

## Seven Elements of Design Innovation™

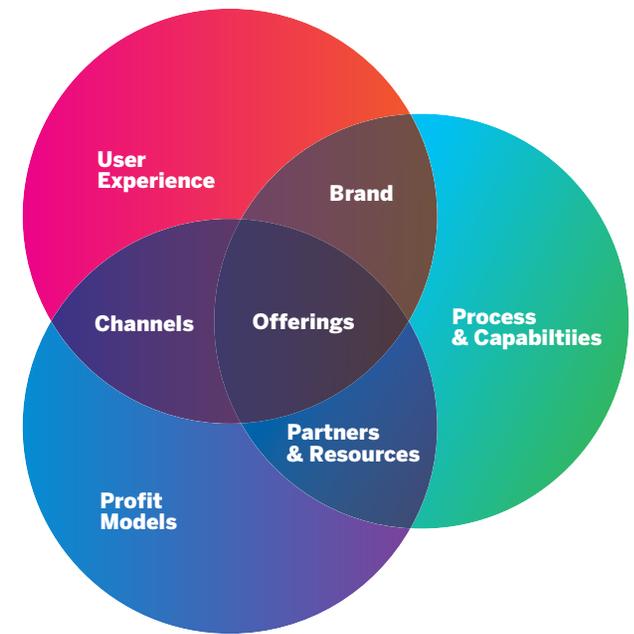
The Practice of User-Centered Business Design

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The forefront of innovation is led at the intersection of human-centered design and business strategy.

IA Collaborative's Seven Elements of Design Innovation™ combines human-centered, iterative design thinking with holistic, rigorous corporate strategy to engage and connect all areas of company leadership.

This multi-disciplinary perspective changes the way organizations collaborate, decide and execute. Leadership gains foresight to place strategic bets on future options, agility to create new capabilities and alignment to capture value.



### User Experience

What are user wants, needs, and potential?

User experience design begins with determining our most important users and then diving deep to understand their wants and needs. By observing patterns of current activities, workarounds, and aspirations, insights are derived to guide the creation of new offerings. Whether insights prescribe entirely new business models or re-tooled elements, a foundational user understanding enables conceiving, design, and mapping of ideal future experiences including offerings, brand, channels, and commerce. Experience strategies also define value within networks of users and partners, ensuring a systemic and user-centered solution.

### Process & Capabilities

How will user needs be served with current, evolved or adjacent capabilities?

Process and capabilities design are paramount in building a culture focused on user-centered value creation. Through capabilities design, a company's financial, physical, intellectual and human resources can be connected in more agile and elastic ways to inspire dynamic and unexpected value creation, improving core functions and driving a healthier workplace. A company's core process design can also leverage a user-centered approach to challenge organizational conventions and prototype new approaches to corporate strategy, R&D, knowledge management, and skills development.

### Profit Models

What will users value and how will we derive profit?

User-centered profit models are based on a rich understanding of what users truly value. By uncovering true motivations for purchase, new and tailored revenue models can be established. Often multiple models are created to provide users maximum access to offerings while keeping competitors at distance. Considerations around pricing are driven by user value creation and willingness to pay, versus competitive pressures. Because this framework is user-centered, rather than competition-driven, typical purchase patterns are routinely disrupted, delivering new options and opportunities for buyer engagement.

### Brand

What relationship will users want to have with us?

Strong brands are based on establishing meaningful relationships with users. The scale of most corporations necessitates a broad range of brand interaction methods— from one-to-one conversations, to mass communication. Regardless of tactic, a company's communications, language, imagery, and iconography must be consistently aligned with user values. Key innovations in the Brand element explore brand position, brand image, customer relationship management, and customer engagement. A coordinated, user centered brand practice will distinguish offerings, maximize recognition, and drive preference among current and future users.

### Partners & Resources

What user needs will be served if we leverage others' capabilities and profit models?

Value we create for users should not be limited to our own process and capabilities. From infrastructure to open innovation, collaboration with complementors or competitors can disrupt a market by quickly enabling access to new expertise, customers, capital, and other resources. Networks can be short term alliances to execute a special project, or enduring partnerships to establish new entities. These relationships can reduce cost and risk or enable the creation of otherwise unfeasible offerings. The Partners & Resources element seeks to tap latent marketplace potential that will deliver lasting user and business value.

### Channels

Where will users engage throughout their purchase journey?

Of all seven elements, user expectations are perhaps changing most rapidly in Channel. Physical stores are polarizing: some becoming physical showrooms for their e-commerce competitors; others, highly immersive flagships for powerful brands. Users demand both speedy self-empowered check-outs, and highly-tailored consultation. Through the right mix of technology, experience, brand, and commerce, channels can deliver on users' fragmented tastes and time constraints. This element considers trade-offs of owned versus partner; direct versus indirect; physical versus digital; as well as earned versus paid media to build awareness and motivate user purchase.

### Offerings

What platforms, products and services will be rewarding to deliver?

User-centered offerings span products and services that align to deliver compelling and seamless experiences. Each product or service within an ecosystem executes against one or more specific unmet needs. Individual offerings deliver a quality experience yet they become better together. Whether delivering product enhancements or truly disruptive offerings, this platform approach drives ongoing sales, establishes competitive barriers, increases presence in channels, builds brand equity, and enables the company to create longer-term customer relationships.