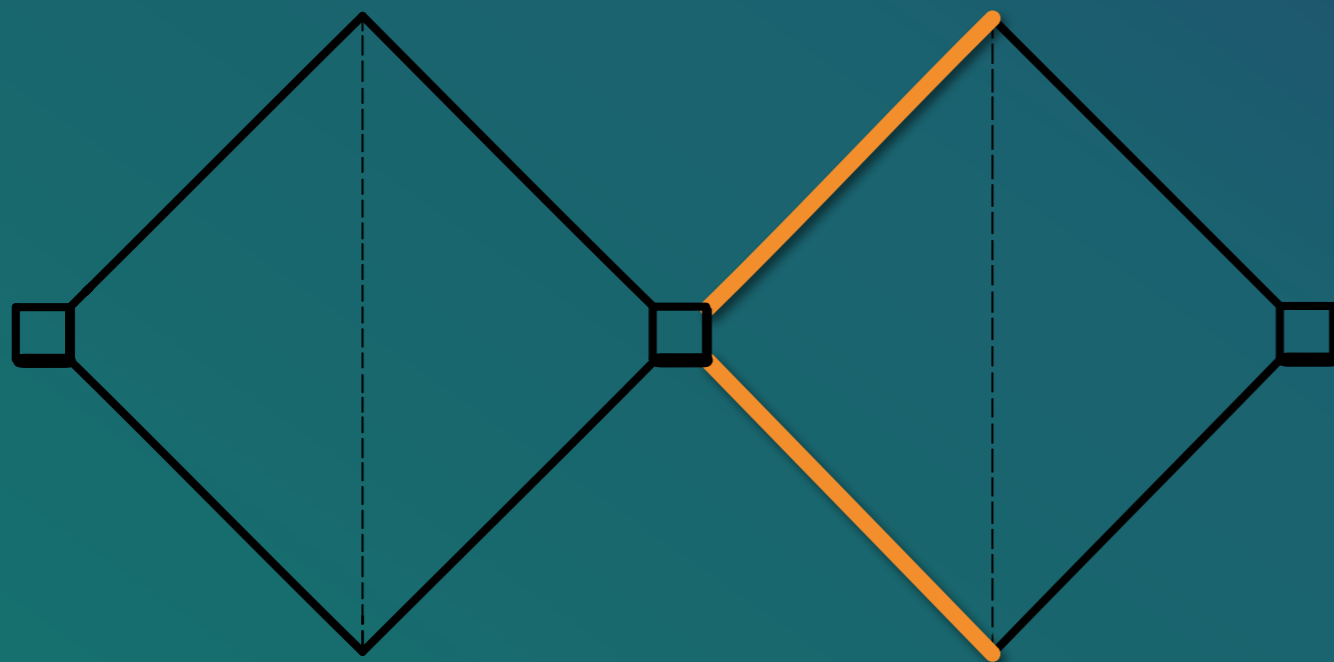
4.1 Roadmap foundation

It has been determined that a theoretical foundation for the roadmap is necessary to solidify the strategic planning process. However, it is crucial to ensure that this foundation is actionable, as this aligns with Nacar's way of working.

Run grow transform

To shape the three horizons, inspiration was taken from the Run Grow Transform model (RGT, 2017) developed by Gartner. The model was created for IT organisations to support the planning and investment and to define strategic focus. In the case of the roadmap for this project, each of the horizons represents a year. The first horizon is to ensure all current activities and operations run smoothly. Only when this is in order, the organisation is able to push growth, which is the focus for the second horizon. The aim is to define the type of growth that is desired and set goals to achieve this. The final horizon is dedicated to realising the transformation that the organisation strives for.
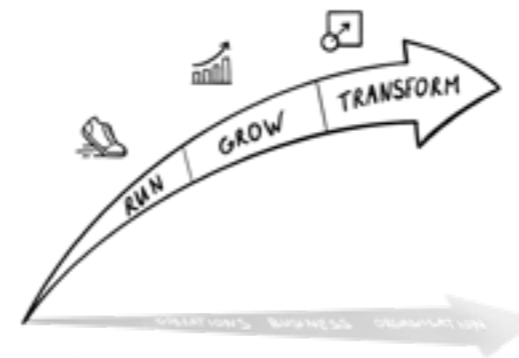
Figure 6.   Run grow transform at Nacar

During discussions with several employees that are involved in Nacar's strategy, it became clear that Nacar needs to improve their internal processes before change can happen. Therefore the first step is to ensure the current operations run smoothly. Secondly, it was found that investment is needed to support the transformation. Nacar must focus on business growth to increase their income stream before they are ready to transform the organisation.

Additionally, the run grow transform model helps to envision the desired future and to make strategic decisions. The philosophy behind the model suits Nacar as it helps to break up the complexity of organisational transformation in manageable chunks.

Balanced Scorecard

The Run Grow Transform model helps to envision, however to ensure that the goals on the roadmap are actionable, the Balanced Scorecard (Kaplan & Norton, 1996) is used as well. Earlier initiatives regarding strategic planning at Nacar have shown that it is crucial to ensure the vision becomes reality. The BSC is a framework that transforms an organisation's goals and strategy into a set of performance metrics that serve as the foundation for strategic measurement and management. It looks at the organisation from four perspectives: in this roadmap they are described as the finances perspective, the market perspective, the internal processes perspective, which are split in business and operations, and the people perspective. Therefore there will be five rows on the roadmap instead of four.
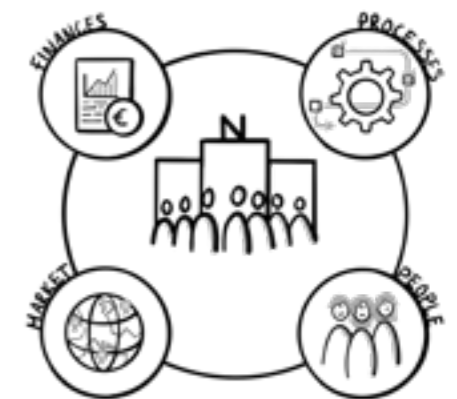
Figure 7.   Balanced scorecard at Nacar

The Balanced Scorecard fits on this roadmap as it makes the strategic planning actionable. Being more data driven helps Nacar to better understand the progress and manage results.

4.2 Roadmap design

The goal of the roadmap is to get a holistic understanding of the strategic goals that need to be to achieve the future vision. That means the roadmap goes beyond defining the goals that need to be set: it describes the actions needed to achieve the goals, how progress can be tracked and those involved in the process.

In the strategic roadmap, goals are set to be able to reach the future vision. There are one or two goals for each perspective within each year. The strategic roadmap will be communicated throughout the organisation and remains on the level of detail that is shown on the visual below (figure 8). This way the general goals for each year are shared, but the internal processes and financial details remain confidential.

However, it is important to make these goals actionable, therefore several initiatives are defined to reach those goals. Keeping track of the progress helps to decide if adjustments are needed, therefore KPI's are defined for each of the initiatives, as well as initiative owners that are responsible for them. The internal roadmap, which will serve as a working document for top management, is detailed to this level. This way, the initiatives can be planned through the roadmap, after which they can be set up as internal projects.

Figure 8.   Strategic roadmap overview

Figure 9.   Tactical roadmap detail

4.3 Roadmap input

As was defined with the design vision, the aim of this project is to create a bridge between the perspectives of the employees and top management. To close this gap, both perspectives must be taken into account when developing the roadmap.

To get the perspective of the employees, a creative workshop was facilitated based on the insights that were described in subchapter 2.2, to get employees' vision of the future and their ideas on how to get there. In an open and collaborative setting, they were challenged to make their vision actionable by brainstorming ideas for initiatives.

The perspective of top management was defined in a more top down manner. An "As Is -To Be" framework based on the five perspectives was created and presented to top management. By discussing feedback, their perspective was validated.

Employee workshop

The future vision workshop was conducted with 8 employees, all from different teams and business units. The aim of the 2-hour workshop was to get their vision on the future of Nacar by challenging them to think about the obstacles and challenges that were derived from the research (see subchapter 2.2). Figure 10 shows the interaction during the workshop.

The insights and the causes, have been defined during the workshop with the HR team (see subchapter 3.1) were presented, to give the participants a deeper understanding of the issues at hand.

Figure 10. Employee workshop

They were asked two things about each insight:

> *What if [obstacle/challenge] does not exist in the future, what will Nacar look like? How would the work experience be here?*

> *How might we achieve this future at Nacar?*

This resulted in three types of output (see figure 11):

- Descriptions of desired futures regarding the topics that were discussed

- Ideas to achieve these futures

- Points for improvement within Nacar

Figure 11. Overview of the workshop input, output and analysis

Workshop analysis

The insights were analysed by clustering the desired futures and mapping the ideas or points for improvements accordingly.

Clusters of employee values were created. To substantiate these values, a trend research was conducted regarding employee satisfaction, the labour market and other human resources trends (see appendix 3.1). The complete analysis of the employee workshop and the trend research can be found in appendix 3.2

It was concluded that three of the issues that were discussed in the workshop were most important to employees and therefore three employee values can be highlighted. To summarise the results of the workshop, the three most important values and the underlying issues were defined. Based on the points for improvement and the ideas, opportunities for the future were defined as input for the roadmap, which can be seen in figure 11.

Value | issue   Opportunities

Value | issue		Opportunities	
Personal development Employees do not always feel supported	Training leads and managers to be better culture ambassadors	Improving the co-creation of the career plan (HR, lead and employee collaboration)	Developing a continuous learning system in Nacar
Transparency & sharing Employees are unaware of developments & missing crucial information	Implementing better communication rituals (between leads, from leads to team, between teams)	Developing goals for each client together with the teams, creating a yearly team vision	Developing a culture where teams also play a role in new business opportunities
Collaboration & connection Employees do not always feel part of Nacar & want to collaborate more	Developing an internal Nacar Facebook with roles and responsibilities and improving team building rituals	Improve resource management and introduce collaborative Nacar projects	Develop a structure where employees can work part time on an account and part time studio

Figure 12. Employee values, underlying issues and opportunities for the roadmap

Roadmap foundation

Over the course of the project, it was found that the best way to receive input from top management is to present actionable ideas or suggestions and request feedback. In order to define the perspective of top management, it was therefore decided to set the strategic goals for Nacar in 2025 in collaboration with the HR lead and validate these afterwards in a meeting. The "To Be" goals were set after first defining the "As Is" situation of Nacar, as can be seen in figure 13. The explanation of the goals are found in Appendix 4 and are discussed further in chapter 5.

Figure 14 shows how the input from both perspectives provides input for the roadmap.

Figure 14. Roadmap input

As Is	To Be
Revenue stream 90/10	Revenue stream 40/40/20
Nationally recognised	Wide known in West Europe
No business strategy or lead	Industry fit experts
Non integrated teams and ops structure, different methods	Integrated teams and ops structure, adaptable method across organisation
Bubbled and blurred culture, unprepared leads	We are one culture, career multiverse

Figure 13. As is - to be goalsetting
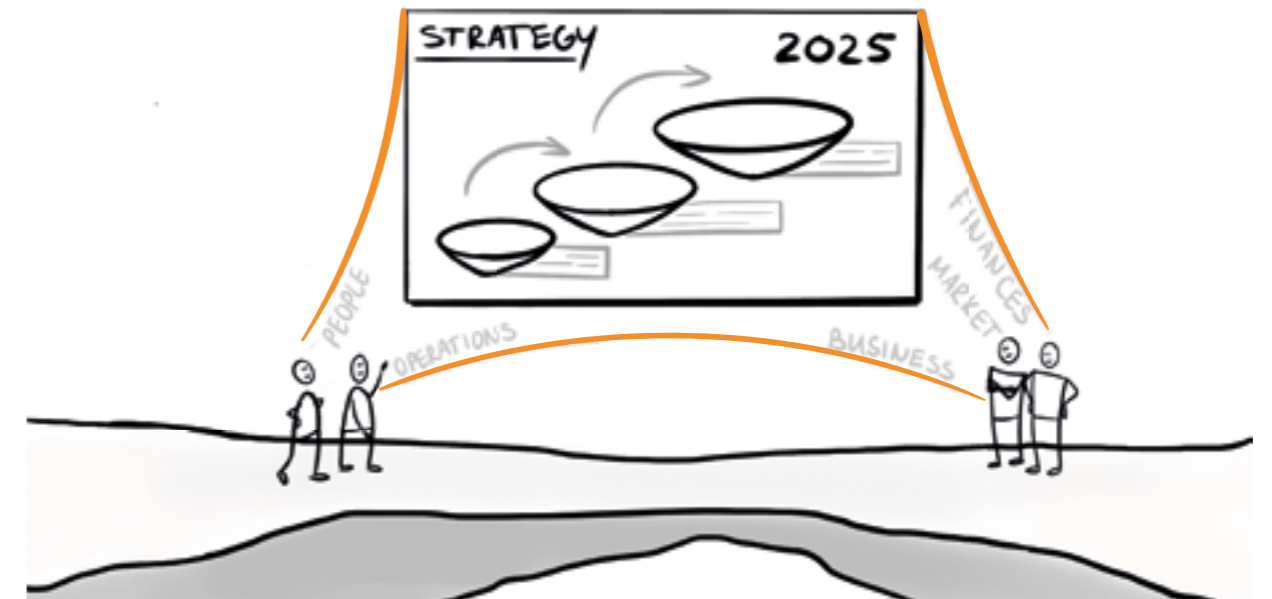
4.4 Key takeaways

- The design of the roadmap is theoretically supported by the use of two models: The Run Grow Transform Model by Gartner and The Balanced Scorecard by R.S. Kaplan and D. P. Norton. The value these models have for Nacar is that the first helps to envision the future and decide on the strategic planning and the latter makes this planning actionable

- From the employee workshop it was found that employees value personal development, transparency & sharing and collaboration & connection the most regarding the future of Nacar. On the roadmap, these values will be used to define the People and Operations perspectives

- The goals for the end of 2025 have been set up for each of the five perspectives. These goals have been validated with top management, who's input was mostly focused on the Finances, Market and Business perspective (see figure 13)

Chapter 5
Solution development

With the theoretical background, the design and the input for the roadmap clear, the solution can be developed. This chapter goes back to the core of Nacar first by redefining the vision, purpose and values, after which the strategic and tactical roadmap are explained. As the roadmap is an extensive document that collects all the information regarding the strategic planning of the different perspectives, it serves as a framework to the final solution, which will be handled in the next chapters.
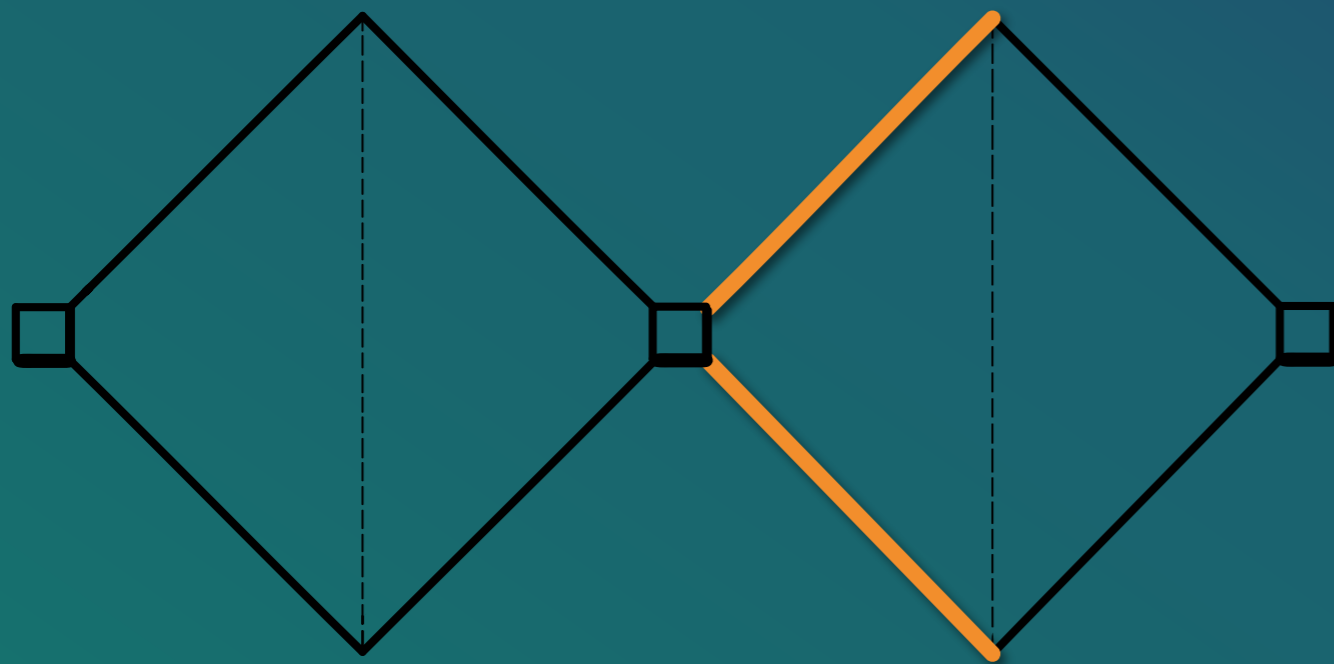
5.1 Redefining the organisation

Before presenting the roadmap for 2025, the purpose, values and vision of Nacar were redefined to guide the transition.

Having a vision, a purpose and values is important for any organisation, as they provide direction and guide decision making (Taiwo et al., 2016). A vision describes the organisation's primary long-term aspirations and goals. A purpose is the reason for the organisation's existence and specifies the impact it aims to have on the world. Values are the principles or standards of behaviour that an organisation holds to be important. Together, vision, purpose and values help create a sense of identity and culture within an organisation, and serve as a source of inspiration and motivation for employees. Additionally, having a clear sense of values, purpose, and vision can help an organisation attract and retain customers and stakeholders who share similar beliefs and values.

Therefore it is crucial that besides having a vision, a purpose and values, everyone throughout the organisation should live and breathe these elements. In order to ensure they remain relevant to the employees and the organisation, they should be consistently updated (Taiwo et al., 2016).

As Nacar is aware of this, it was decided to redefine the values, purpose and vision before the 2025 roadmap is launched.

The following two Sustainable Development Goals by the United Nations are chosen to guide the decision making of Nacar in the future and therefore will inspire the redesign of the purpose, values and vision:
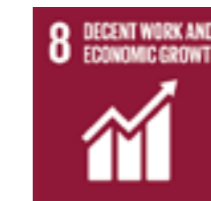
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

Purpose
From these SDG's, and with the help of the purpose wheel framework (IDEO, 2022), a new purpose was defined (figure15). It is Nacar's purpose to:

Be the chosen partner to help companies on their transformation path: at the right pace, with the right tools and through the right methodology

"Help companies to **drive the change** by **creating the best solutions** for people, while **enjoying the journey**"

Create the best solutions in terms of design quality, positive impact and sustainability

Make sure that everyone is enjoying their daily work and the change process

Figure 15. Nacar purpose

Values

The values at Nacar are deeply rooted in the identity of the organisation. The values and what they entail are communicated to every new employee. Besides culture values, Nacar defined brand values as well. It was decided to mix and match these values into four unique values that represent Nacar internally and externally, as shown in figure 16.
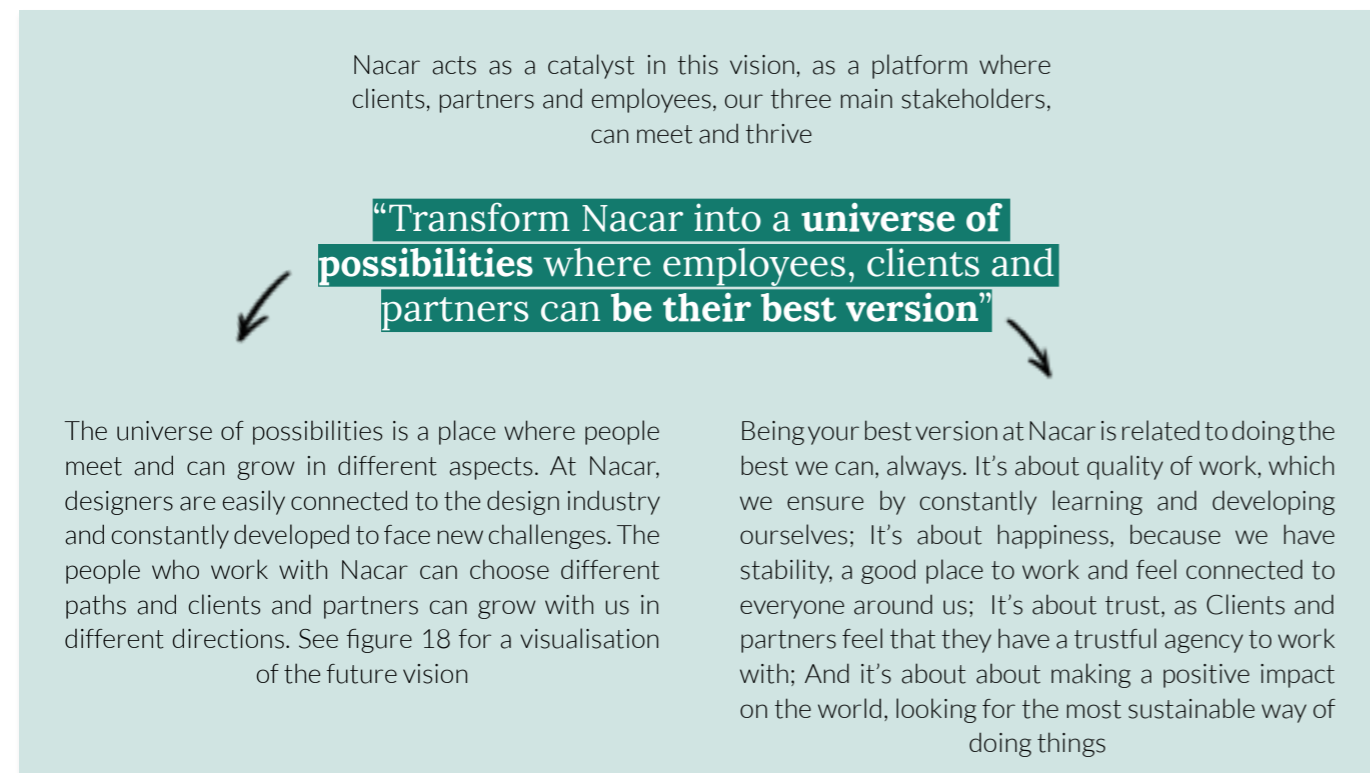
Vision

Defining the vision for Nacar means envisioning the main goal. The purpose of this graduation project is to develop a transition strategy for Nacar, therefore, the question to ask is: What should Nacar become? The vision that is created can bee seen in figure 17 and figure 18.

Make it happen
Proactive, realistic, hands on

Power to the people
Empathic, responsible, collaboration

Enjoy the flow
Flexible, positive, confident

Envision tomorrow
Leadership, growth, dreamers

Figure 16. Nacar values

Nacar acts as a catalyst in this vision, as a platform where clients, partners and employees, our three main stakeholders, can meet and thrive

"Transform Nacar into a **universe of possibilities** where employees, clients and partners can **be their best version**"

The universe of possibilities is a place where people meet and can grow in different aspects. At Nacar, designers are easily connected to the design industry and constantly developed to face new challenges. The people who work with Nacar can choose different paths and clients and partners can grow with us in different directions. See figure 18 for a visualisation of the future vision

Being your best version at Nacar is related to doing the best we can, always. It's about quality of work, which we ensure by constantly learning and developing ourselves; It's about happiness, because we have stability, a good place to work and feel connected to everyone around us; It's about trust, as Clients and partners feel that they have a trustful agency to work with; And it's about about making a positive impact on the world, looking for the most sustainable way of doing things

Figure 17. Nacar vision

Figure 18. Visualisation of the Nacar vision

5.2 Strategic roadmap

In this subchapter the strategic roadmap, holding the goals for each year, is presented. Then, the activities for each perspective and year are furter elaborated. Then the tactical roadmap is explained, as well as a plan for the implementation of the roadmap in Nacar's daily operations.

As mentioned before, the strategic roadmap will be used to communicate the strategic planning of Nacar for the coming years throughout the organisation. A version in Nacar's own style will therefore be created by the communications manager. Figure 19 shows the content of the strategic roadmap for Nacar. On each row the goals for the corresponding perspective are described from left to right.

As mentioned before, the roadmap was created based on the foundation that was laid in subchapter 4.3. Figure 20 on the following page further elaborates on the yearly goals and explains the to be goals for each perspective. The perspectives are inherently connected, as one activity from a certain perspective can have a large influence on another in the next year. The aim of figure 20 is to point out these connections and to illustrate the coherence of the roadmap

Roadmap	Run **2023**	Grow **2024**	Transform **2025**	Future **Vision**
Finances	**Grow studio** Growing by acquiring new Studio clients **Resale accounts** Maintain current growth rate to ensure stable revenue	**Grow studio exponentially** Pushing high amount of projects **Set up Nacar Lab** Start innovation lab for high value projects	**Push high revenue with high value** Each business unit to a high revenue high value position	"Transform Nacar into a **universe of possibilities** where employees, clients and partners can be their **best version**"
Market	**Become nationally recognised** Maximising marketing and communication efforts **Grow abroad** Germany, Switzerland, USA Use existing contacts and knowledge to find new clients	**Explore 2 new markets** Portugal, France Expand to 2 different countries to boost foreign notoriety	**Become wide known in the EU** Expand to more countries and enter European contests	
Internal processes Business	**Create a business team** Hiring new business manager to create a new team **Create an effective business process** A new business strategy with active acquisition	**Introduce content selling** Passive acquisition by advertisement and selling content	**Become the industry expert fit** House appliances, healthcare, mobility and machinery	
Internal processes Operations	**Ensure a stable operations structure** Removing flaws from the current operations structure **Connect teams** Boosting collaboration between teams	**Ensure an easy plug and play operations structure** Operations structure that remains independent of client **Connect methods** Defining and evaluating the methodologies at Nacar	**Create and implement a fully integrated operations** Integrated structure, flexibility between business units **Introduce "The Nacar way"methodology** Adaptable methodology that is suitable for all disciplines	
People	**Ensure clear people processes** Culture, communication, career path and onboarding **Set up efficient talent acquisition** Attracting suitable talent by setting up a clear strategy	**Ensure a high sense of belonging for employees** Feeling at home, believing in their future at Nacar **Set up efficient employee branding** Inspiring our employees to become brand ambassadors	**Transform to a 'we are one' culture** All part of the same team, working on a shared vision **Offer employees the possibility to choose career paths** A system to switch between roles and responsibilities	

Figure 19. Strategic roadmap

Figure 20 — Strategic roadmap

	2023	2024	2025
Finances perspective	To maintain the current growth rate of Accounts and ensure a stable revenue stream to support growing the Studio • Continue operating the current accounts to maintain the current growth rate • Invest in the growth of the Studio by actively acquiring new clients and selling new projects to existing clients • Grow the Studio by applying the business process that is developed (collaboration with business)	To exponentially grow the Studio by acquiring larger projects and add content selling to the portfolio • Deploy the new business team (established in 2023) to acquire larger or more complex projects • Add content selling to the portfolio to increase revenue (business) • Use the revenue generated from these efforts to set up the Nacar Lab, a new business unit dedicated to innovative projects to showcase capabilities	To change the incoming revenue streams drastically to a 40% Accounts, 40% Studio, and 20% Lab ratio • Continue to maintain and grow the Accounts and Studio business units, while also focusing on expanding the Nacar Lab to generate 20% of total revenue • Identify and pursue new business opportunities in all business units to achieve the desired revenue ratio (see visual)
Market perspective	To become a nationally recognized design agency in Spain and increase presence in current markets • Increase national recognition by maximising the results of marketing and external communication efforts • Expand our presence in current markets: Germany, Switzerland, and the US. Utilise existing contacts and knowledge in these countries to find new clients	To expand our European presence by exploring new markets in Portugal and France • Utilise the new market strategy (business perspective) developed in 2023 to identify opportunities in Portugal and France • Leverage existing contacts and knowledge in these countries to find new clients	To become widely known in the EU and increase our visibility among companies in Western Europe. • Boost foreign connections and expand our network in Western Europe • Apply to European design awards to increase our visibility and credibility in the industry • Identify and pursue new business opportunities in Western Europe
Business perspective	To actively pursue new business opportunities by investing in a new business manager and team to develop a business process • Create a business team with a new business manager to lead the effort and collaborate with key internal stakeholders • Implement an active aquisition strategy (outbound) to increase revenue from current clients, target new clients and pursue new business opportunities	To add passive acquisition to the business model by introducing content selling to business portfolio • Introduce content selling as a complementary strategy to acquire new clients through passive acquisition (inbound) • Use downloads/other forms of content to increase awareness and attract potential clients • Develop a process for creating, distributing and tracking the effectiveness of content marketing materials	To position Nacar as the industry expert on house appliances, healthcare, mobility and machinery • Become the expert fit in these industries by introducing cross-company knowledge sharing regarding sector developments, trends, and needs • Develop strategies that highlight Nacar's expertise in these industries • Identify key partnerships and collaborations that will further enhance the company's position as the industry expert
Operations perspective	To ensure a stable operations structure and connect teams to boost internal collaboration • Remove flaws from the current operations structure and prepare for an integrated DesignOps structure • Boost collaboration between teams by (re)introducing chapters and start setting up internal Nacar projects (in collaboration with People perspective)	To develop an easy plug and play operations structure and connect methods to improve internal collaboration • Develop a DesignOps structure that remains independent of clients to ensure flexibility and freedom to employ designers where they are needed • Define the methodologies that are used throughout the organisation and understand the design value they bring to understand Nacar's future needs	To develop and implement a fully integrated operations structure and introduce one cross company methodology • Implement the DesignOps structure with the possibility of 100% remote positions and integrated work division between business units • Develop "the Nacar way", an adaptable methodology suitable for all disciplines, to be employed throughout the organisation
People perspective	To ensure clear people processes for all employees and set up efficient talent acquisition • Ensure clear people processes for all employees on the topics of culture, internal communication, career growth plan and onboarding process • Attract suitable talent through a clear strategy on how to recruit the designers we need from our partner universities and other platforms	To ensure a high sense of belonging for employees and set up efficient employee branding • Provide perspective for employees, allowing them to believe in their future through strong leadership • Make all employees feel part of the Nacar culture • Set up efficient employee branding and inspiring our employees to become brand ambassadors (collaboration with business)	To transform to a 'we are one' culture and a career multiverse talent hub • Empower the culture by promoting and visualising the shared vision • Create a continuous learning system where employees develop new skills to be able to switch between roles and responsibilities • Realise the career hub by connecting the integrated operations structure (collaboration with operations)

Figure 20. Strategic roadmap elaboration

5.3 Tactical roadmap

The strategic roadmap serves as a means of communicating the organisation's strategic goals for the next three years to employees. However, it is important to note that certain details, such as key performance indicators (KPIs), may not be relevant for employees to know and sensitive information, such as financial details, should not be shared. To address this, a tactical roadmap is created for use by top management.

The tactical roadmap includes specific initiatives, along with their associated KPIs and owners, for each of the strategic goals. Figure 21 shows one block of the roadmap, specifically the people goals for 2023. As the tactical roadmap is a very large document, it is not presented in its entirety in this report.

	Goal	Initiative	KPI	Owner
People	**Ensure clear people processes for all employees** • Culture • Internal communication • Career growth plan • Onboarding process	Start culture ambassador training for leads (topics: growth plan, continuous feedback, communication & knowledge sharing)	quarterly training (4 times) with all leads	HR, leads
		Introduce new communication rituals (based on new organogram) • progress & problems meeting • follow ups on monthly meetings • internal dev. updates	Create a ritual agenda by the end of q1; raise number of participants on Nacar events	HR, communications manager, leads, directors
		Introduce co-creation of growth plan	1 co-creation session for each designer reviewed by HR	Lead + designer, HR
		Improve onboarding experience	Ensure a solid onboarding for each designer	HR
		Introduce buddy system (for designers that do not have a team or lead) or design managers	Ensure that every new designer in the team has a buddy; 9/10 satisfaction on onboarding	HR, buddy
	Set up and carry out efficient talent acquisition (strategy) Attracting suitable talent by setting up a clear strategy on how to recruit the designers we need from our partner universities or other platforms	Set up two windows for hiring interns	Running Nacar Talents twice a year, minimum 10 interns.	Recruiter
		Set up a strategy for each university: defining which type of designer to target at each partner uni	Creating a calendar by the end of q1	Recruiter, HR
		Visit job fairs to explore new sectors	1 fair with a report afterwards	Recruiter, HR
		Turn Nacar into a well known brand for workers	Run time to fill under 45 days	Recruiter

Figure 21. Example from tactical roadmap: People goals 2023

Implementing the roadmap

The tactical roadmap is currently in use as a working document for top management and other stakeholders involved in Nacar's strategic planning. It helps to plan initiatives and assign ownership based on the goals that are defined. The added value for top management is that the goal setting becomes more actionable as initiatives are planned accordingly. A new role is created to manage the strategic planning: the strategic plan owner is responsible for the alignment, planning and tracking of initiatives. This role ensures that current goals remain aligned with the future goals, adapts and plans accordingly and provides insights on the progress of the efforts. This enables top management to maintain a clear overview without having to personally manage the entire strategic planning process.

Tracking progress

The strategic plan owner can transfer the roadmap to Excel in order to track the progress of initiatives. As the strategic plan is implemented, the initiatives can be developed into internal projects and initiative owners can be assigned. Often these owners are part of a team that is involved in the initiative as well. A workflow is created for the strategic plan owner to keep track of the progress of the initiatives (see figure 21). The strategic plan owner will have the following meetings:

- A kickoff meeting every quarter with each team that is involved in any initiatives to discuss the planning and responsibilities with the initiative owner present as well

- A 30-minute meeting every two weeks with each initiative owner to discuss the progress

- A board meeting every month to present the results of (finished) initiatives

5.4 Key takeaways

- The vision, purpose, and values of Nacar were reevaluated to align with the established roadmap and to refresh these elements for all employees within the organisation. A new vision was established to serve as the future vision of the roadmap and to inspire strategic planning for the future of Nacar:

  "Transform Nacar into a universe of possibilities where employees, clients and partners can be their best version."

- The strategic roadmap outlines the goals for each of the five perspectives over the next three years. Understanding the connections between these goals is essential as they impact one another. Therefore the following chapter will present three different growth strategies in the shape of various routes that can be taken on the roadmap

- The tactical roadmap makes the strategic goals actionable by elaborating on the initiatives, KPI's and owners. A workflow was created for tracking the progress of the initiatives, to prepare the implementation of the roadmap

Figure 22. Workflow for tracking initiatives by the strategic plan owner

Chapter 6
Solution delivery

The previous chapter outlined the first two design objectives, being the future vision and the strategic roadmap. The latter serves as a framework for the third design objective: this chapter presents three different growth strategies for Nacar's transition, in the shape of three routes on the roadmap. The process of developing these routes is explained, along with a validation session that is conducted with employees, leading to the recommendation that will be presented in the next chapter.
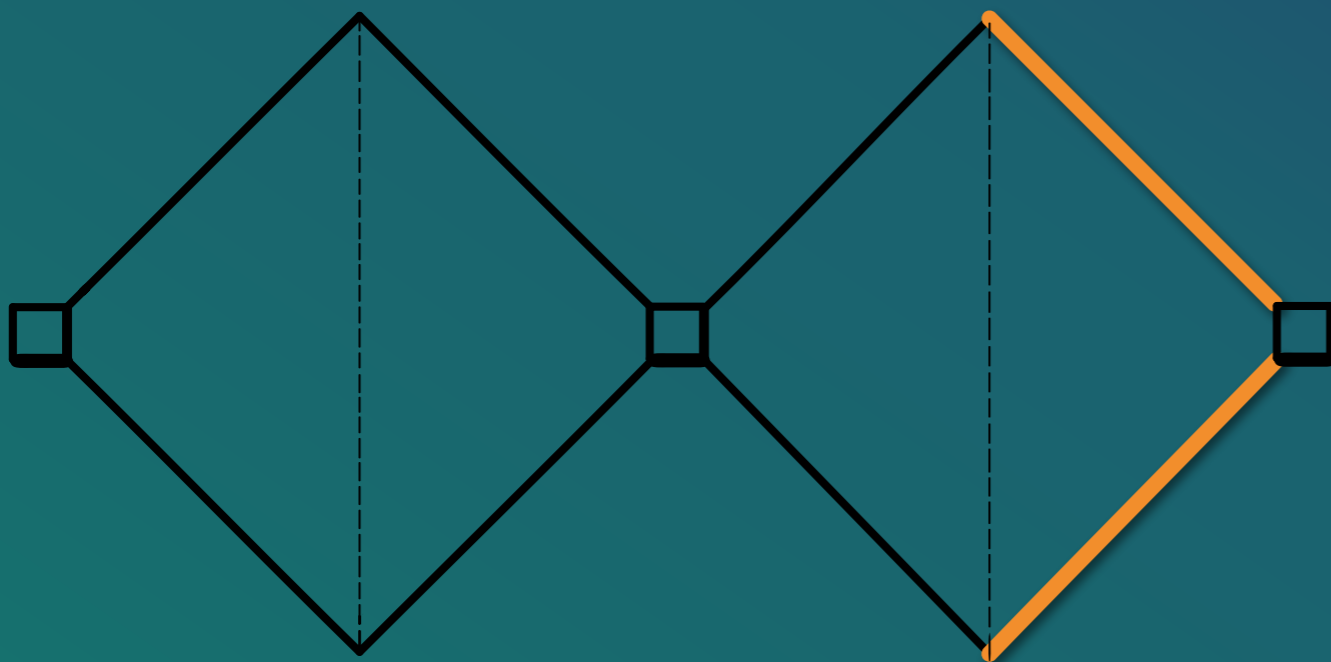
6.1 Three strategies

As discussed in subchapter 5.2, the goals within the different perspectives are interrelated. Although all perspectives can be viewed horizontally, the level of detail in the roadmap is based on the relationships between the perspectives. One perspective or goal may impact another, for instance, when both require a substantial financial investment, requiring trade-offs to be made.

To address this, three strategies have been developed, each prioritising a different strategic goal. This does not imply that other goals and initiatives on the roadmap are disregarded, rather it highlights the priorities of the different strategies. Therefore the strategies are not separate concepts, rather they form one comprehensive solution viewed from three different angles. As they are complementary and may coexist, advice on how to pursue them is necessary and will be provided in chapter 7.

New strategies within the roadmap may also be defined, in case the goals on the roadmap change in the future. The following steps explain how these strategies can be created:

creation:
1. Identify one of the goals for 2025 to pursue
2. Define the requirements needed to achieve this goal. Consider what kind of resources, new employees, and financial investments are necessary
3. Connect the requirements to the goals on the roadmap and map out the different steps of the strategy
4. Explain the relation between the steps of the strategy
5. Define the strategy and estimate timeframes for achieving the goal

This approach was used to create the three strategies. The strategy concepts were mapped onto the roadmap (see figure 23) and validated before being fully developed. The following pages showcase the three strategies.
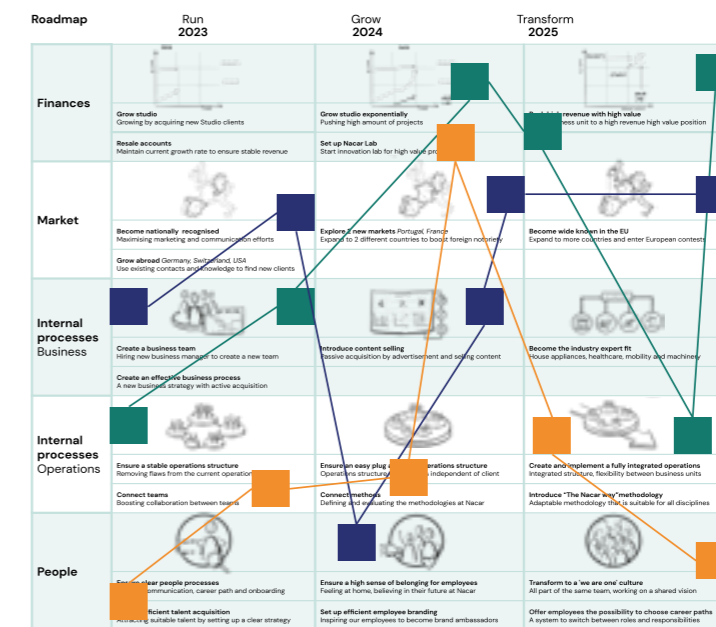
Figure 23. Mapping strategy routes on the roadmap

Business unit growth strategy

Grow by improving internal operations to increase business opportunities and introduce a new business unit

Currently, Nacar's revenue stream is skewed towards the work on Accounts, with 90% of the income generated from this business unit and the remaining 10% from projects in the Studio, as significantly less employees work here. However, the goal is to achieve a more balanced division and expand Nacar's portfolio.

The challenge in shifting this balance to a more equal distribution of 40% Accounts, 40% Studio and 20% Lab is twofold: maintaining a stable income stream from current Accounts without dedicating excessive time and resources, in order to have the financial means to invest in expanding the Studio. Additionally, a significant focus should be placed on acquiring high-value projects and clients to establish the Innovation Lab and increase revenue from this business unit as well.

Stabilise operations and set up new business strategy

Increase revenue and **invest** in Nacar **innovation Lab**

Implement **integrated operations** and **transform revenue model**

	2023	2024	2025	Future Vision

Perspective

Finances

Market

Internal processes Business

Internal processes Operations

People

Step 1 — Step 2 — Step 3 — Step 4 — Step 5 — Step 6

Goal

Ensure a stable operations structure	**Create a business team**	**Grow studio exponentially**	**Set up Nacar Lab**	**Implement fully integrated operations**	**Realise the 40/40/20 revenue model**
The first step on this route is to save costs by improving the operations structure. Within the current operations structure, there are sometimes issues regarding resource management. A better division of the people available over the upcoming projects means that more work can be done with the available resources.	By the second part of 2023, a new business manager is hired to set up and pursue new business opportunities in collaboration with leads, resource management, marketing and top management. This business team develops a strategy that pursues new clients and projects for the studio and the sets the stage for the Nacar labs that will be created in the coming year.	2024 kicks off with the implementation of the new business strategy. First, this strategy focuses on growing the studio exponentially: this means to acquire many new clients for studio projects that require the different design capabilities within Nacar, such as service, product and UX/UI design. This will boost awareness about Nacar among possible clients for the Nacar labs that will be created in the next step.	In this step the Nacar Lab will be set up, a new business unit dedicated to internal projects. The goal is to acquire projects with high design value, to boost innovation and exploration within Nacar. New clients that offer these kind of innovative challenges could be acquired or projects could be financially supported by tenders, government challenges or investors. The development of Nacar labs is continued in 2025.	2025 refocuses on the operations, through the implementation of a fully integrated operational model that can handle the changes in the billing model, as there will be an increase in project based work from the Studio and Lab. More flexibility and integrated work division between business units is needed, therefore in Q1 of 2025 a MVP test is executed to validate the first concept for the new operations structure.	Maximising the income stream and design quality by pushing each business unit to a high revenue high value position is crucial to achieving the new revenue model. For Accounts this means to set up and pursue high design value projects at those clients. The Studio must push innovation as well as revenue and the Lab needs to acquire high revenue innovation projects.

Owner

Resource manager, HR	Talent acquisition, new business manager	New business team, top management	Top managment, new business team, HR	Resource manager, HR	Top managment, new business team

Jan 2023 — Jan 2024 — Jan 2025 — Dec 2025

Figure 24. Strategic roadmap

International growth strategy

Grow by pursuing opportunities abroad through defining an international expansion strategy including market research

Both top management and many employees have expressed a desire for Nacar to expand its international presence. While Nacar already has clients in Germany, Switzerland, and the US, to truly become more international, Nacar should aim to acquire clients from an even wider range of countries. This will help Nacar to gain international recognition, which will open up new possibilities for reaching more clients.

There are many other benefits to expanding internationally, such as the ability to enter new markets with fewer competitors, improving the company's customer portfolio and enhancing its brand reputation. Furthermore, expanding internationally would also provide Nacar with access to more diverse talent, which will ensure more cultural knowledge and understanding within the organisation as well as the ability to better serve the diverse client base.

Set up a **business strategy** to grow abroad and **implement in familiar markets**

Obtain data regarding new markets by employee branding and content selling

Enter new markets to become **wide known** in West Europe

2023   **2024**   **2025**   Future **Vision**

Perspective

Finances

Market

Internal processes Business

Internal processes Operations

People

Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 6

Goal

Create an effective business process

The first step is to invest in a new business manager that has experience with international expansion. This manager is responsible for developing the strategy for the acquisition of clients abroad. After onboarding, the manager gets acquainted with Nacar's partners, clients, connections and resources. Through understanding Nacar's strengths and current position, a suitable team and acquisition strategy is created.

Grow abroad

As Nacar currently has clients in Germany, Switzerland and the US, the first part of the new business strategy focuses on growing in these countries, to exploit the connections and relations that Nacar has. Taking advantage of the cultural knowledge Nacar has is crucial in this first phase of the expansion, where active acquisition of clients is applied.

Set up efficient employee branding

2024 revolves around growing in new European countries, therefore this step focuses on boosting the brand awareness of Nacar. The first goal is to set up efficient employee branding. Inspire employees to become brand ambassadors by sending them to speak on fairs, events and universities abroad to spread awareness of the Nacar brand. This will attract clients abroad as well as international talent.

Introduce content selling

Secondly, passive sales lines such as content selling are set up to boost brand awareness online. The content, such as (free) downloads for methodologies or trend reports, will put Nacar on the map and provides data such as e-mail addresses. By tracking this data data, interesting companies to target can be identified. The investments for the activities of step 3 and 4 are crucial to find the best opportunities for Nacar.

Explore two new markets

The employee branding and concent selling activities have provided the data to help to identify the best markets to enter for Nacar. This step focuses on how to enter these markets and as they will be countries Nacar currently is not operating yet, new connections have to be made. The new business team collaborates with top management to set up new business propositions for clients in these markets.

Become wide known in West Europe

After identifying the companies to target, 2024 ends with reaching these possible clients by (reintroducing) active acquisition. This sets the stage for 2025 which is focused solely on boosting European growth. Besides continuing the design contests Nacar participates in, this year the European Product Design contest is applied to as well, to showcase capabilities and get more notoriety around Europe.

Owner

| Talent acquisition, new business manager | Top managment, new business team | HR, communications manager | New business & communications | Top management, new business team | Top managment, new business team |

Jan 2023   Jan 2024   `   Jan 2025   Dec 2025

Figure 25. Strategic roadmap

People growth strategy

Grow by acquiring talent and maximising personal development through connection and collaboration

According to employees, personal development and the ability to envision a clear career path are amongst the most important benefits Nacar should provide. Additionally, opportunities for collaboration with colleagues from different business units are appreciated highly.

However, some employees feel that Nacar could do more to guide professional development and provide multiple career path options. In order to be able to offer employees the possibility to collaborate more and choose different career paths, a strong operational structure that allows for flexibility is needed. Along with this, employees must also take responsibility and actively seek out opportunities for professional development and collaboration. To support this, the strategy requires investment in providing adequate resources and guidance throughout the employee's career. This includes sharing knowledge and providing opportunities such as mentorship, masterclasses and interdisciplinary collaboration.

Set up talent acquisition and **boost collaboration** between teams

Research and validate methods to successfully **set up** innovation **Lab**

Implement flexible operations structure to offer carreer path opportunities

	2023	2024	2025	Future Vision

Perspective

Finances

Market

Internal processes Business

Internal processes Operations

People

- Step 1
- Step 2
- Step 3
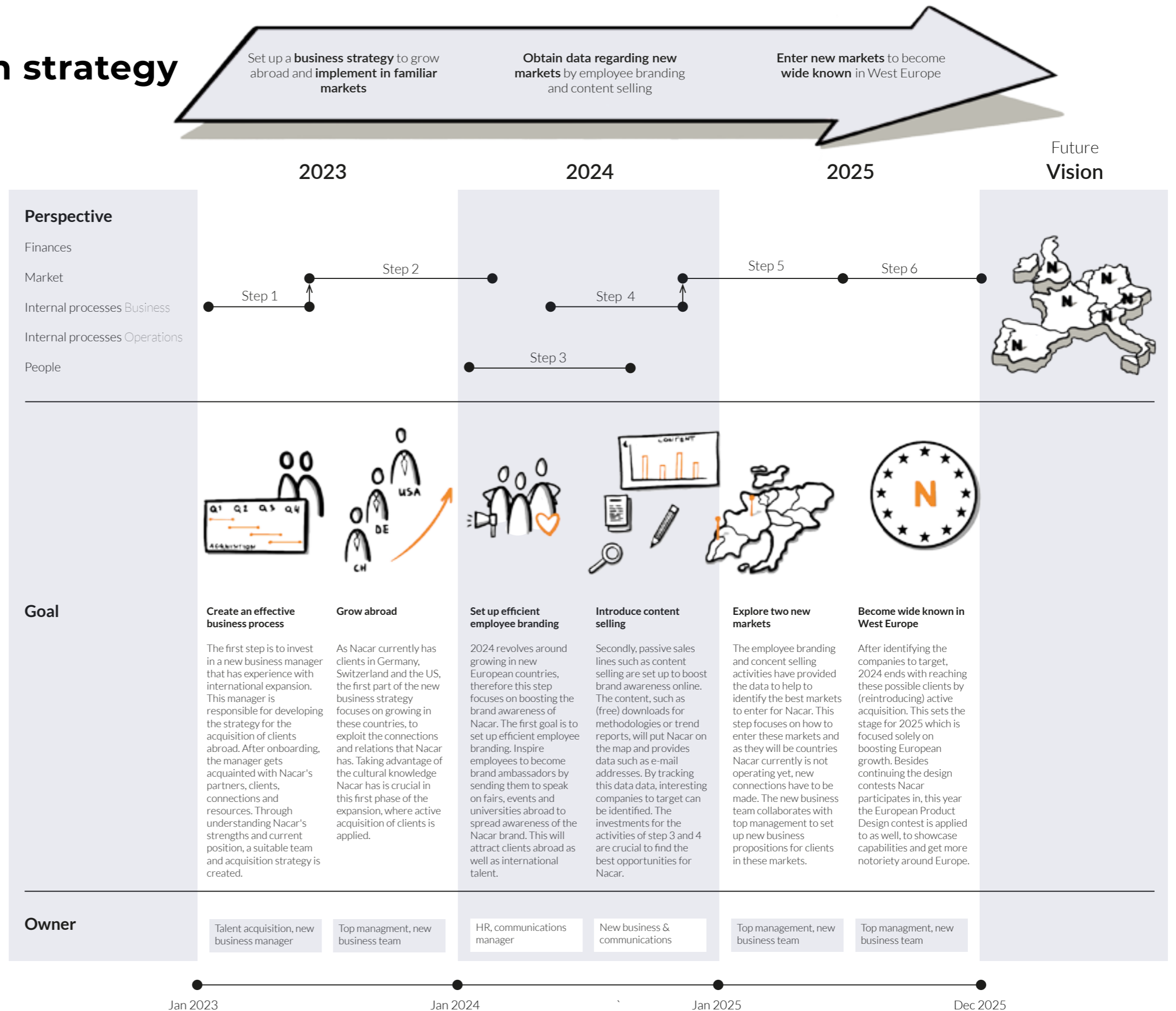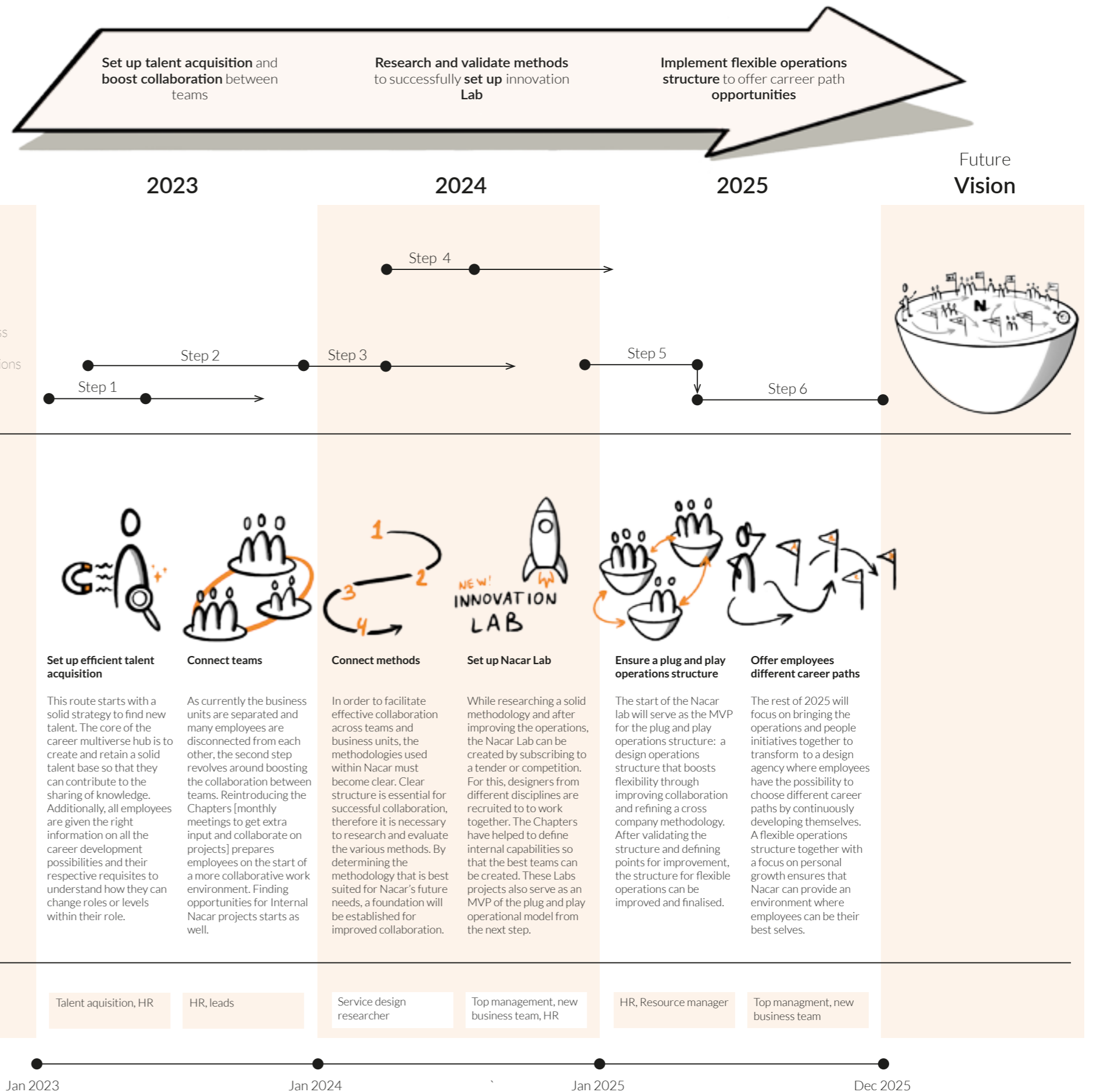- Step 4
- Step 5
- Step 6

Goal

Set up efficient talent acquisition	Connect teams	Connect methods	Set up Nacar Lab	Ensure a plug and play operations structure	Offer employees different career paths
This route starts with a solid strategy to find new talent. The core of the career multiverse hub is to create and retain a solid talent base so that they can contribute to the sharing of knowledge. Additionally, all employees are given the right information on all the career development possibilities and their respective requisites to understand how they can change roles or levels within their role.	As currently the business units are separated and many employees are disconnected from each other, the second step revolves around boosting the collaboration between teams. Reintroducing the Chapters [monthly meetings to get extra input and collaborate on projects] prepares employees on the start of a more collaborative work environment. Finding opportunities for Internal Nacar projects starts as well.	In order to facilitate effective collaboration across teams and business units, the methodologies used within Nacar must become clear. Clear structure is essential for successful collaboration, therefore it is necessary to research and evaluate the various methods. By determining the methodology that is best suited for Nacar's future needs, a foundation will be established for improved collaboration.	While researching a solid methodology and after improving the operations, the Nacar Lab can be created by subscribing to a tender or competition. For this, designers from different disciplines are recruited to to work together. The Chapters have helped to define internal capabilities so that the best teams can be created. These Labs projects also serve as an MVP of the plug and play operational model from the next step.	The start of the Nacar lab will serve as the MVP for the plug and play operations structure: a design operations structure that boosts flexibility through improving collaboration and refining a cross company methodology. After validating the structure and defining points for improvement, the structure for flexible operations can be improved and finalised.	The rest of 2025 will focus on bringing the operations and people initiatives together to transform to a design agency where employees have the possibility to choose different career paths by continuously developing themselves. A flexible operations structure together with a focus on personal growth ensures that Nacar can provide an environment where employees can be their best selves.

Owner

Talent aquisition, HR	HR, leads	Service design researcher	Top management, new business team, HR	HR, Resource manager	Top managment, new business team

Jan 2023 — Jan 2024 — Jan 2025 — Dec 2025

Figure 26. Strategic roadmap

6.2 Strategy validation

As this project has been conducted mainly with employee input in the research and the future visioning for the roadmap, the strategies are validated with employees. The participants of the future vision workshop are recruited again, this time to give their perspective on the strategies that are developed to ensure sustainable growth. This validation will feed the recommendations that are made in the final chapter.

Validation workshop

The validation workshop was conducted with some of the participants of the future vision workshop, as they were already aware of the project and immersed in the content. The aim of the 1-hour workshop was to validate the desirability of the three strategies from the employees' perspective, as well as to get input regarding the expected feasibility and viability. After shortly presenting the development of the roadmap and the three strategies, the validation was conducted by elaborating on the strategies one by one. The six steps of each strategy were discussed, after which a set of consequences provided the input for the participants for the validation. They were asked to write down and discuss the benefits of the strategies, as well as any concerns they had:

Benefits | desirability

How will the consequences benefit you?

What will be the impact on your job and your time at Nacar?

Concerns | feasibility, viability

Do you think Nacar has the capabilities or resources?

Do you think the timeline makes sense?

What do you expect the ROI to be?

What other problems do you foresee?

Validation conclusions

The results of the validation workshop can be found in appendix 5, where the benefits and concerns for each strategy are described. The following conclusions are drafted:

- The **people growth strategy** was considered the **most desirable** as it offered the most personal benefits for employees

- The **business unit growth strategy** was considered to have the **most potential value for Nacar**, however employees were **uncertain about what the Nacar Lab would look like** and how it would be implemented in the current business model

- The i**nternational growth strategy** was considered the **least desirable** as it did not offer many personal benefits for employees

- However, when the employees voted on which growth strategy they believe is the **most feasible to implement, the international growth strategy** received the most votes. They believe this strategy could be developed and implemented this year, whereas they believe the people and business unit growth strategies are better suitable in the long term

- An additional insight that is relevant for the development of any of the strategies is that **Nacar currently lacks a proper system for sharing knowledge**. Employees believe that for any strategy, Nacar must improve the way learnings are documented, shared and applied in other aspects of the organisation

6.3 Nacar innovation Lab

Validation with employees revealed that the specifics of the Innovation Lab were unclear. Therefore it was decided to further define the Nacar Lab, specifically how the new business unit is going to operate. Input for the concepting of the Nacar Lab was provided by employees that are currently in the process of pursuing new business opportunities. Besides defining the Nacar Lab, a protocol for setting up new innovation projects within the Lab is created.

Defining the Lab

The Nacar Lab is a to be established business unit dedicated to pursuing innovative projects. Similar to existing business units within the organisation, Lab projects require funding to maintain viable. The difference lies in more flexibility regarding the billing model or the type of funding. While the revenue streams from these projects might be or the return on investment slower, financial gain is not the main focus. The primary focus is on the design value that Nacar will create through these projects.

By empowering every designer to work on projects within the Lab, maximising Nacar's in-house capabilities. However, to ensure feasibility of the Lab within Nacar's current business model, designers will only partly be dedicated to the Lab in order to maintain enough availability for the clients in the Studio or Accounts. The key benefits of establishing the Nacar Lab include:

- Stimulating designers to pursue innovative and disruptive ideas
- Allowing designers more diversity in their time division between projects and clients
- Improving the internal design operations
- Fostering a culture of innovation and experimentation within the organisation

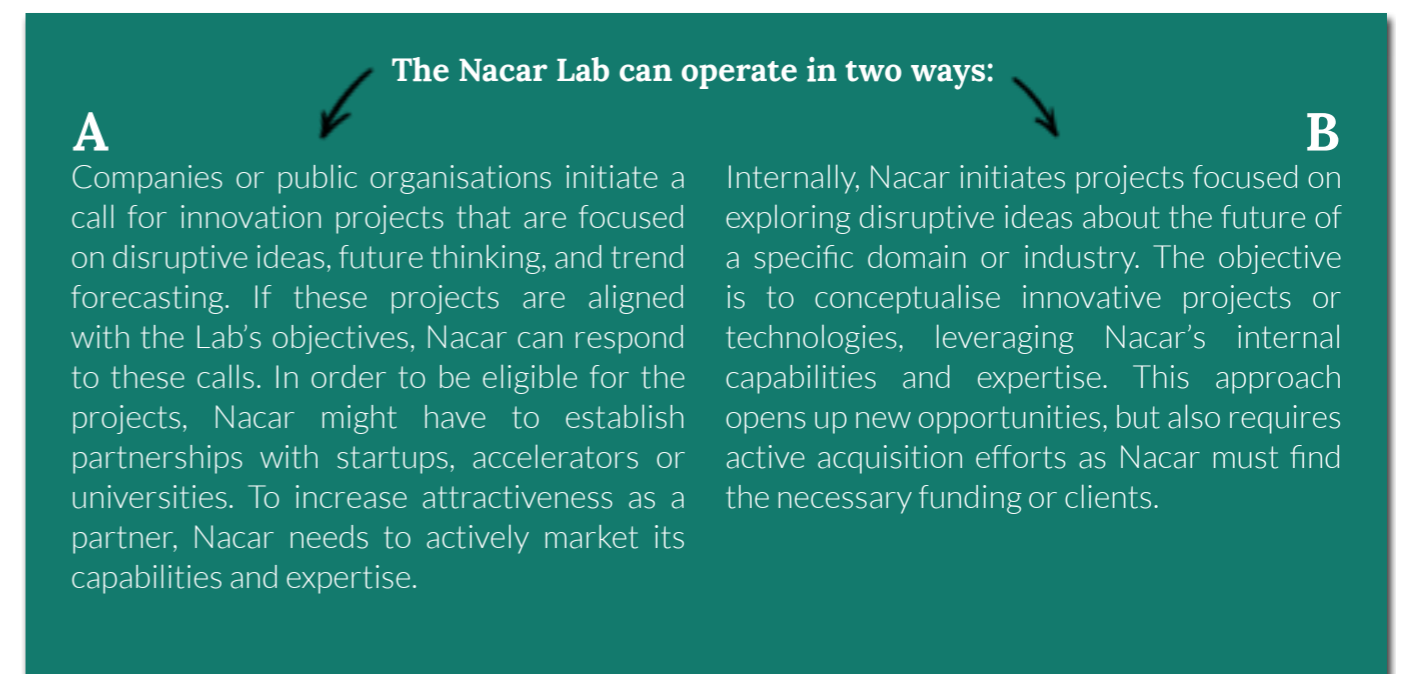In figure 27, the two ways a project within the Nacar Lab can be set up is explained.

The Nacar Lab can operate in two ways:

A

Companies or public organisations initiate a call for innovation projects that are focused on disruptive ideas, future thinking, and trend forecasting. If these projects are aligned with the Lab's objectives, Nacar can respond to these calls. In order to be eligible for the projects, Nacar might have to establish partnerships with startups, accelerators or universities. To increase attractiveness as a partner, Nacar needs to actively market its capabilities and expertise.

B

Internally, Nacar initiates projects focused on exploring disruptive ideas about the future of a specific domain or industry. The objective is to conceptualise innovative projects or technologies, leveraging Nacar's internal capabilities and expertise. This approach opens up new opportunities, but also requires active acquisition efforts as Nacar must find the necessary funding or clients.

Figure 27. Nacar Lab: 2 ways of operation

Implementing the Lab

To establish the Nacar Lab in 2024, as planned in the roadmap, Nacar must start with the acquisition of Lab projects in 2023. Several aspects of the Lab business model vary from that of the Studio or the Accounts, and different activities or partnerships may need to be set up before the projects can be realised. Therefore a new business protocol has been defined for Lab projects. The protocol outlines an iterative process of considerations to be made before a new project can begin.

The protocol was developed by taking input from employees that are currently exploring new business opportunities and addressing their current pain points and obstacles. Figure 28 presents an overview of the protocol steps, while figure 29 provides detailed information on each step and lists questions to ask when setting up a new Lab project. Appendix 6 contains the complete Nacar Innovation Lab protocol.
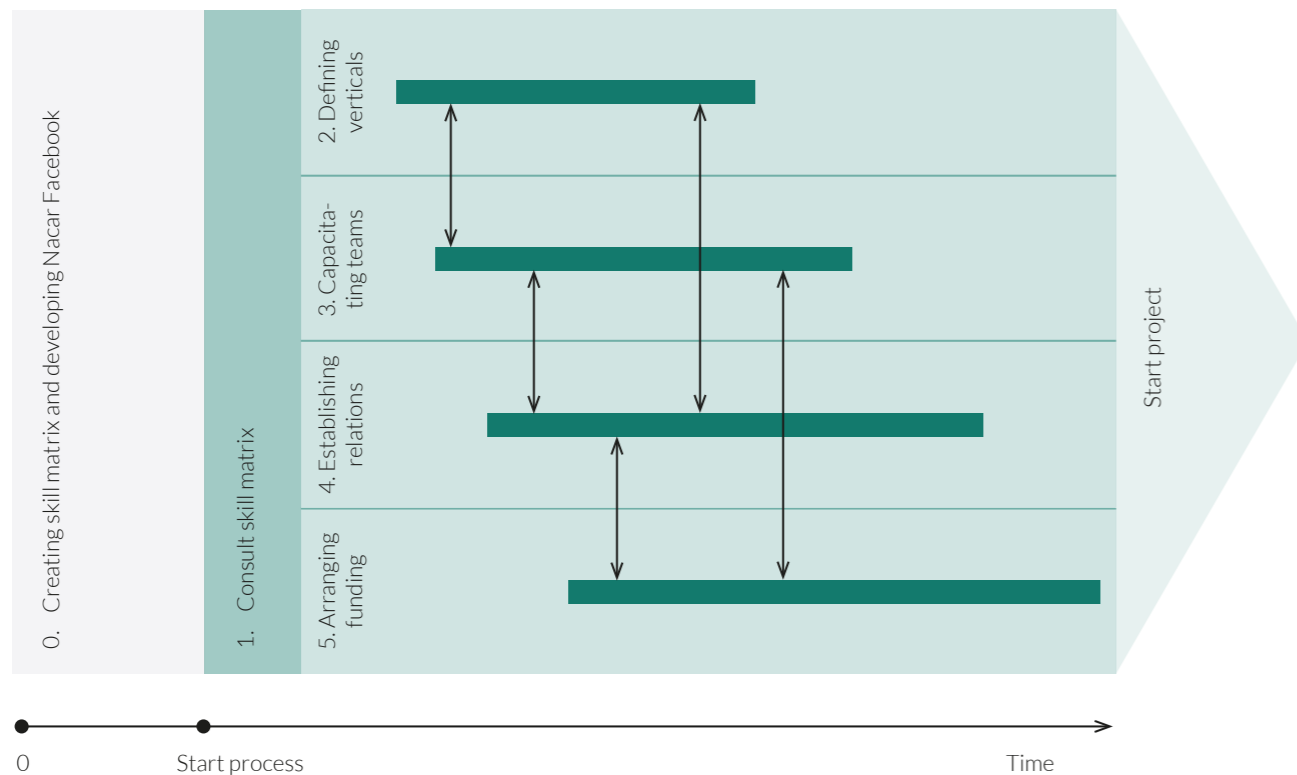

Figure 28. Nacar Lab workflow schematic

0. Creating a skill matrix
The skill matrix is a document for internal use that lists all employees and their skills, capabilities and other knowledge. Define the matrix by asking employees the following:

- Professional experiences?
- Developed skills in past roles?
- Skills at proficient level?
- Future desired skills?
- Personal (marketable) interests?

1. Consult skill matrix
Define the type of project:
a. Identified need or opportunity at client = new business
b. Skills or capabilities available in-house = new service
c. Wish to work with new technology or capability = new value

- Roles needed?
- Skils needed?
- Capabilities needed?
- Employees needed?
- Time needed?

2. Defining verticals
Define sector, (envisioned) client and the type of project to identify knowledge gaps:

- Knowledge gaps?
- Capability gaps?
- Skill gaps?
- How to fill the gaps?
  - New employees?
  - New partners?

From this step on, the process is iterative

3. Capacitating teams
When decided on knowledge and skills needed, efforts to shape the teams can begin. Define time frame of the project to determine the availability of possible team members:

- Expected time frame?
- Availability of designers?

4. Establishing relations
Besides deciding on the human resources needed, define partners that can provide resources that Nacar currently does not have:

- Beneficial partnerships?
- Facilities needed?
- Materials, tools or software needed?
- Supportive research available?

5. Arranging funding
Define how the project will be funded, by a direct client or with subsidies. Realise what requirements apply for the type of funding:

- Billing model (client)?
- Other type of funds?
- How to arrange funds?
- Partnerships needed?
- *Per hour/team member/project*
- *Government subsidy, investment fund, competition*
- *Startups, universities*

*Figure 29. Nacar Lab workflow one pager*

6.4 Key takeaways

- Three strategies were defined, each with a different focus: developing a new business unit, international expansion and people development

- After evaluating the strategies it was found that:
    - Employees personally considered the people growth strategy the most desirable
    - The business unit growth strategy was expected to have the most potential value for Nacar
    - The international growth strategy was considered least desirable but the most feasible to implement

- As the Nacar Innovation Lab and its implementation in the current business model was unclear for employees, it was decided to further the concept. The Lab can work in two ways:
    - Companies or public organisations initiate an open call for innovation projects and Nacar sets up the necessary partnerships to be eligible for these projects
    - Nacar initiates innovative projects internally and acquires clients or funding independently

- Additionally, a protocol was developed as a guide for setting up and growing the Lab business unit. It outlines an iterative process of considerations to be made before a new project can begin

Chapter 7
Recommendations, discussion and conclusion

The previous chapter presented the three strategies, conducted an employee validation and clarified the Nacar Lab. This final chapter offers a set of recommendations. The objective is to suggest the optimal way forward for Nacar by evaluating the strategies and to offer additional client advice. The discussion elaborates on the limitations of the project and the solution before the report is concluded.
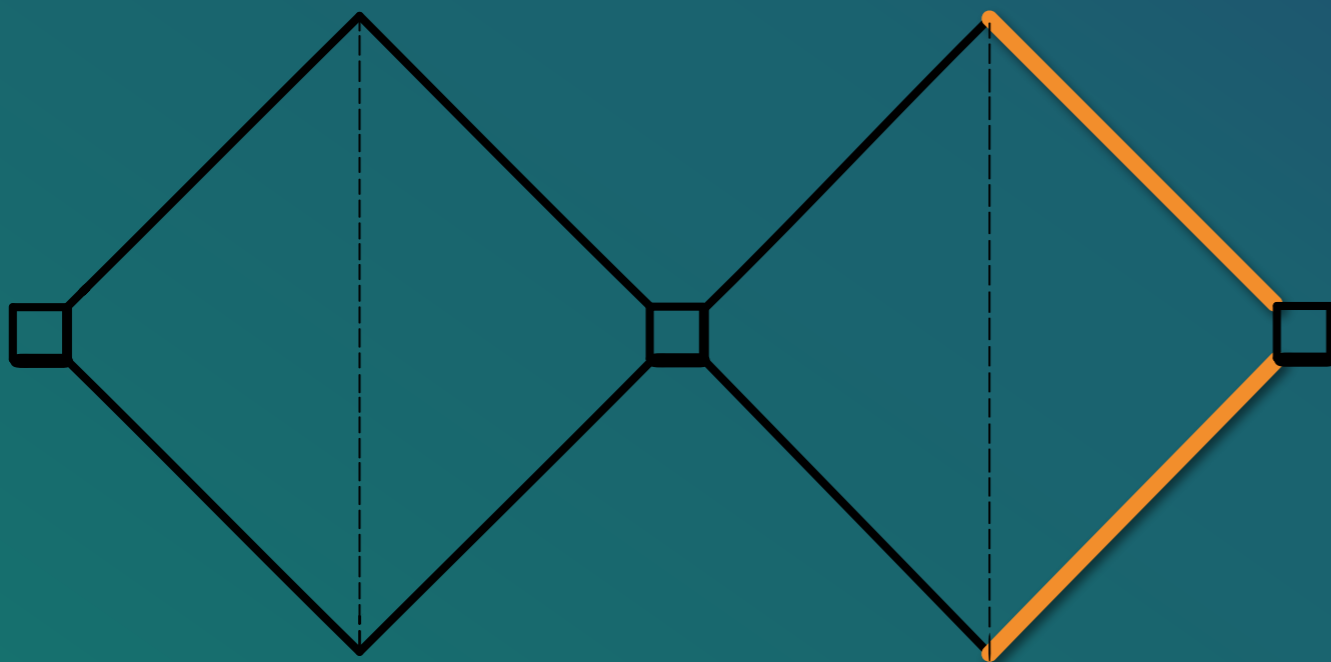
7.1 Solution recommendation

As mentioned in subchapter 5.3, the tactical roadmap is already in use by top management for the strategic planning of initiatives. However, to explain the dependencies that exist within the roadmap, three strategies have been developed that highlight different angles of the solution. A recommendation for Nacar regarding the strategies is presented in this subchapter, to provide direction moving forward after this project is concluded.

Strategy evaluation

Before a recommendation is provided, an evaluation of the suitability of the strategies for Nacar is presented. The PMI retrospective is used to decide on the pluses, minuses and other interesting factors. The evaluation includes the insights from the validation workshop as well as my personal perspective on the strategies and can be found in figure 24. On the next page the recommendation following this evaluation is explained

	Business unit growth strategy	**International** growth strategy	**People** growth strategy
Plus	• Improved design value • More extensive portfolio • Balanced revenue streams • Increased independency • Increased visibility among potential clients • More learning opportunities and variety for employees	• Gained expertise in different cultures • More opportunities for traveling abroad • High feasibility	• Many benefits for employees • High focus on personal development • Many options regarding career path • Nacar 360° service • Cross company methodology
Min	• Low revenue stream from Labs • Integration between business units is complex • Highly dependent on operations structure	• Tunnel vision on internationalisation • Few benefits for employees • Negative impact on company culture due to more remote work	• Low focus on new business acquisition • Far from the current reality for employees • Highly dependent on operations structure
Interesting	• Focuses on increasing revenue by improving internal processes • Transformation through internal optimisation	• Focuses on internationalisation with little attention for other perspectives • Transformation through expansion	• Focuses on improving quality by people development and increasing opportunities • Transformation through maturity

Figure 30. Strategy evaluation

Strategy recommendation

When defining the future Nacar Lab with the input of some employees, it was found that the idea behind the Nacar Lab might not be as far fetched as was discussed during the validation. Currently, a few employees are already occupied setting up new teams based on internal capabilities and new client opportunities. During the validation it was found that the business unit growth strategy is expected to bring the most value for Nacar and the people growth strategy would have the most benefits for employees.

Therefore it is recommended to prioritise the business unit growth strategy while pursuing the people growth strategy with a lower intensity.

Together they shape the transition strategy for Nacar and the solution of this project. Progressive change often doesn't happen by limiting to achievable measures, therefore Nacar should not be restricted by feasibility and viability. Instead, a greater emphasis should be placed on where value is expected and desirability is high.

The Nacar Lab has the potential to change the single client focus at Nacar, where many designers are defined by their business unit. Introducing the Lab will drive the transition Nacar is in by disrupting the status quo. As this strategy aligns with the people growth strategy, the two can coexist. The main focus should be on the business unit growth strategy, while coordinating with the people growth strategy. In figure 25 this coordination is visualised. The strategic plan owner that was introduced in subchapter 5.3 is responsible for continuously aligning goals and activities of both strategies. As implementing the Lab requires significant improvements in people processes and internal operations, this alignment is crucial for the success of Nacar's transition.

The international growth strategy is subordinate to the other two, as it focuses mainly on international expansion and disregards some core perspectives of the organisation. Although this approach to enter new markets is believed to be suitable for Nacar, it is not advised to take international expansion as the main goal for Nacar's transition. However, the approach may be applied to identify and target clients abroad.
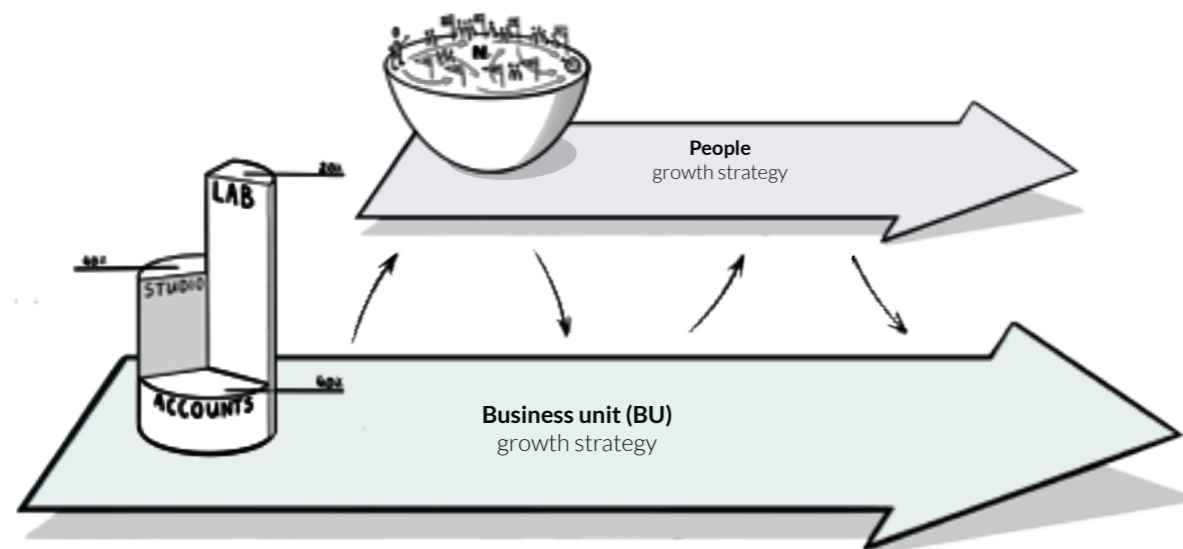

*Figure 31. Transition strategy coordination*

7.2 Client advice

Besides providing a recommendation on how to approach the strategies, this subchapter presents additional advice for Nacar on how to move forward. The advice is directed towards the strategic plan owner, who will be responsible for the implementation and execution of the *transition strategy, as well as top management, who are the main decision makers regarding the future of Nacar. The recommendations can be divided into three topics: Implementation advice, execution advice and general advice.*

Implementation

The following recommendations concern **suggested activities** for the implementation of the transition strategy:

- It is recommended to **validate the transition strategy with top management**. After this validation, any concerns can be processed before the strategies are implemented
- Additionally, the **definition of the Nacar Lab** and how the business unit will operate should be **validated with top management** too. If necessary, the **innovation protocol** can be adjusted
- Lastly, it is recommended to **formalise the strategic roadmap and plan a kickoff** soon to effectively **communicate the plan throughout the organisation.** This way employees are aware of the upcoming changes and feel included in Nacar's future
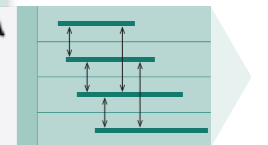
Execution

Next are some **suggestions to keep in mind** during the execution of the transition strategy:

- Decide on the **main goal** for the transition and **remain committed to this vision.** It is strongly advised to **keep reflecting on how decisions influence further steps** in the strategy. Dependencies between steps in the strategy must always be acknowledged as the synthesis between the perspectives is crucial for the success of the execution
- Ensure that goals and plans are actionable and **initiatives are tracked** as outlined in the **workflow for the strategic plan owner**
- **Continuously assess the timeline of the transition strategy.** It may be necessary to revise the plan if goals are not being met on time. Nonetheless, it is suggested to always set a final deadline for the goals in order to keep all people involved focused

General

This final piece of advice concerns a **change in perspective to facilitate Nacar's growth** during the transition:

- As a general recommendation, it is advised to **take a step back from the day to day and focus more on the future plans**. As noted in Chapter 2, top management typically deals with operational, tactical and strategic concerns. As Nacar is transitioning to a larger organisation, the **operational and some tactical concerns can be addressed by others** within the organisation, allowing top management to focus more on strategic considerations. This requires a **shift in mindset** from operational concerns towards strategic opportunities.
- Although the insights from the employee interviews are integrated in the roadmap, it is suggested to **keep the learnings in mind**. It is important to reflect on the obstacles and challenges that were found, which can be done by **periodically collecting data on employee satisfaction** through surveys, for example. Being mindful of the employees' perspectives is crucial for growing in a sustainable way.

Figure 32. Nacar Lab: 2 ways of operation

7.3 Discussion

The question raised by this project was: How to create a transition strategy for design agency Nacar? As Nacar is currently in a transition phase between a small and medium sized organisation, the objective was to create a suitable strategy for sustainable growth. With the recommendations that were provided, Nacar is ready for the transition. However, this project did have some limitations, in terms of methodology, but also regarding the process and the outcome.

Limitations

- The **methodology** of using action research presents limitations in terms of **scientific validation.** As this project is focused on a specific organisation, **validation of insights or solutions can be subjective**, which is also the case for the validation of the strategies with employees. The employee feedback is limited as they can only reflect on the perceived effects. Additionally, the success of action research is **highly dependent on the input and engagement of the people** involved

- This also has an effect on the **generalisability** of this study: although the **methodology used is suitable** for internal projects with any organisation, the **variability of the contexts make it difficult to generalise findings.** As the solution was specifically developed for Nacar, the outcome is not directly generalisable for other contexts. However the approach of **including perspectives is advisable for any organisation**

- In terms of the **process**, the project aimed to create a connection between the perspective of employees and top management based on the research insights and stakeholder validation. However, there was an **imbalance in the interaction with stakeholders** as employees have more time to participate in various sessions than top management, leading to mostly **indirect feedback from top management.** Therefore the contributions from employee and top management perspectives were unequal

- The project's **outcome is limited** by the fact that it has **not yet been validated** with top management

- Generally, language was not seen as a barrier, however speaking Spanish would have made the interviews easier for participants and allowed for more casual conversation about the project

7.4 Conclusion

This project aimed to find how to create a growth strategy for a specific design agency. The proces of the steps taken to create a transition strategy are reported thouroughly and a final strategy is delivered.

The project was dedicated to the research question: *How to create a transition strategy for design agency Nacar?* Naturally the project focused on creating the actual transition strategy, but most importantly it was found how to do this:

> **To create a suitable strategy for a specific organisation, all perspectives of the different stakeholders must be included.**

Therefore the approach for creating the strategy was to consult employees from various business units and clients throughout the different phases of the project, as well as to constantly validate with top management.

In order to arrive at this answer, two sub-questions were formulated: *What are the obstacles and enablers of the transition that Nacar faces? Which organisational challenges does Nacar encounter in facilitating the transition?*

Nine insights were identified and categorised as either obstacles, enablers or challenges. Additionally, these were further categorised into three levels:

Operational, tactical and strategic insights. This categorisation shaped the design process of the solution, as it helped distinguish on which level an obstacle or challenge needs to be addressed.

After analysing and validating the research a conclusion was drawn and the design vision was created:

> There is a need to **create a bridge** between the perspective of the employees and the perspective of top management

Once again, employees were recruited to join a workshop to share their input and ideas for the solution, in order to create that bridge. By collecting all perspectives in one roadmap, a framework was constructed, after which three strategies were created.

After validation of the three strategies, the final solution was created and validated one last time with employees. The transition strategy exists as a combination of two strategies, that focus on introducing a new innovation lab and optimising daily operations to improve the employee experience. Further recommendations were made to support the outcome in terms of advice on implementation and execution and the limitations of the research were described.

Reflection and references

This report is concluded with a reflection on the process of the project, as well as the personal learning goals that were defined at the start.

Reflection on the process

In this chapter I reflect on the process of this graduation project, focusing on what I have learned and what went differently than expected.

Organisational design project

The topic of this graduation project is different from what I am used to. In the past, when designing a product, service, or launch strategy, the user was generally well-defined. However, in this project, the 'user' was not a single person or target group, but rather many stakeholders with different perspectives. This made it a challenge to define and consider all these perspectives, but it also made the project fun and interesting. I spoke with many people to better understand the various perspectives, which required me to relativise opinions and keep the focus on the bigger strategic plan. It was a design project just like any other, but at times I had to adjust my approach to make sure I was still working towards a final design outcome.

Stakeholder interaction

One thing that surprised me was that I had less interaction with top management than I had anticipated. While I had various interviews and workshops with employees, it was often difficult to schedule meetings with top management due to their busy schedules. As a result, I had to take a more bottom up approach and adjust my plans to focus more on the input from employees and HR. Feedback from top management was still valuable, but it became more of a validation rather than a primary source of input. This shift in approach taught me to be more adaptable in my process and not rely too heavily on specific types of input.

Time management

Another consequence of this was that I felt my time planning was sometimes dependent on top management's availability to provide input. In retrospect, I realise that I should have better communicated my expectations to stakeholders at the beginning of the project. It could be a learning experience for all involved to better brief all stakeholders on expectations if another internal project like this should happen.

Process vs outcome

When reflecting on process versus outcome, I realised something interesting: I believe that the process of action research I did, is part of the outcome. The project was like a test of how a more participatory environment would work. Of course the research insights contributed to the roadmap that was developed, however I was unsure of the final outcome for much of the project. In the end, the roadmap was the result of the action research process, and the three strategies and final solution were the outcome of my design process.

Overall, I enjoyed stepping out of my comfort zone and working on a project that required me to consider multiple perspectives and adapt my approach to fit the needs of different stakeholders.

Reflection on learning goals

In this final chapter I reflect on the personal learning goals that I have set before the project, as well as any additional personal insights I have gained.

Organisational research

Throughout my graduation thesis project, I had several learning goals that I wanted to achieve. The first one was to gain a better understanding of the organisational structure of a company and identify strategic challenges to improve. However, as my research involved discussing sensitive topics, I had to be very effective in my approach. While I believe I could have done better, I had to conduct the interviews right after joining the company, and I was still learning about Nacar during that time. Looking back, I think I should have done two rounds of interviews: one to understand the organisation and the other to identify obstacles and organisational challenges. Nevertheless, during the analysis phase, I did a second round of coding which helped me get to the underlying values and enrich my research insights.

HR understanding

My second goal was to gain a deeper understanding of the HR field, which I successfully achieved. Through my work on the project, I recognized the value of HR's work and how closely it is related to the strategy of the organisation. If I get a similar role in the future, I would work closely with the HR team.

Working abroad

Another challenge that I set for myself was to work abroad, and it turned out to be the best decision I could have made. Aside from having fun with my colleagues, I experienced what it's like to work in another country. Although the cultural differences between Spain and the Netherlands aren't significant, I noticed some variations in work ethics. Moreover, I realized that not speaking the same language can have an impact, albeit a small one.

Time management

Better time management was my final goal for the project, and it proved to be a theme that persisted throughout. I have always struggled with time management, as I tend to set unrealistic goals that leave me feeling disappointed if I don't achieve them. However, after trying various planning tools, I found one that works well for me. Nonetheless, I sometimes get lost in the details, but I understand that this is a common trait among designers.

Finally, I learned that when I need feedback, and it doesn't come, I should either clarify my expectations or change my approach so that I don't feel too dependent on that input. I realized that I could also seek feedback elsewhere or trust my own ideas more.

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Appendices

The following appendices offer some additional information to the main findings that are presented in the report. The following appendices are included:

Appendix 1: Data analysis

Appendix 2: Research insights

Appendix 3: Employee workshop

Appendix 4: Roadmap foundation

Appendix 5: Strategy validation

Appendix 6: Innovation protocol

Appendix 7: Design brief

Appendix 1 Data analysis

Appendix 1 presents the analysis of the qualitative interview data. The analysis has been conducted in three phases:

- Data evaluation
- Data clustering
- Data coding

1.1 Data evaluation

In the first analysis phase, each interview has been evaluated by marking interesting quotes as follows:

- Pain
- Delight green
- Opinion or preference
- General explanation
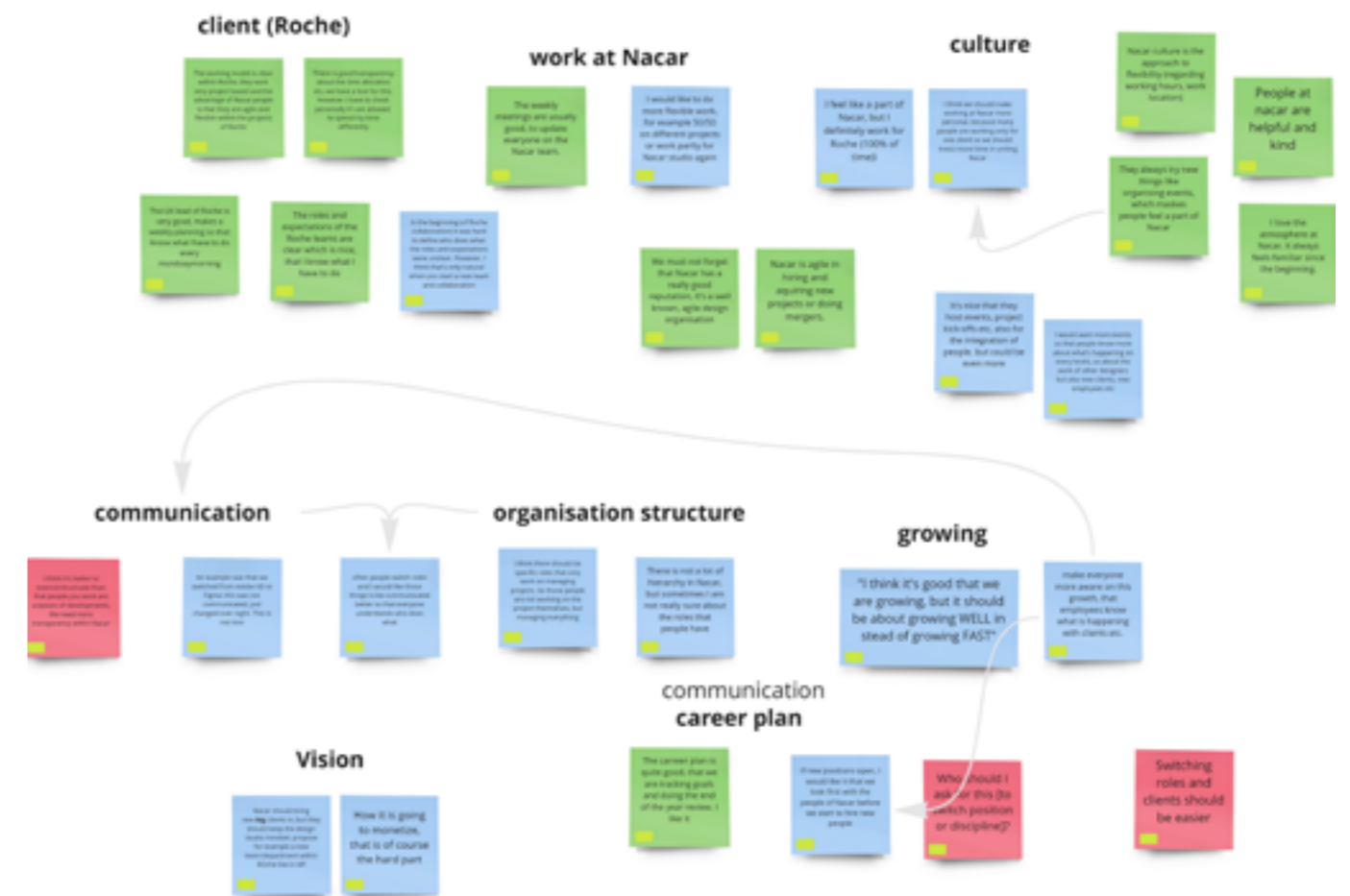
1.1 Data evaluation: labeling quotes per interview

1.2 Data clustering

In the second phase, the marked quotes from all interviews were collected and clustered based on topic
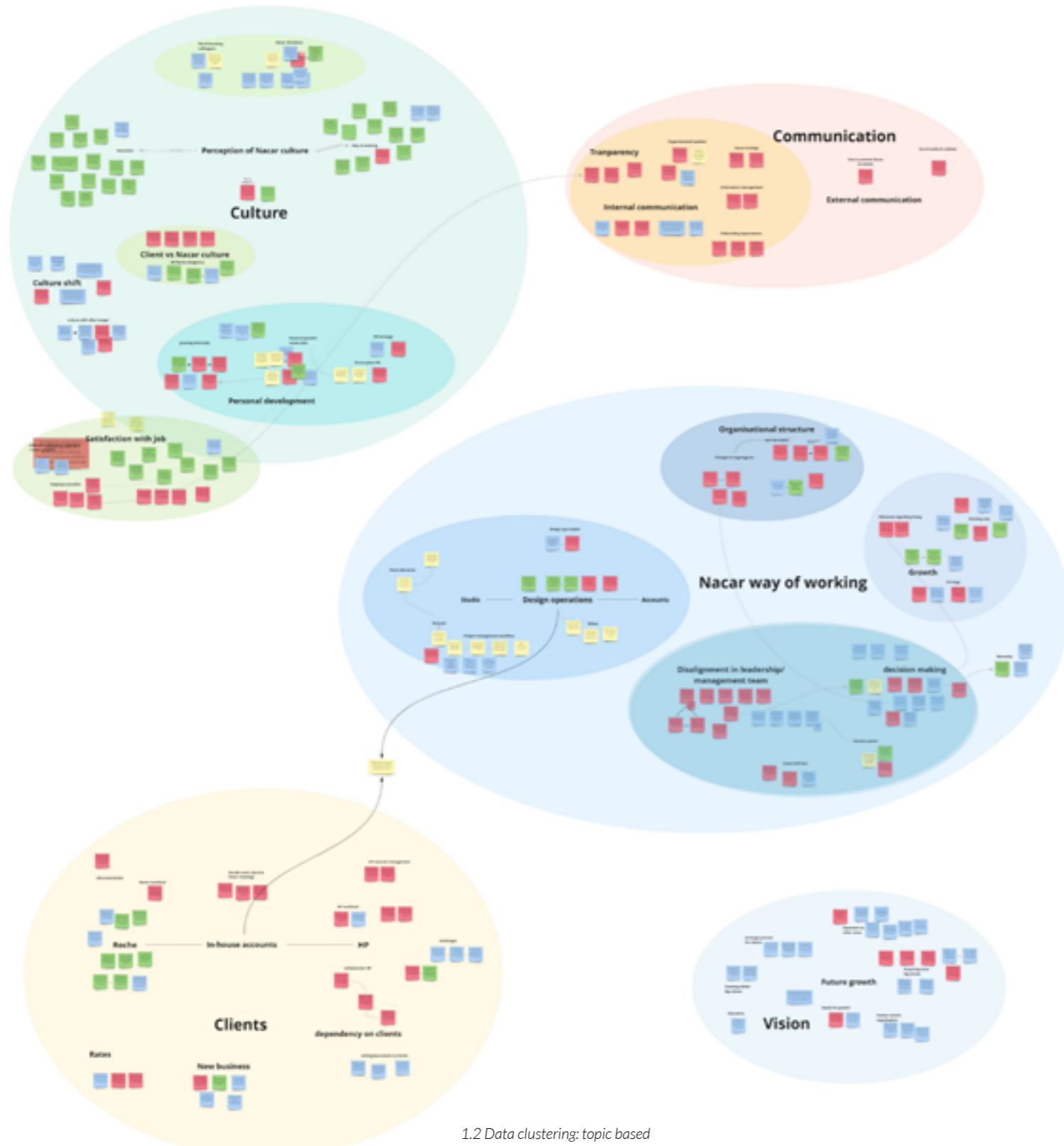
1.2 Data clustering: topic based

1.3 Data coding

In the final analysis phase, the data was coded based on underlying value. Value drivers were extracted and new clusters arose. Value cards were created based on the new clusters and a narrative was found (1-9).
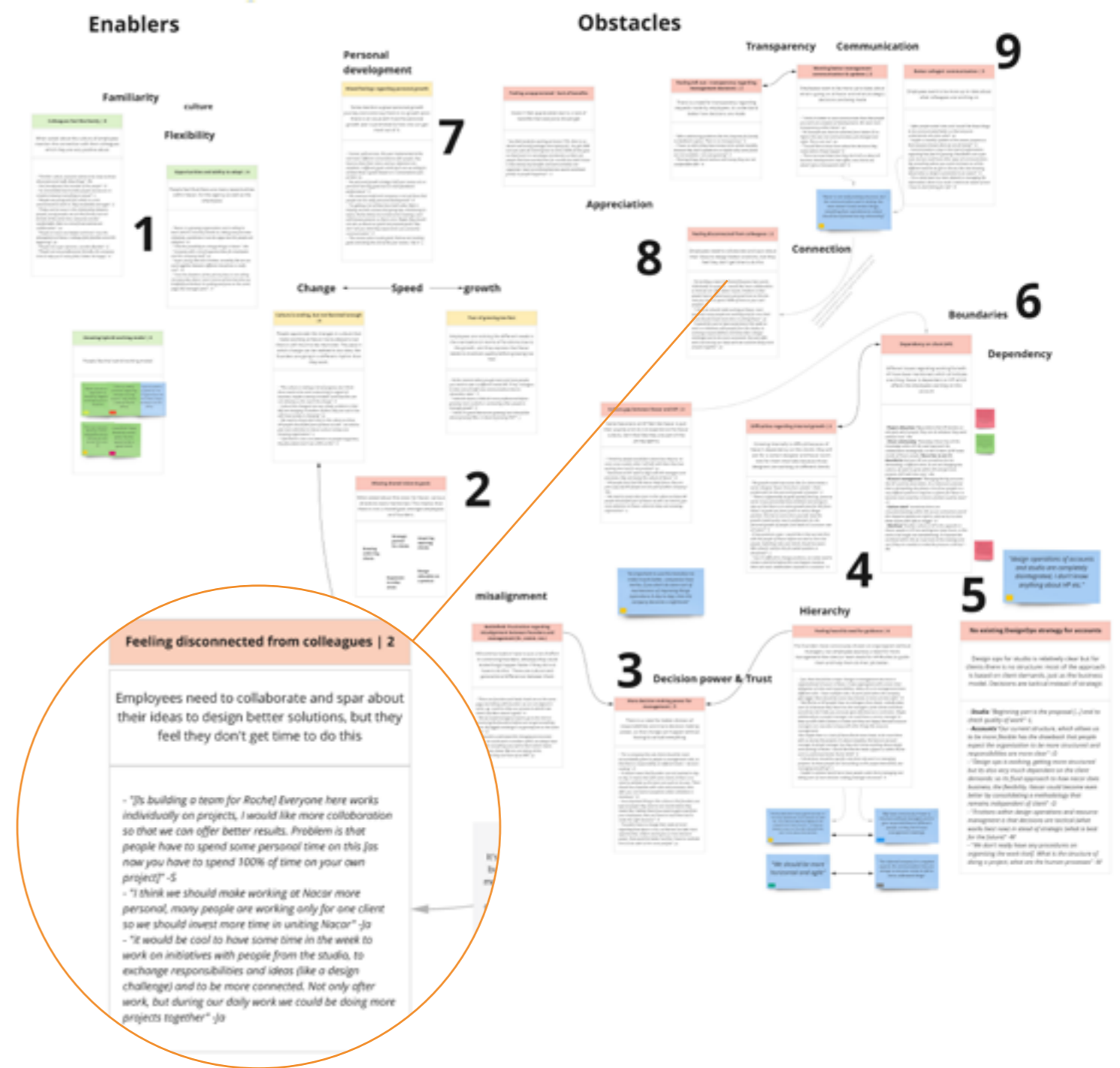
1.2 Data coding: value based

Appendix 3 Employee workshop

3.1 Trend research

The figure presents the findings of the trend research,

after which the trends are further explained.

1. Organisational structure

The trends in organisational efficiency and structure have largely originated from large software development companies that have implemented Agile, Scrum, and DevOps methodologies. Although these practices were initially designed for software development teams, they can be applied in other fields and organisations as well. Some of the emerging approaches are:

- **DesignOps:** DesignOps optimises people, processes, and craft to amplify design's impact and value at scale. Companies like Airbnb, Dropbox, and Pinterest have implemented DesignOps to address the challenges of growing and evolving design teams, hiring skilled professionals, and creating efficient workflows to enhance the quality and impact of design outputs.

- **RevOps:** RevOps aligns people, processes, tools, and resources to generate revenue strategically and tactically. Salesforce is one organisation that promotes RevOps to eliminate the divisions between sales, marketing, and customer success to create a seamless experience for the customer through each stage of their journey. Some of the RevOps practices include adopting lean, agile, go-to-market functions, data-driven decision-making, and building a forward-looking, resilient organisation.

- **LearnOps**: LearnOps facilitates an organisational shift that aligns learning programs with measurable business objectives to improve learner performance through integrated and personalized learning experiences. Some of the benefits of LearnOps include reduced friction between stakeholders, project managers, and designers, increased visibility into the organisation's training needs, and more valuable data on learner preferences and performance.

2. Organisational transformation

Organisational transformation trends are divided into the skills and technology/software required to effect change. The following trends are emerging:

- **Facilitation skills:** Individuals who drive change within an organisation can benefit greatly from facilitation skills that enable co-creation of transformation.

- **Sense-making skills:** The ability to quickly adapt and apply new information will become more important than any number of hard skills, given the rapidly changing world we live in.

- **Technology/software needs or investments:** When more attention is given to researching and improving the organisation, there may be a need for software/technology

to sustain hybrid/remote work, increased data collection and performance reviews (HR) to identify where change is needed, and a need for financial investment in data collection, such as CX software.

3. Human centered organisations

With an increase in resignations last year, retaining and engaging employees have become a top priority for HR teams. Personal development and transparency in their work are highly valued by employees. Therefore, organisations should focus on career development and transparency to maintain their workforce. Organisational cultures that prioritize people over profit are becoming more popular, called "people-first cultures." These cultures have a few characteristics, including:

- Prioritise reskilling and upskilling with engaging L&D initiatives, such as microlearning

- Grow inclusivity and connection among the workforce

- Implement HR tools that support remote work

- Focus on people analytics for business success

4. Employee Well-being

Employee well-being is another crucial aspect of a people-centered organisation. The following are some rising concerns for employees:

- Mental well-being, with burnout being a top concern for management. Initiatives that can promote wellness include opportunities to connect with coworkers, company benefits that support mental and physical health, flexibility in work hours, and increased respect for non-work times. Employers also need to pay attention to employee mental health needs.

- Increase in stress due to uncertainty about financial future or job prospects

- Work-life balance, which can be supported by allowing more autonomy and flexible/hybrid working models

- Feeling valued and recognized, which can improve employees' sense of belonging and add value to the company, ultimately leading to higher retention rates.

5. Opportunities

Some other trends for organisations:

- IT as a service

- Learning as a core value, facilitating continuous learning and knowledge sharing (e.g., Netflix)

- The use of AI in the design process

- Employees as brand ambassadors

3.2 workshop analysis

The analysis of the employee workshop and trend research

Sharing is caring

taking the time and effort to share information with each other

Need for transparency

lock time[example: 30 mins monday] to have an understanding and family feeling with all teams, maybe every two weeks
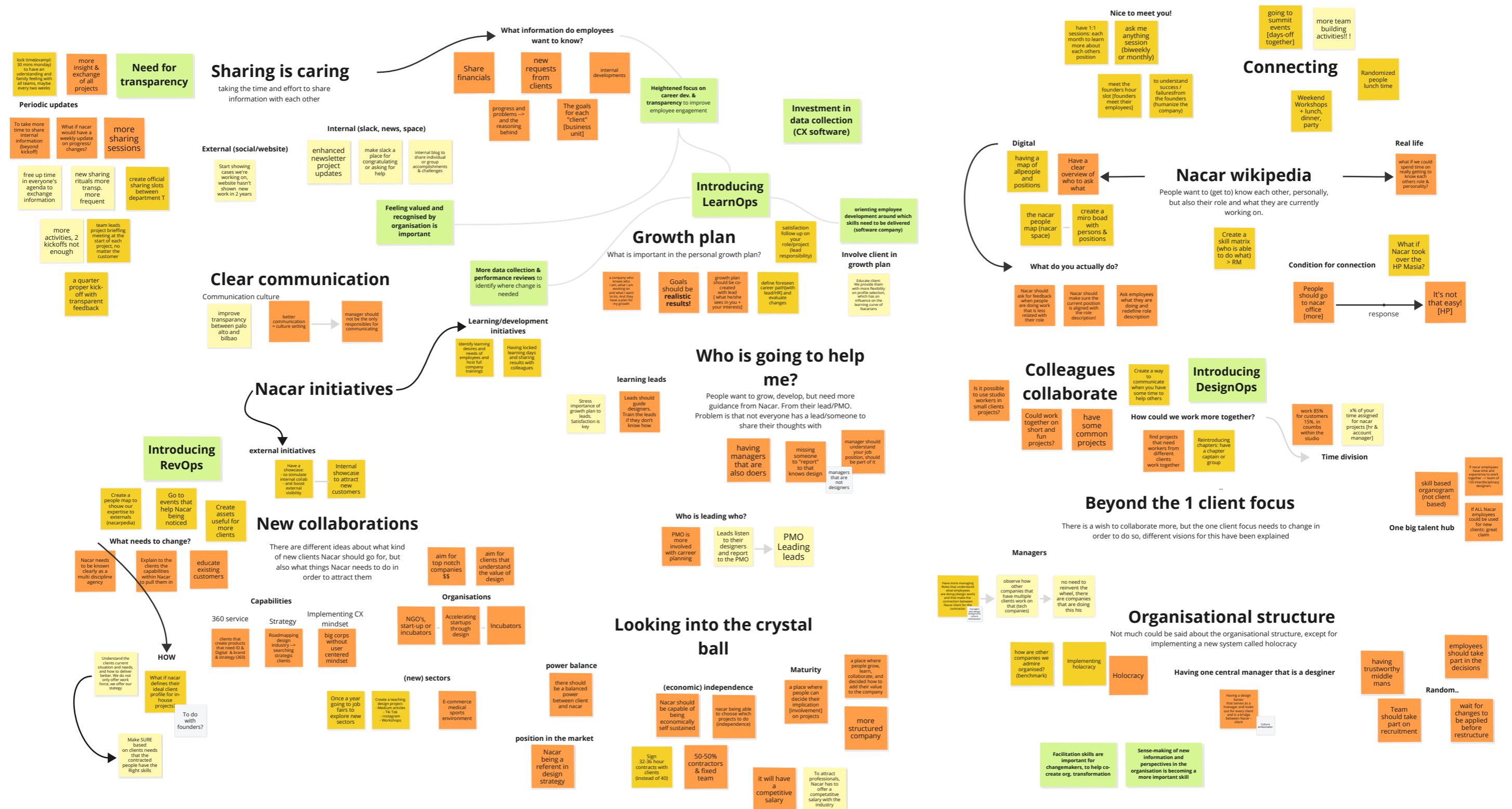
more insight & exchange of all projects

Periodic updates

To take more time to share internal information (beyond kickoff)

What if nacar would have a weekly update on progress/ changes?

more sharing sessions

free up time in everyone's agenda to exchange information

new sharing rituals more transp. more frequent

create official sharing slots between department T

more activities, 2 kickoffs not enough

team leads project briefing meeting at the start of each project, no matter the customer

a quarter proper kick-off with transparent feedback

What information do employees want to know?

Share financials

new requests from clients

internal developments

progress and problems --> and the reasoning behind

The goals for each "client" [business unit]

Heightened focus on career dev. & transparency to improve employee engagement

Investment in data collection (CX software)

Internal (slack, news, space)

enhanced newsletter project updates

make slack a place for congratulating or asking for help

internal blog to share individual or group accomplishments & challenges

External (social/website)

Start showing cases we're working on, website hasn't shown new work in 2 years

Feeling valued and recognised by organisation is important

Clear communication

Communication culture

improve transparency between palo alto and bilbao

better communication + culture setting

manager should not be the only responsible for communicating

Learning/development initiatives

Identify learning desires and needs of employees and host full company trainings

Having locked learning days and sharing results with colleagues

Nacar initiatives

external initiatives

Have a showcase internal collab - and boost external visibility

Internal showcase to attract new customers

Introducing RevOps

Create a people map to show our expertise to externals (nacarpedia)

Go to events that help Nacar being noticed

Create assets useful for more clients

What needs to change?

Nacar needs to be known clearly as a multi discipline agency

Explain to the clients the capabilities within Nacar so pull them in

educate existing customers

HOW

Understand the clients current situation and needs and how to deliver better. We do not only offer work force, we offer our strategy

What if nacar defines their ideal client profile for in-house projects?

To do with founders?

Make SURE based on clients needs that the contracted people have the Right skills

New collaborations

There are different ideas about what kind of new clients Nacar should go for, but also what things Nacar needs to do in order to attract them

Capabilities

360 service

Strategy

Roadmapping design industry --> searching strategic clients

Implementing CX mindset

big corps without user centered mindset

clients that create products that need ID & Digital & brand & strategy (360)

(new) sectors

Once a year going to job fairs to explore new sectors

Create a teaching design project: - Medium articles - Tik Tok - Instagram - Workshops

E-commerce medical sports environment

Organisations

NGO's, start-up or incubators

Accelerating startups through design

Incubators

aim for top notch companies $$

aim for clients that understand the value of design

Introducing LearnOps

satisfaction follow up on your role/project (lead responsibility)

orienting employee development around which skills need to be delivered (software company)

Growth plan

What is important in the personal growth plan?

More data collection & performance reviews is needed

a company who knows who I am, what I am working on and what I want to do. And they have a plan for my growth

Goals should be realistic results!

growth plan should be co-created with lead [what he/she sees in you + your interests]

define foreseen career path[with lead/HR] and evaluate changes

Involve client in growth plan

Educate client: We provide them with more flexibility on profile selection, which has an influence on the learning curve of Nacarians

Who is going to help me?

People want to grow, develop, but need more guidance from Nacar. From their lead/PMO. Problem is that not everyone has a lead/someone to share their thoughts with

learning leads

Stress importance of growth plan to leads. Satisfaction is key

Leads should guide designers. Train the leads if they don't know how

having managers that are also doers

missing someone to "report" to that knows design

manager should understand your job position, should be part of it

managers that are not designers

Who is leading who?

PMO is more involved with career planning

Leads listen to their designers and report to the PMO

PMO Leading leads

Looking into the crystal ball

power balance

there should be a balanced power between client and nacar

(economic) independence

Nacar should be capable of being economically self sustained

nacar being able to choose which projects to do (independence)

Sign 32-36 hour contracts with clients (instead of 40)

50-50% contractors & fixed team

position in the market

Nacar being a referent in design strategy

Maturity

a place where people grow, learn, collaborate, and decided how to add their value to the company

a place where people can decide their implication [involvement] on projects

more structured company

it will have a competitive salary

To attract professionals, Nacar has to offer a competetive salary with the industry

Connecting

Nice to meet you!

have 1:1 sessions: each month to learn more about each others position

ask me anything session (biweekly or monthly)

meet the founders hour slot [founders meet their employees]

to understand success / failuresfrom the founders (humanize the company)

going to summit events [days-off together]

more team building activities!! !

Randomized people lunch time

Weekend Workshops + lunch, dinner, party

Nacar wikipedia

People want to (get to) know each other, personally, but also their role and what they are currently working on.

Digital

having a map of allpeople and positions

Have a clear overview of who is who to ask what

the nacar people map (nacar space)

create a miro boad with persons & positions

What do you actually do?

Nacar should ask for feedback when people are doing work that is less connected with their role

Nacar should make sure the current position is aligned with the role description!

Ask employees what they are doing and redefine role description

Real life

what if we could spend time on really getting to know each others role & personality?

Create a skill matrix (who is able to do what) > RM

Condition for connection

What if Nacar took over the HP Masia?

People should go to nacar office [more]

response

It's not that easy! [HP]

Colleagues collaborate

Is it possible to use studio workers in small clients projects?

Create a way to communicate when you have some time to help others

Introducing DesignOps

Could work together on short and fun projects?

have some common projects

How could we work more together?

find projects that need workers from different clients work together

Reintroducing chapters: have a chapter captain or group

work 85% for customers 15%. in countis within the studio

x% of your time assigned for nacar projects [hr & account manager]

Time division

..

Beyond the 1 client focus

There is a wish to collaborate more, but the one client focus needs to change in order to do so, different visions for this have been explained

Managers

Have more managing Roles that understand what employees are doing clearer weekly and that make the connection between Nacar-client by the contractor

observe how other companies that have multiple clients work on that (tech companies)

no need to reinvent the wheel, there are companies that are doing this his

managers that are connected with people, who understand projects and relationship with client

skill based organogram (not client based)

If nacar employees have time and experience to work together -> team of T2D interdisciplinary designers

If ALL Nacar employees could be used for new clients: great claim

One big talent hub

Organisational structure

Not much could be said about the organisational structure, except for implementing a new system called holocracy

how are other companies we admire organised? (benchmark)

Implementing holacracy

Holocracy

Having one central manager that is a desginer

Having a design Senior that serves as a manager and looks out for every client and is a bridge between Nacar client

Culture ambassador

Facilitation skills are important for changemakers, to help co-create org. transformation

Sense-making of new information and perspectives in the organisation is becoming a more important skill

having trustworthy middle mans

employees should take part in the decisions

Random..

Team should take part on recruitment

wait for changes to be applied before restructure

3.2 Workshop analysis: input for the solution

Appendix 5 Strategy validation

The results of the 1-hour employee validation workshop about the three strategies are presented in this appendix.

The strategies are discussed in the following order:

1. Business unit growth strategy
2. International growth strategy
3. People growth strategy

After an explanation of each strategy and its consequences, the participants were asked to list the perceived benefits and concerns.

Main conclusions

- The people growth strategy was considered the most desirable as it offered the most personal benefits for employees

- The business unit growth strategy was considered to have the most potential value for Nacar, however employees were uncertain about what the Nacar Lab would look like and how it would be implemented in the current business model

- The international growth strategy was considered the least desirable as it did not offer many personal benefits for employees

- However, when the employees voted on which growth strategy they believed was the most feasible to implement, the international growth strategy received the most votes. They believe this strategy could be developed and implemented this year, whereas they believe the people and business unit growth strategies are better suitable in the long term

- An additional insight that is relevant for the development of any of the strategies is that Nacar currently lacks a proper system for sharing knowledge

Business Unit Growth Strategy

- The Business Unit Growth Strategy would increase visibility and power for the studio, which would ensure its independence

- It would provide many learning opportunities for employees and allow for exciting Lab projects to prevent burnout caused by client work

- However, there are concerns about how to change the rates charged or the types of projects collected to align with this strategy

- It would be more realistic to focus on growing the studio only, rather than also the lab

- Changes to the culture would need to occur before growth could happen, and the current division of the studio into two business units would make this difficult

- There is currently no viability for the lab structure within the accounts and a clear connection between the innovation lab and integrated ops structure is needed

- Knowledge management and learning sharing would need to be implemented between business units

- Conclusion: While there are many concerns, this strategy brings many possibilities for employees

International Growth Strategy:

- The main benefits are gaining valuable experience with international clients and the opportunity to expand one's cultural understanding through travel to those countries

- Concerns include the potential negative impact on company culture with a 100% remote proposition, a need for communication training for employees attending fairs and conferences, and questions about employee readiness to deal with international clients

- A team vision would need to be developed before expanding to new business and employees with knowledge and expertise in bringing value to clients should be involved in the strategy

- Conclusion: Desirability for this strategy is low, but feasibility is perceived to be high

People Growth Strategy

- The main benefit is the focus on personal development

- Others include using Nacars strength, being the ability to offer a 360-degree service. The Nacar methodology would also be valued highly

- Concerns include that currently the onboarding process is not supportive enough, the culture is dependent on employees rather than management and there is a lack of space in contracts for personal development

- The team should be involved in the acquisition of talent

- implementing a cross-method approach when working for clients who already have established methods is difficult

- Conclusion: Desirability for this strategy is high, but perceived feasibility is low as the organisation currently cannot support these changes

Appendix 6 Innovation protocol

This appendix presents the full Nacar Innovation Lab protocol. The iterative steps to go through before starting an innovation project are thoroughly described and schematically visualised.

0. Creating a skill matrix

The skill matrix is a document for internal use that lists all employees and their skills, capabilities and other knowledge. This document stands at the core of all new business development and innovation at Nacar. The extensive table is created based on the goal setting chats that the leads have with the designers in their teams at the beginning of each year as a part of the individual development plan. The following activities must be added to the goal setting chat to collect the data needed for the skill matrix:

- Introduce the desire to complete a global Nacarian skill matrix

- Ask for professional experiences and developed skills in past roles

- Ask for skills/tasks members already developed and considered to be at a proficient level (have to meet Nacar quality standard)

- Ask for personal interests related to marketable activities and future skill sets that are desired

- Analise individual responses, list skills/areas and cluster

Consult skill matrix

Before starting a new project for Nacar Lab, define if the project is created based on:

a. Identified need/opportunity at client = new business proposition

b. Skills or capabilities Nacar has available in-house = new service proposition

c. Wish to work with a new technology or develop a new capability = new value proposition

Then ask the following questions:

- Which type of people do we need? UX, ID, engineers

- Which design skills do we need? User research, CAD, facilitation

- Which capabilities do we need? Project management, lead, data management

- Who do we have in-house that can fill these roles?

- (How much time do these people have? Resource management)

2. Defining verticals

After consulting the skill matrix, it is time to shape the project. In order to do so, the sector in which the project will operate is defined, as well as the (envisioned) client and the type of project. This helps to identify any knowledge gaps. From this step on, the process is iterative and it is crucial to go back when needed. Questions to ask:

- What knowledge are we missing?

- Which designers, skills or capabilities are missing?

- What else are we missing?

- What can we do to obtain what we are missing?

- Can we hire new designers or find other ways to get the people and skills we need?

- Can we find partners to fill the knowledge gap?

3. Capacitating teams

When is decided which knowledge and skills are needed, efforts can begin to shape the teams. Defining the time frame of the project is important to be able to determine the availability of possible team members:

- What is the expected time frame of the project?

- What is the availability of the designers that we need?

4. Establishing relations

Besides defining the human resources needed, other needs might exist as well. This step is about identifying partners that can provide us with resources that Nacar currently does not have. Think about what relations are needed to set up the project, as well as facilities, tools or software needed after the project starts:

- Which relations or partnerships could help us to set up the project?
- What kind of facilities do we need during the project?
- What kind of materials, tools or software do we need?
- Is there research available or currently being conducted that could support the project?

5. Arranging funding

The project could be set up for a specific client or could be a new service or value proposition: In both cases it is important to define how the project will be funded. It is crucial to realise that for many (government) subsidies, a collaboration with universities or startups is required, as Nacar is already an established organisation, therefore partners should be considered as well:

- What will the billing model look like for this project?
  - Billing per hour/billing per team member/ billing per project
- If there is not yet a client defined, where could we find funding or investment?
  - Government subsidy, innovation investment fund, competition or tender
- How can we reach and arrange these funds?
- Do we need partnerships do be eligible for these funds?
  - startups, universities
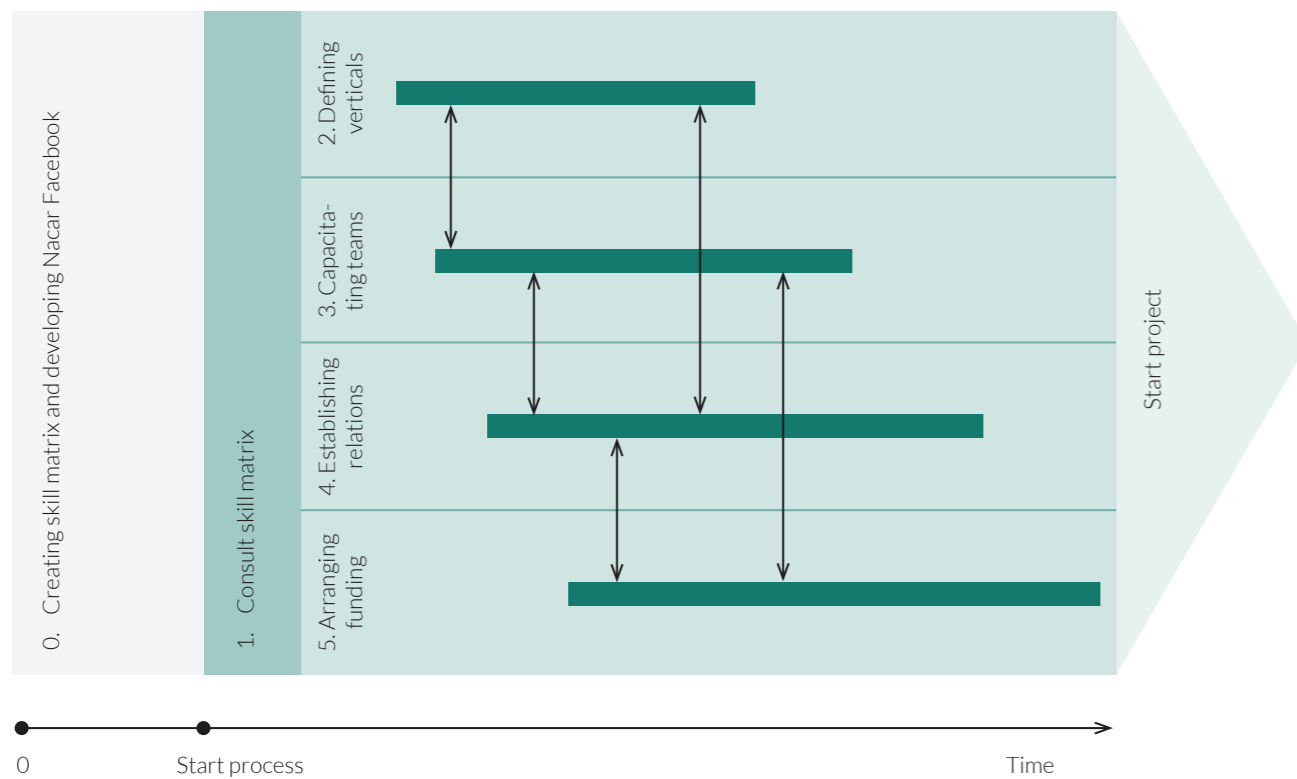
Inoovation protocol schematic

Appendix 7 Design brief

TUDelft

Personal Project Brief - IDE Master Graduation

<u>Creating a transition strategy for design agency Nacar</u>   project title

Please state the title of your graduation project (above) and the start date and end date (below). Keep the title compact and simple. Do not use abbreviations. The remainder of this document allows you to define and clarify your graduation project.

start date   05 - 09 - 2022   24 - 02 - 2023   end date

INTRODUCTION **
Please describe, the context of your project, and address the main stakeholders (interests) within this context in a concise yet complete manner. Who are involved, what do they value and how do they currently operate within the given context? What are the main opportunities and limitations you are currently aware of (cultural- and social norms, resources (time, money,…), technology, …).

Strategic Design Agency Nacar, located in Barcelona, was founded in 2006 by two friends Bern Donadeau and Jaume Jane. They started as a two man industrial design studio, operating from a small garage and currently they have evolved to a well-known design agency of around 120 employees. As they say themselves: It's possible to start small and organically grow.

So that is what they have been doing. They gradually started hiring more employees according to the amount of work they acquired, especially when they landed HP as a client in 2011. They also noticed that to stay relevant, they had to offer other design services as well. In 2020 they consisted of 40 employees and decided to buy a digital agency, expanding their design offerings to include service design, UI/UX design and UX research. By 2021 they had grown to around 100 employees, meaning they are currently in a transition phase from a small-sized agency (<99 employees) to a medium-sized organisation (100-499 employees) (Brooksbank, 1991). Managing the transition phase has its challenges: this project will focus on identifying these challenges to help guide Nacar through this transition smoothly, so they can continue to grow in a sustainable way.

It is believed that in order for Nacar to grow in a sustainable way, the working model for the design operations must be aligned with their resource management and HR strategy. Therefore the project will also dive into these fields.

The complexity of Nacars organisational structure lies in their business model (figure 1): they either work in-house for large accounts (HP and Roche which account for 75% of their revenue) or project-based for various clients (25%). Then Nacar has three design departments consisting of multiple teams: CX (strategic and customer experience), ID (industrial design) and Digital (UI design). The resource manager is therefore in close collaboration with HR as well as the design leads and account managers, as clients can also request certain designers for new projects. This means that (decisions regarding) the design operations of Nacar are divided between various departments (figure 2).

Nacar is growing and that is a fact. They are situated in this transition phase which can pose limitations regarding resources or design operations. They currently do not have a solid strategy or structure for this growth, which serves as a great opportunity for this graduation project.

- Roger Brooksbank (1991) Defining the small business: a new classification of company size, Entrepreneurship & Regional Development, 3:1, 17-31, DOI: 10.1080/08985629100000002

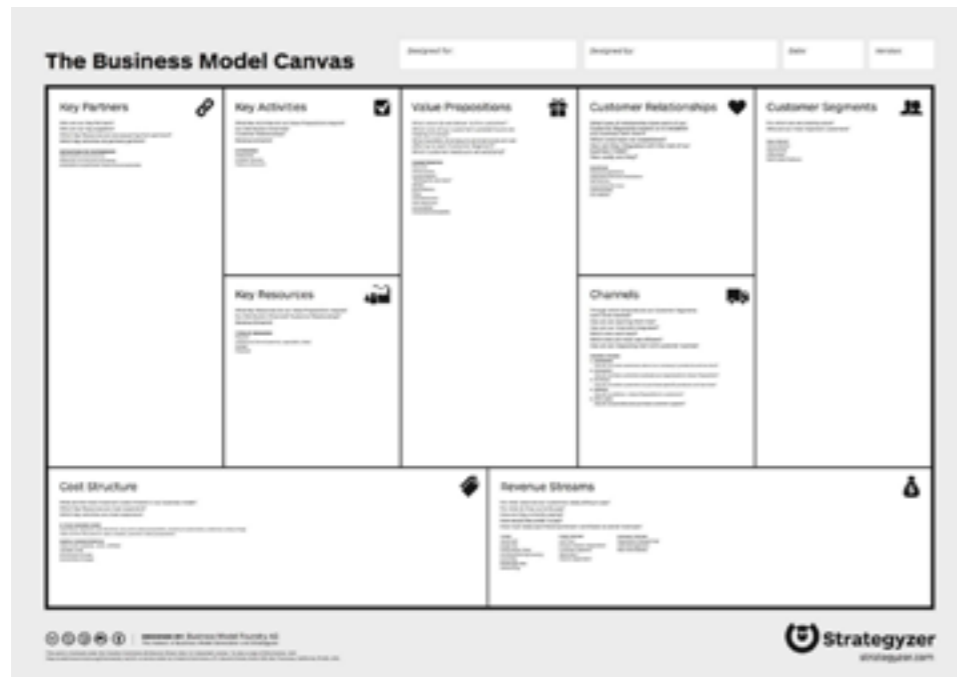introduction (continued): space for images
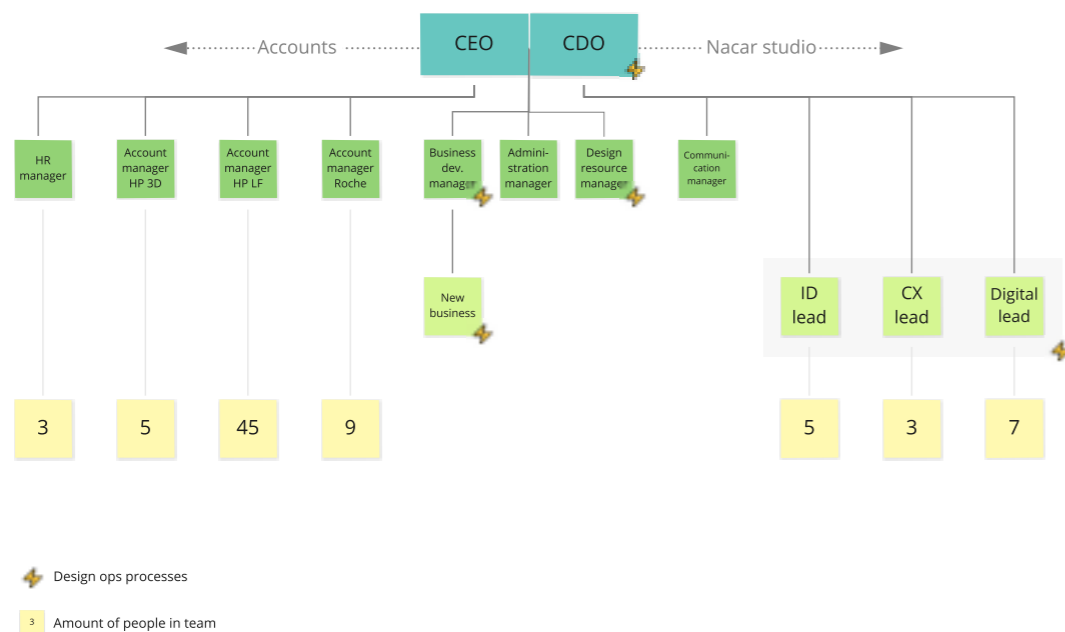

image / figure 1:   Business model TBD

⚡ Design ops processes

3️⃣ Amount of people in team

image / figure 2:   overview of organisation structure

PROBLEM DEFINITION **
Limit and define the scope and solution space of your project to one that is manageable within one Master Graduation Project of 30 EC (= 20 full time weeks or 100 working days) and clearly indicate what issue(s) should be addressed in this project.

Currently, Nacar finds itself in the middle of an interesting transition: they are no longer a small agency, but not yet a large organisation either. With 120 employees divided across various departments and clients, their organisational structure, design operations and size become misaligned.

RQ: How to create a transition strategy for design agency Nacar?

SQ1: What are the obstacles and enablers of the transition that Nacar faces?
SQ2: Which organisational challenges does Nacar face in facilitating the transition?

Knowledge to gain (identifing obstacles):
- What are the challenges that managers and employees encounter at the moment (organisational structure, design operations)?
- How is the Nacar culture perceived by employees and does they feel similar?
- What is the vision for Nacar in the future?
- Which operational models exist that could be suitable for Nacar? (literature)

Strategy to design (guiding through transition):
- How to create a strategy that accomodates to Nacars needs during the transition?
- How to define the necessary steps to implement the transition strategy?

ASSIGNMENT **
State in 2 or 3 sentences what you are going to research, design, create and / or generate, that will solve (part of) the issue(s) pointed out in "problem definition". Then illustrate this assignment by indicating what kind of solution you expect and / or aim to deliver, for instance: a product, a product-service combination, a strategy illustrated through product or product-service combination ideas, ... In case of a Specialisation and/or Annotation, make sure the assignment reflects this/these.

The assignment is to design a transition strategy for Nacar.

To be able to design a suitable and implementable strategy for Nacar, the obstacles of the transition that Nacar faces will be researched, as well as the organisational challenges that play a role. Capabilities and enablers within Nacar will be reviewed as well, to create the insights that will shape the basis of the transition strategy.

Then an implementation plan will be created, could be in the shape of a roadmap. The aim is that the strategy guides Nacar through the transition phase and to give them direction in managing their growth strategy for the future.

PLANNING AND APPROACH *
Include a Gantt Chart (replace the example below - more examples can be found in Manual 2) that shows the different phases of your project, deliverables you have in mind, meetings, and how you plan to spend your time. Please note that all activities should fit within the given net time of 30 EC = 20 full time weeks or 100 working days, and your planning should include a kick-off meeting, mid-term meeting, green light meeting and graduation ceremony. Illustrate your Gantt Chart by, for instance, explaining your approach, and please indicate periods of part-time activities and/or periods of not spending time on your graduation project, if any, for instance because of holidays or parallel activities.

start date 5 - 9 - 2022   24 - 2 - 2023 end date
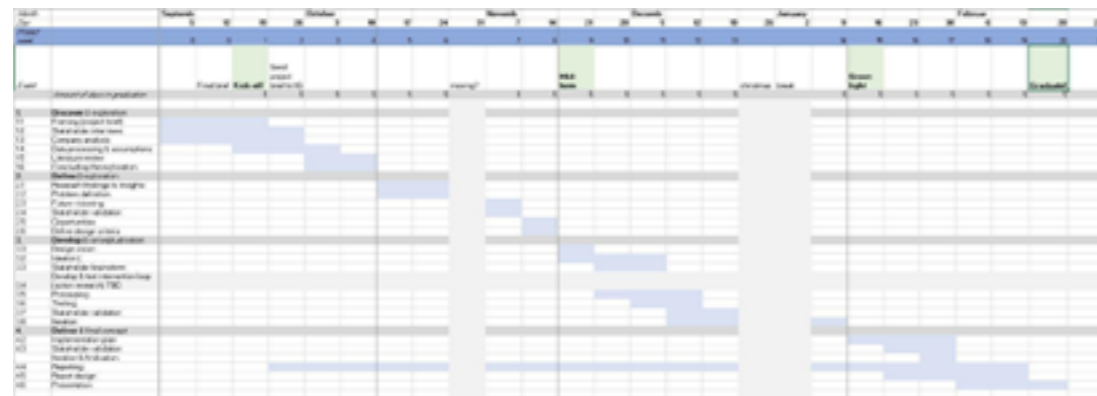
Overall, I aim to use the double diamond model (Design Council, 2005) to structure my process. I believe this will give me the support I need during the process, as I will be exploring to find the exact problem definition by diving into many different areas of the company but should not diverge too far from the assignment.

In the discover phase, internal research (employee interviews) will be conducted to get an understanding of the organisation and discover the problem or challenge that the organisation has. Additionally, existing literature about growth strategies & challenges, design operations models and founder-led organisations will be reviewed to discover overlapping phenomena. The phase is concluded with the final research question.

After exploring and diverging, the define phase will revolve around converging again to shape the design assignment and activities. Research findings will be structured and opportunity areas will be defined.

The development phase will kick-off with ideation to find solutions for the design assignment, which will be validated and tested with stakeholders. After iterating, a final concept will be developed.

In the final phase, a strategy for implementation of the concept will be created to implement the solution within the organisation. In this phase the report and the final presentation will also be developed.

- Design Council (2005). Double Diamond Design Process.

MOTIVATION AND PERSONAL AMBITIONS
Explain why you set up this project, what competences you want to prove and learn. For example: acquired competences from your MSc programme, the elective semester, extra-curricular activities (etc.) and point out the competences you have yet developed. Optionally, describe which personal learning ambitions you explicitly want to address in this project, on top of the learning objectives of the Graduation Project, such as: in depth knowledge a on specific subject, broadening your competences or experimenting with a specific tool and/or methodology, ... Stick to no more than five ambitions.

After doing a service design internship at Guidion (Amsterdam), I noticed that sometimes I was more interested in the organisational structure of the company, the way of working and their agile approach to running the business. They have a great people and culture team that does amazing work for the employees, who are also able to develop themselves and transfer to different positions. This in turn leads to an extremely low turnover rate. So my interest in organisational design grew and I knew I wanted to do something in this area, specifically because in the Strategic Product Design master very little attention is given to this topic. So my first ambition is to dive into the internal struture of a design agency, to find strategic challenges to improve. For this goal, I want to make sure that I do the initial research very well, as I want to tackle the right challenge, the one that is most relevant for the agency and the employees. For this I have to trust on my interview skills, to make sure I ask the right questions. I have experience with user research, however the sensitivity of the topic of employee satisfaction is more sensitive which is a new and good challenge for me. I want to pay close attention to finding underlying meanings in the responses of the people I talk to, as your work can be a sensitive topic to talk about.

As mentioned before, I also want to dive into HR and resource management. These are definitely different topics than I am used to in Design, however they are crucial for understanding design operation and growth strategies. For example employee satisfaction is very important for a lower turnover rate, as hiring new employees is extremely expensive. So getting a deep understanding of these different topics and combining insights from each of those areas is another challenge that I see for myself.

Additionally, I have always been interested in working abroad, so to do a graduation at a company from a different country and culture is an exciting challenge for me. It's also a test to see if I like their working culture and if I could see myself staying here. I generally like working with Dutch people, as they are direct and give honest feedback, something I really appreciate. Therefore I want to experience working in a different culture (but not too different) to see if I can adapt and find my way. It also adds another dimension to the assignment, as many things such as corporate culture and employee satisfaction depend greatly on the culture of the people. Nacar has a multicultural team which allows me to really explore these differences.

Lastly I want to work on a practical matter: I somtimes struggle with time mangement, as I do extensively plan things, Pefectionism plays a role there too. So for this project, I really want to work on my time management, so I can use these 6 months to get a better understanding of my way of working and to improve it. I tend to overanalyse things and get stuck because of it, but I want to develop a strategy for myself to overcome these moments so I don't loose too much time there.

FINAL COMMENTS
In case your project brief needs final comments, please add any information you think is relevant.

Initials & Name   D. E.   Drost

Student number 4555775

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