

# DESIGN

**- from icon to strategy**

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

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

**1957**

**Industrial designer MDD**

**1990**

**Partner DESIGNNORD ([www.designnord.dk](http://www.designnord.dk))**

**1997**

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

**2003**

**Associated professor, AAA, Design**

**2011**



**Light and  
sound**



**Electronics**



**Medico**



**Heavy  
metal**



# **DESIGN as STRATEGY**

**Two objectives:**

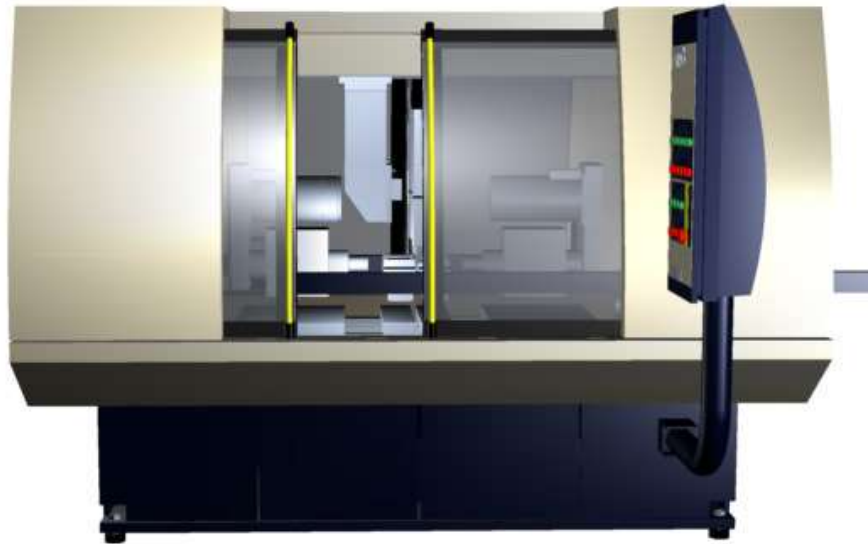
**Design Thinking**

**Business Modeling**

# Design 1.0



# Design 1.0





# Design 1.0



## Def. Business Model

A business model describes the rationale of how an organization creates, delivers, and captures value



# **Day ONE – Business Group**

**15:00 Introduction to Design and Osterwalder “As Is”**

**16:00 Break (go to Business Room)**

**16:20 Business Model “What If?”**

**16:40 Workshop - “What If?”**

**17:10 Break**

**17:30 How to interact with designers!?**

**17:45 Dialog with Design Teams**

**18:30 Osterwalder on “Group Company” – “What If?”**

**19:00 Dinner**

# Day TWO – Business Group

**08:00 Workshop Osterwalder “As Is”**

**09:40 Break (go to Design Room)**

**10:00 Presentations from the 5 Design Teams**

**12:00 Lunch**

**13:00 “Expert input”**

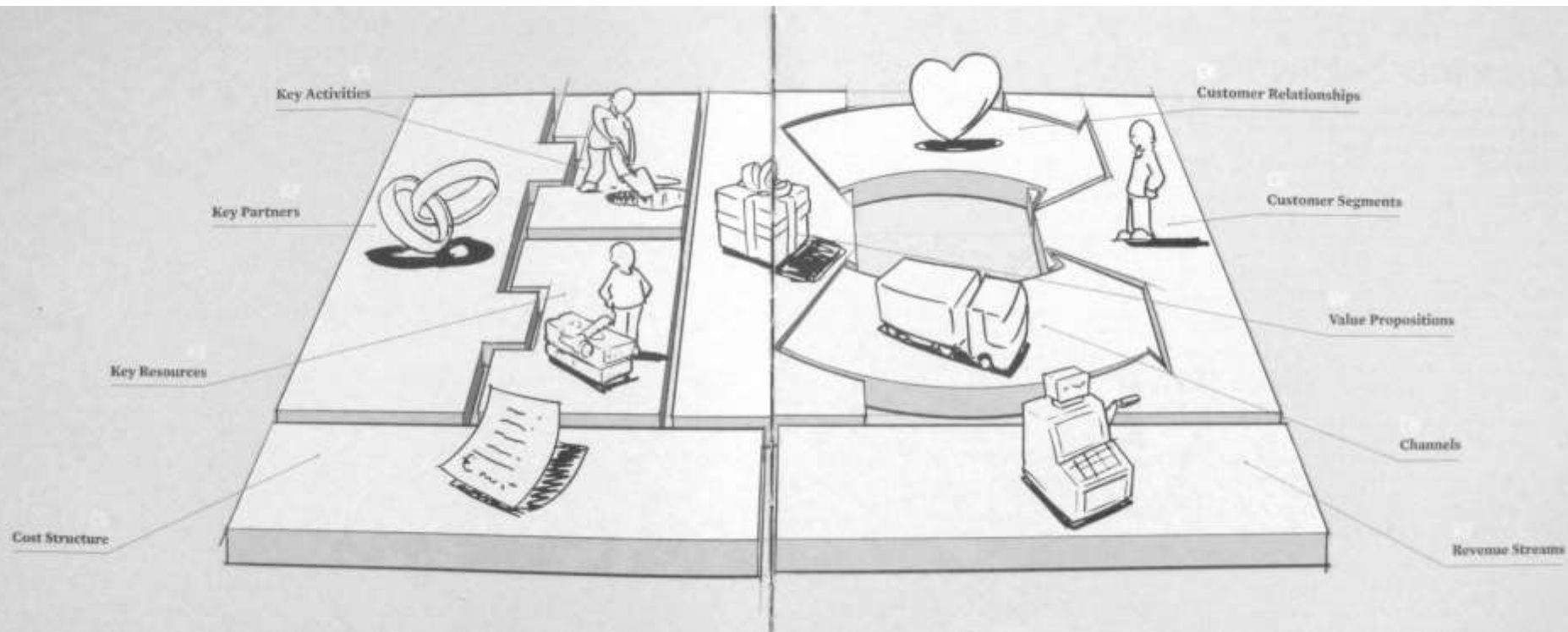
**14:00 Break**

**14:20 Workshop on Business Models (2x 50 min)  
and (2 x 30 min) dialog with Design Teams**

**17:40 Wrap up Delivery – Design Brief**

**18:20 Presenting Design Brief for Design Teams**

**19:00 Dinner**



Business Model Generation – “Business Model Canvas”  
Alexander Osterwalder

# What is a good product idea?

Where would you put your money?



# Mental models? (myths)

## **" The one true light**

*Some Hindus brought an elephant, which they exhibited in a dark shed.*

*As seeing it with the eye was impossible, everyone felt it with the palm of his hand.*

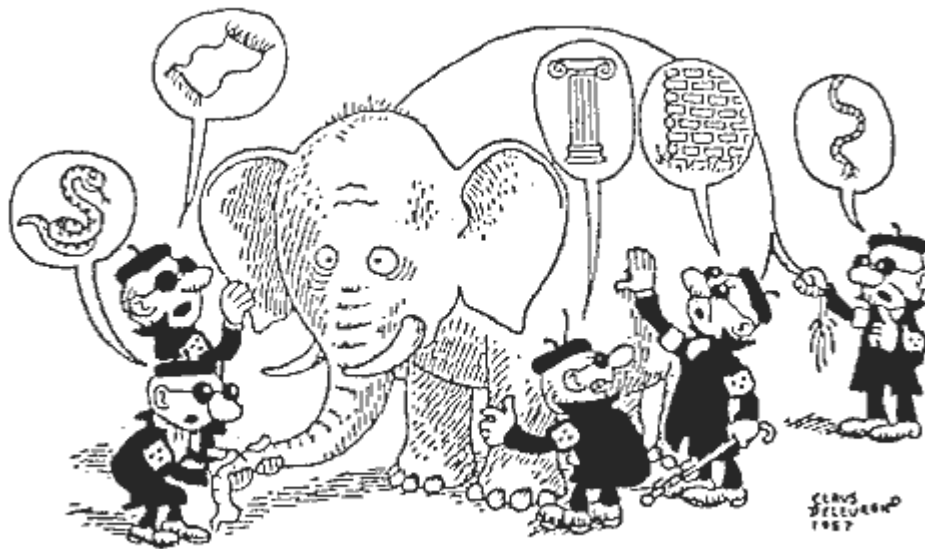
*The hand of one fell on its trunk; he said, "This animal is like a **snake**".*

*Another touched its ear, to him, the creature seemed **like a carpet**.*

*Another handled its leg and described the elephant as having **the shape of a pillar**.*

# Mental models? (myths)

*Another stroke its body. "Truly", he said, "this elephant **resembles a wall**".*



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



# What is design?

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

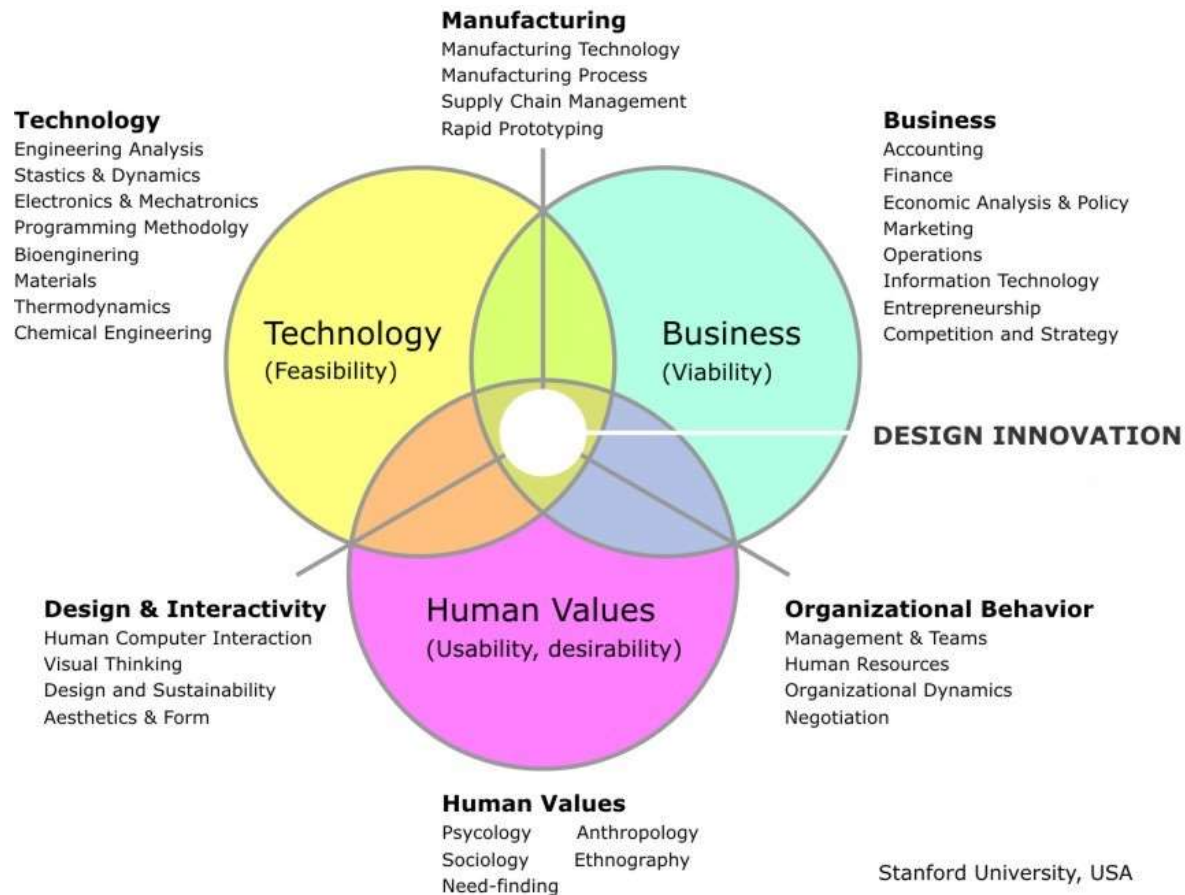
Herbert Simon

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

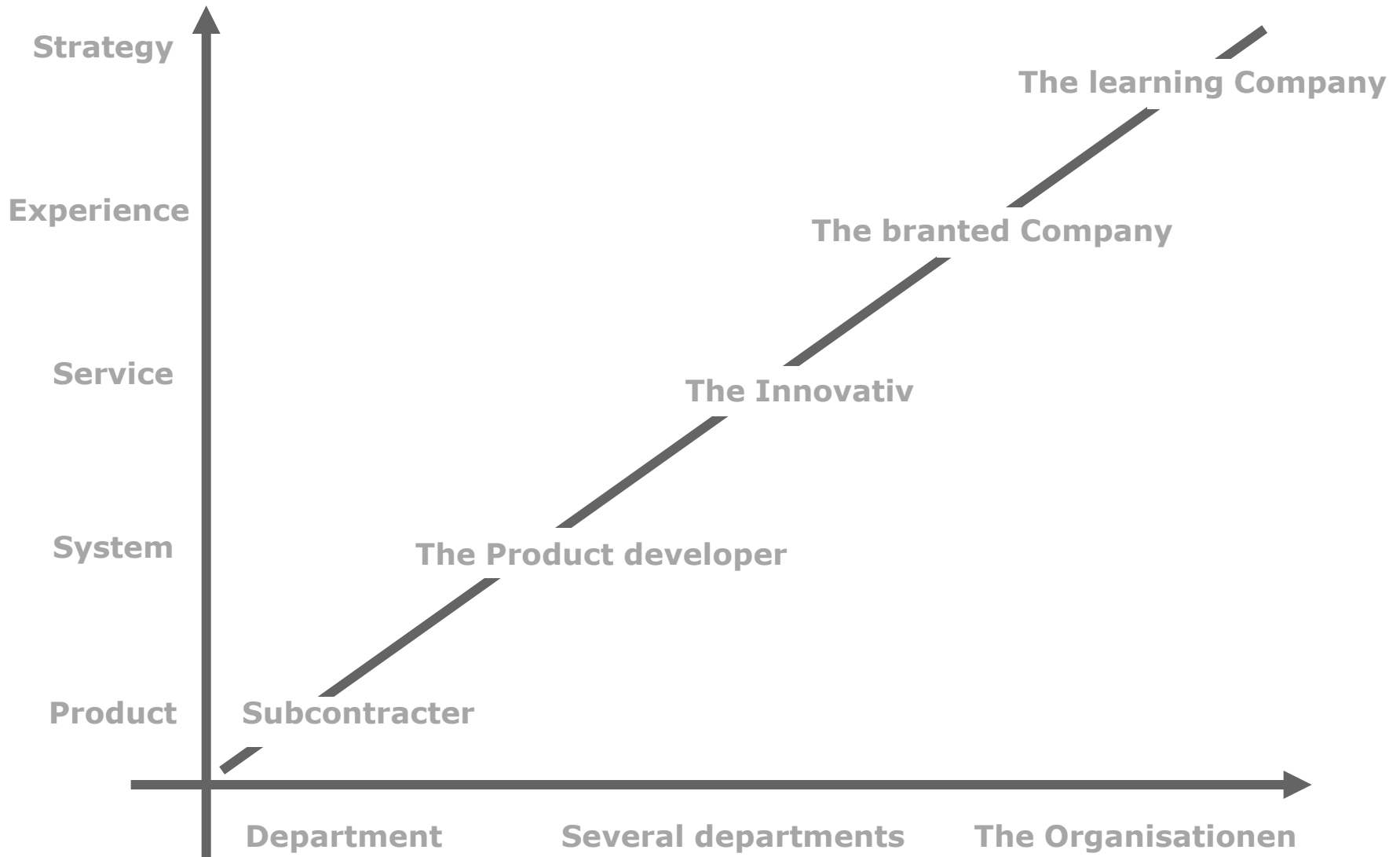
John Heskett

# Design impact in Companies

## “Strategic Design”



# Design impact in Companies



# Processuelt fokus

## Kompetencer

Management  
Business  
Branding

Cultural relations  
Marketing  
Trends  
Performance

Social relations  
Interaction  
Communication

Product relations  
Context  
Interface

Ergonomics  
Esthetics  
Materials  
Function  
Production

## Design fokus

Strategies

Experience

Services

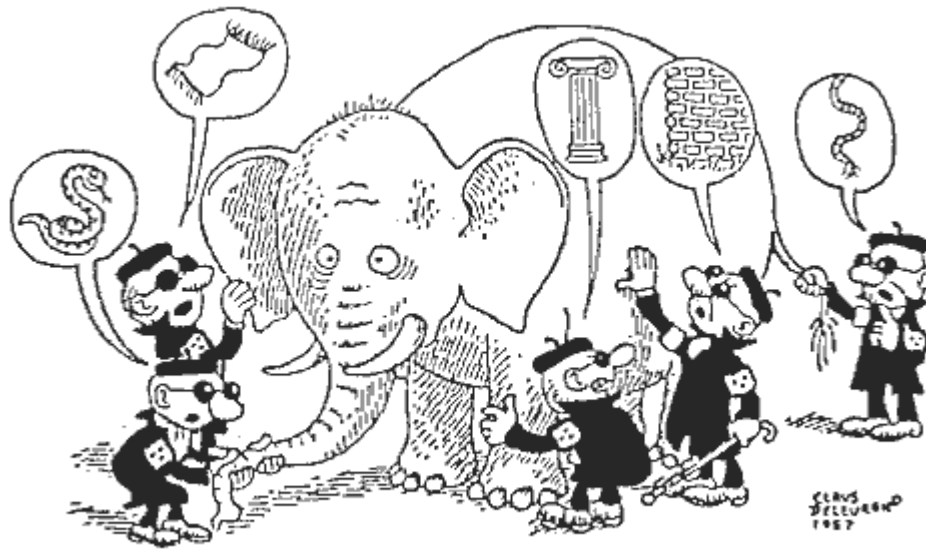
Systems

Products

## Subject matter



# Remember Mental Models?



# Four orders of design

Richard Buchanan



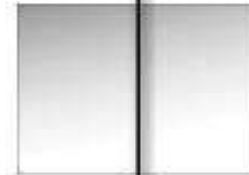
**Thought**

TANKEN



**Action**

HANDLING



**Object**

TING



**Symbols**

SYMBOL



TYPE  
PROBLEM  
MÅL

**SYMBOL**  
GRAFISKDESIGN  
VISUELLE  
KOMMUNIKATION

**TING**  
PRODUKTDISEIN  
MATERIELLE  
LØSNING

**HANDLING**  
SERVICEDESIGN  
SEMI-MATERIELLE  
INTERAKTION

**TANKEN**  
DESIGN/TÆNKNING  
IMMATERIELLE  
TRANSFORMATION



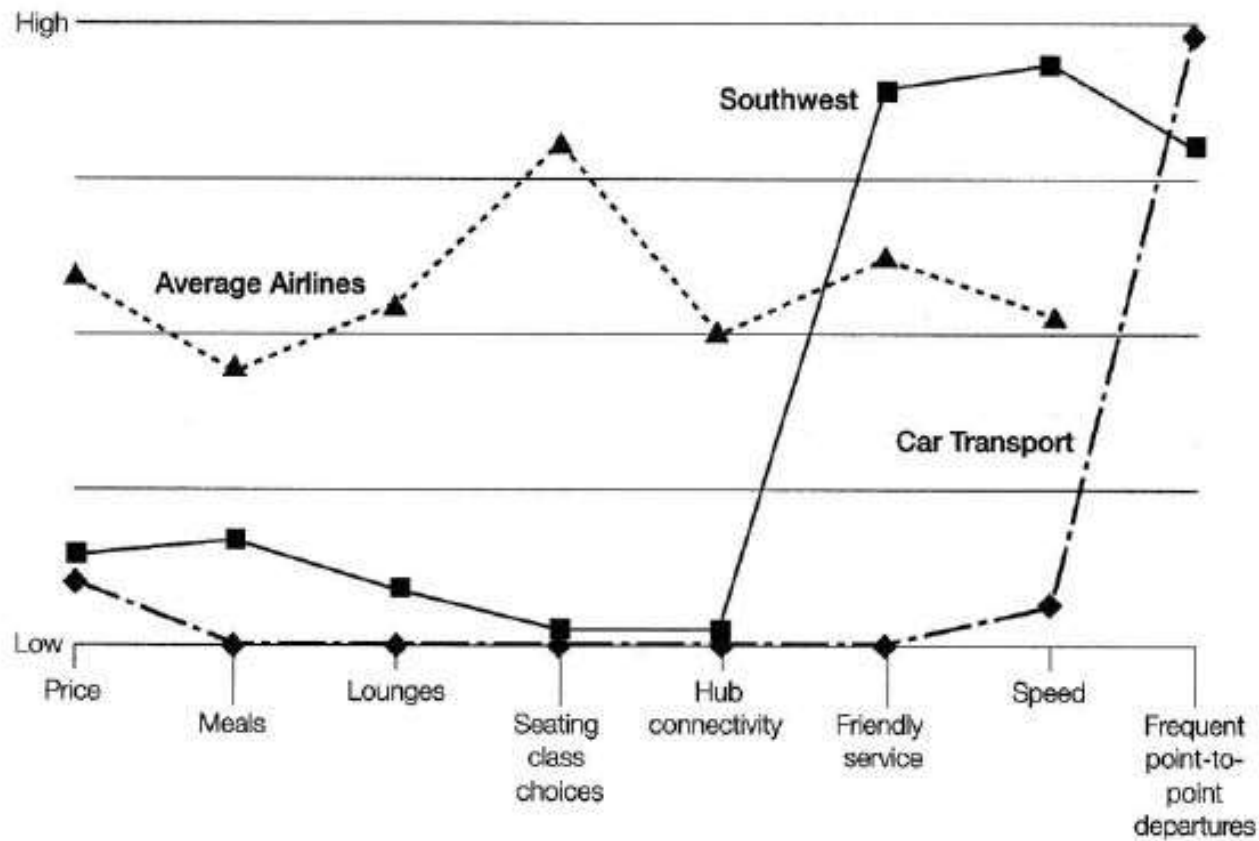


# Blue Ocean Strategy

W Chan Kim



## The Strategy Canvas of Southwest Airlines



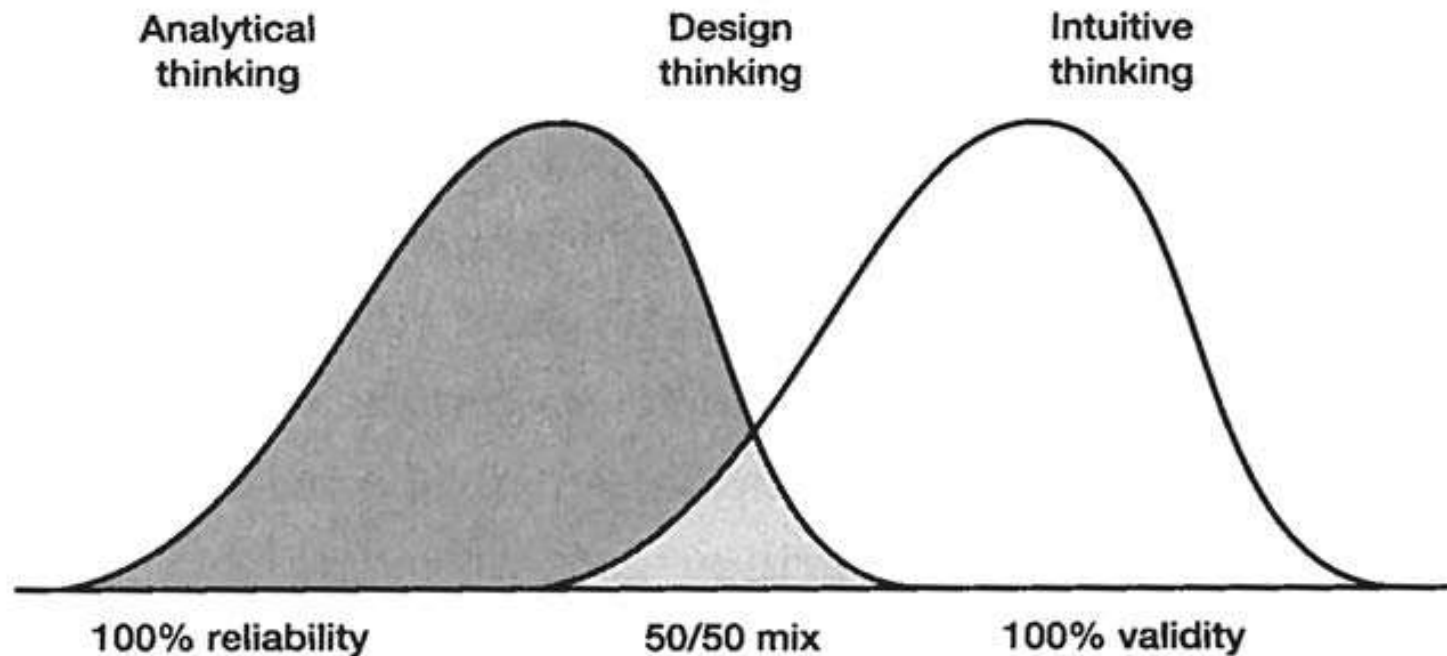
# The Design of Business

Roger Martin



FIGURE 2-1

## The predilection gap



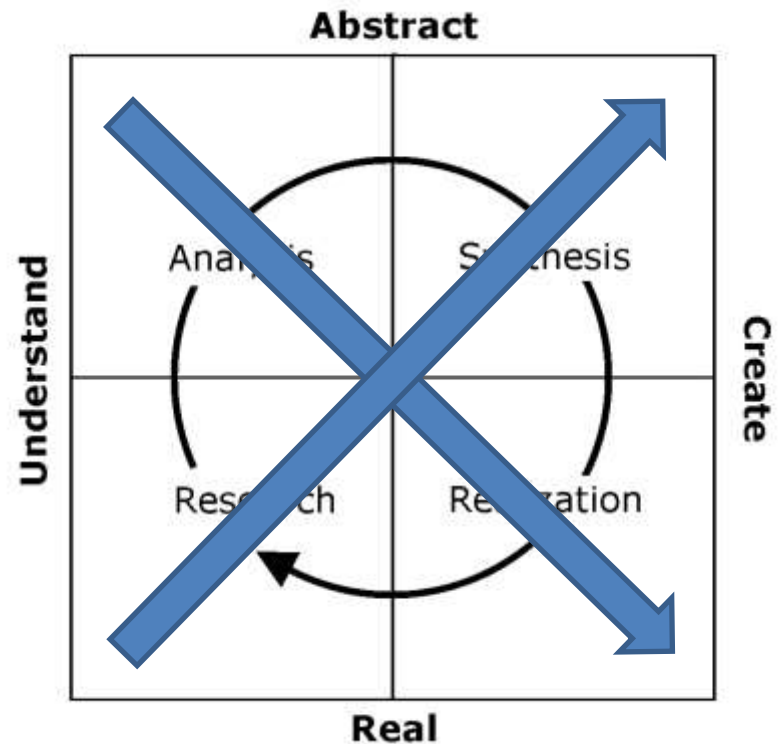
## (Interdisciplinary) Tools for investigating?

### Business (-educated)

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

### Design (-educated)

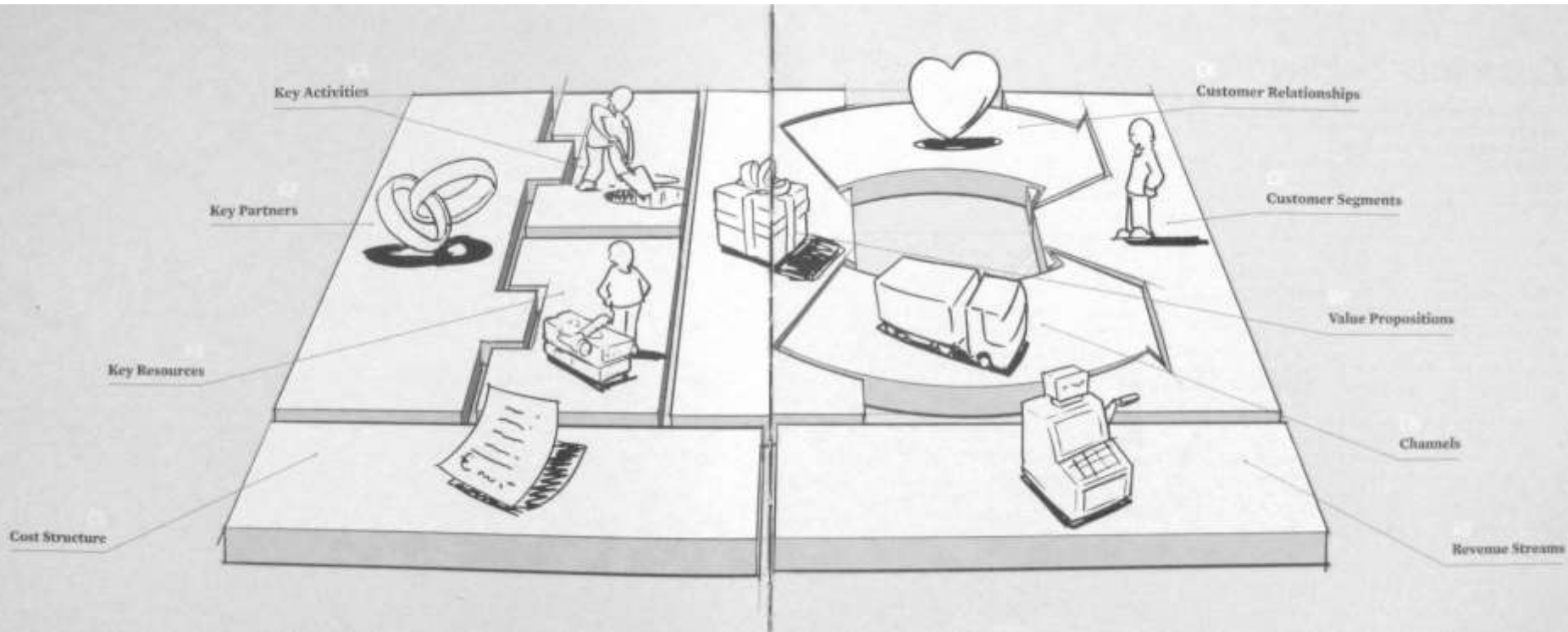
- working with **open models** in an **open process**.
- working with **non existing/ future** problems and possibilities



IIT – Vejay Kumar

# Business Model Generation

Alexander Osterwalder



Business Model Generation – “Business Model Canvas”  
Alexander Osterwalder



# 1 CUSTOMER SEGMENTS

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

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

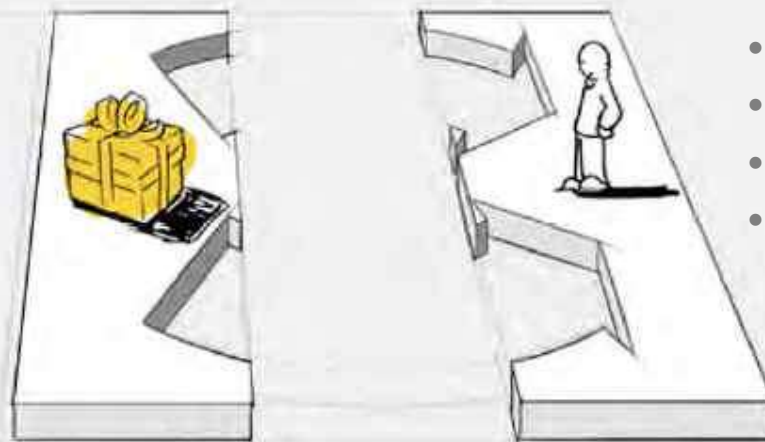




## 2 VALUE PROPOSITIONS

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

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

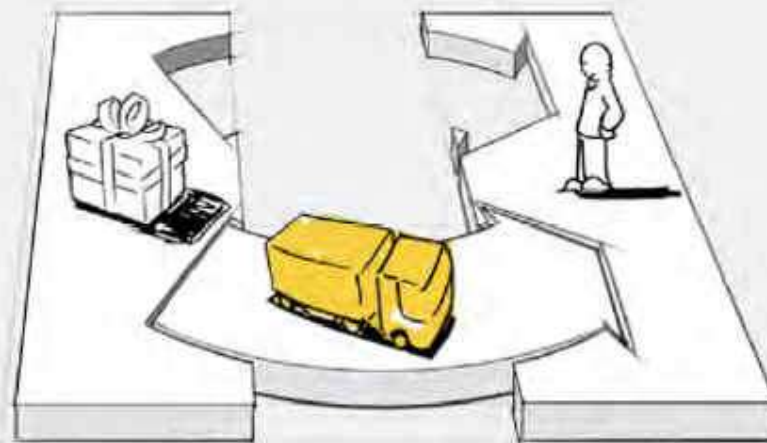


3

# CHANNELS

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

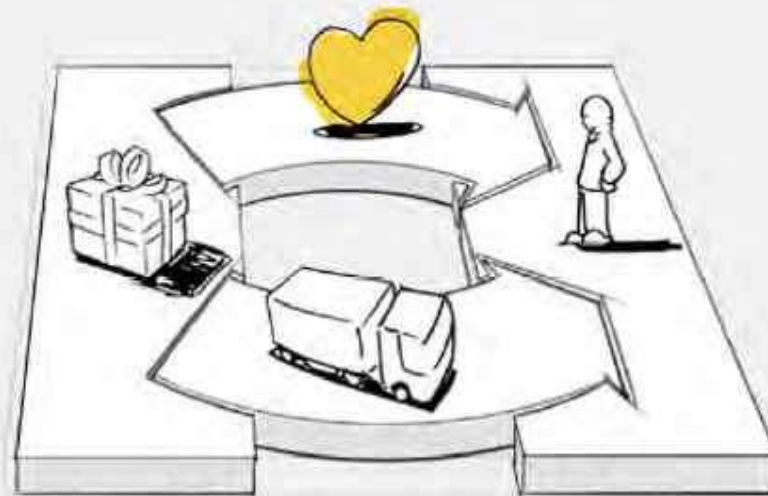
- **Sales force**
- **Web sales**
- **Own stores**
- **Partner stores**
- **Wholesale**



## 4 CUSTOMER RELATIONSHIPS

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

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

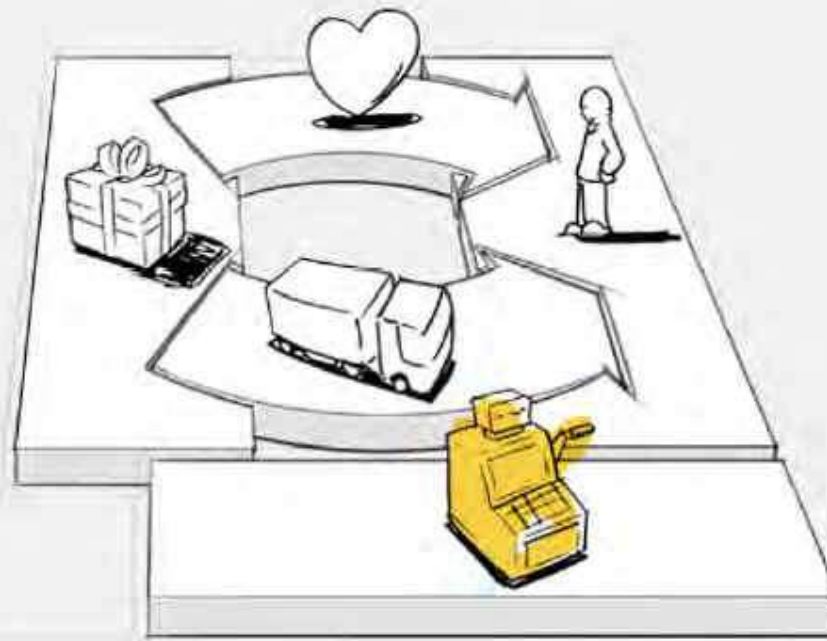


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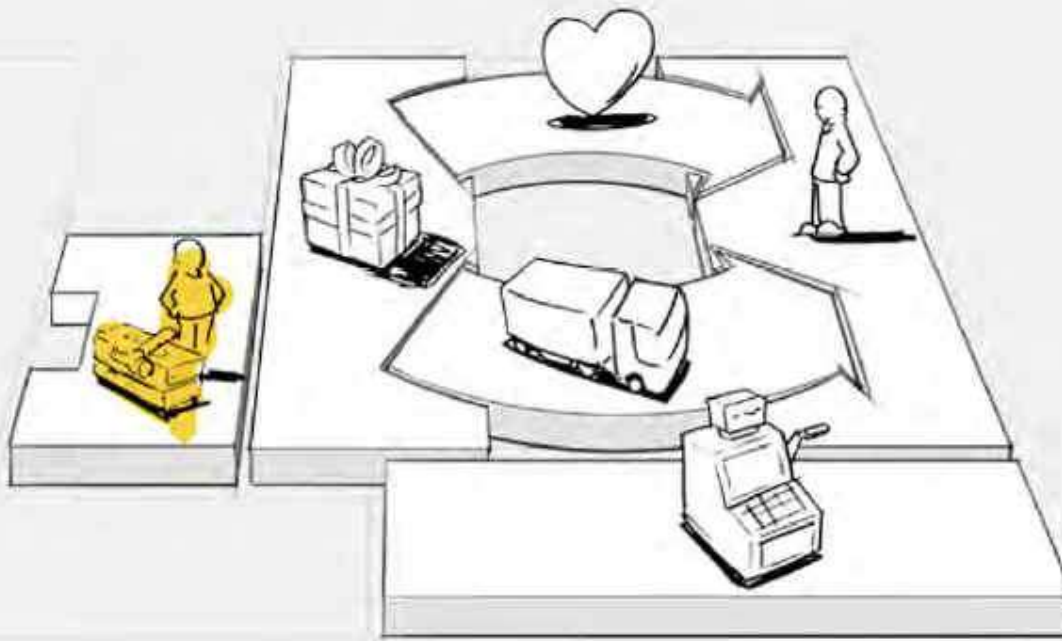
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- **Licensing**
- **Brokerage fees**



## 6 KEY RESOURCES

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

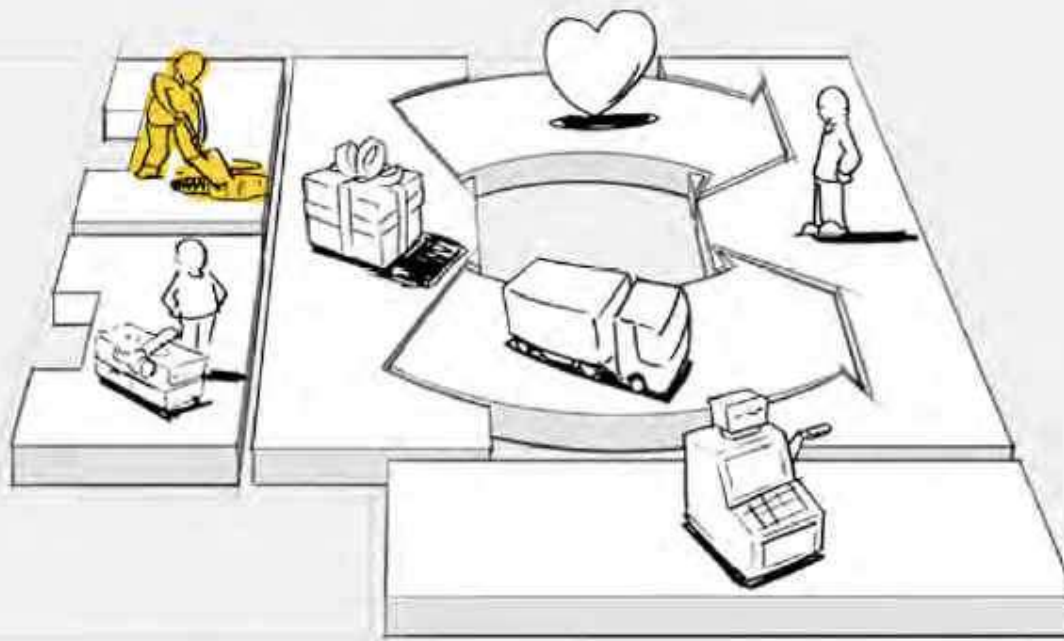
- **Physical**
- **Intellectual**
- **Human**
- **Financial**



## 7 KEY ACTIVITIES

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

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



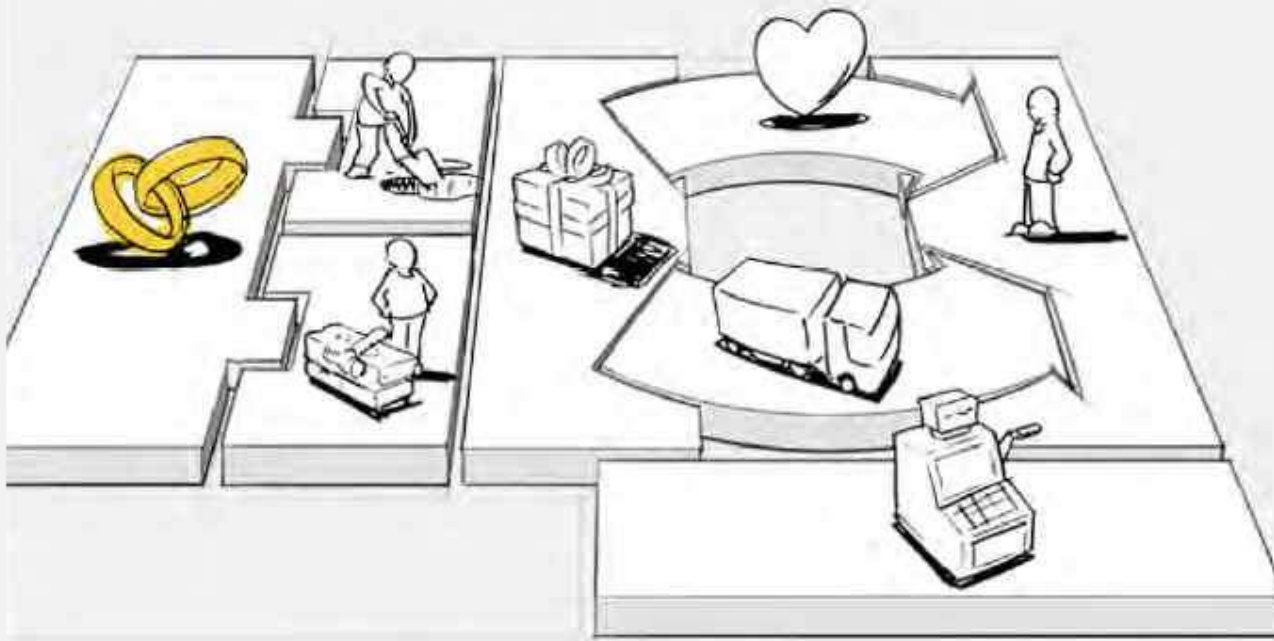


8

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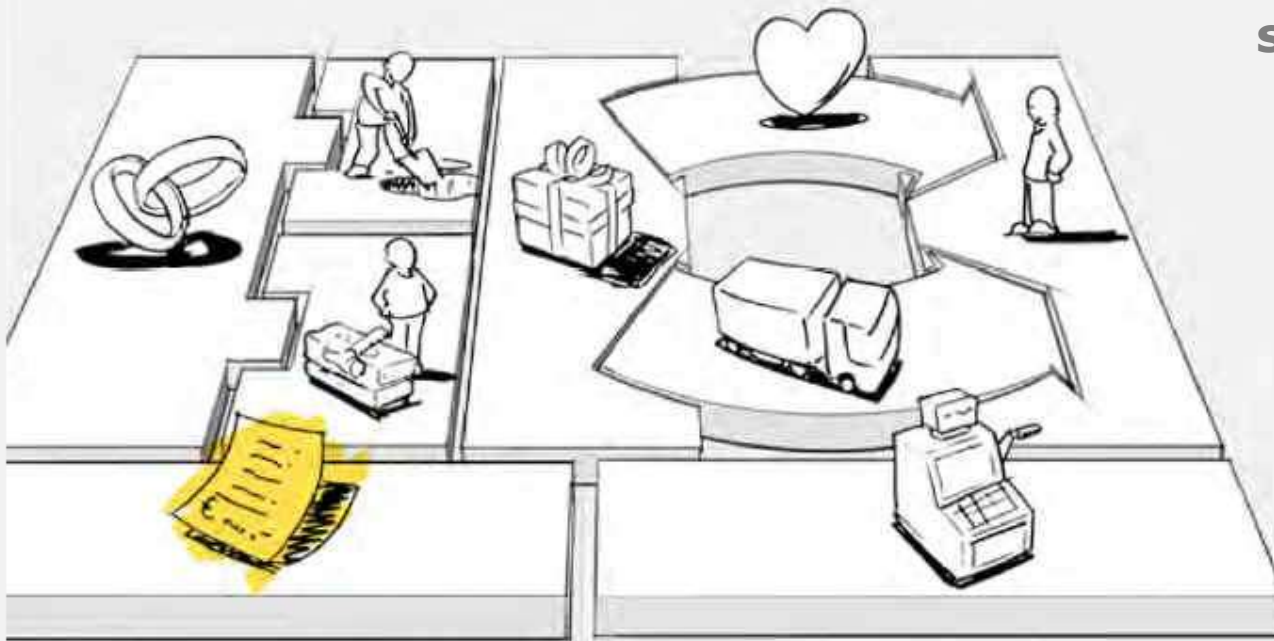
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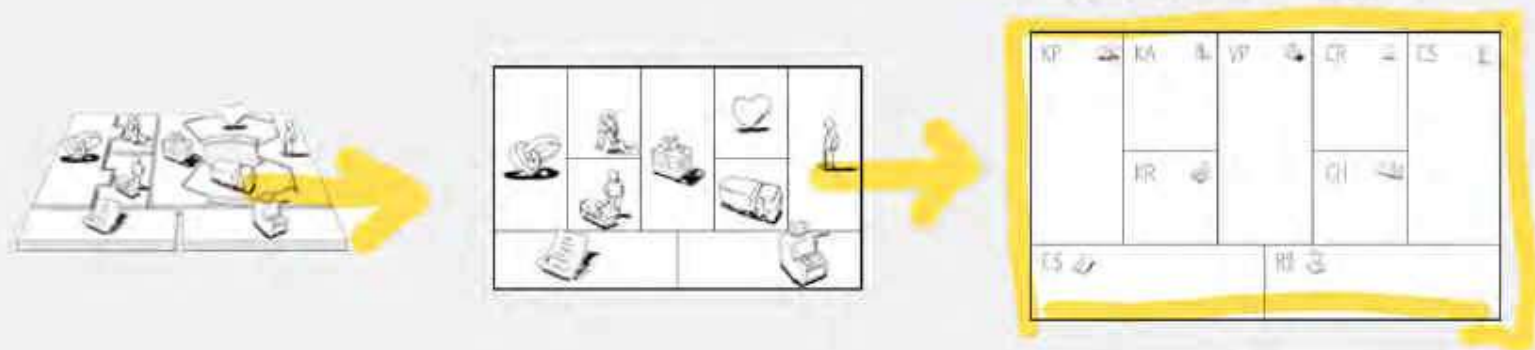
## 9 COST STRUCTURE

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










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



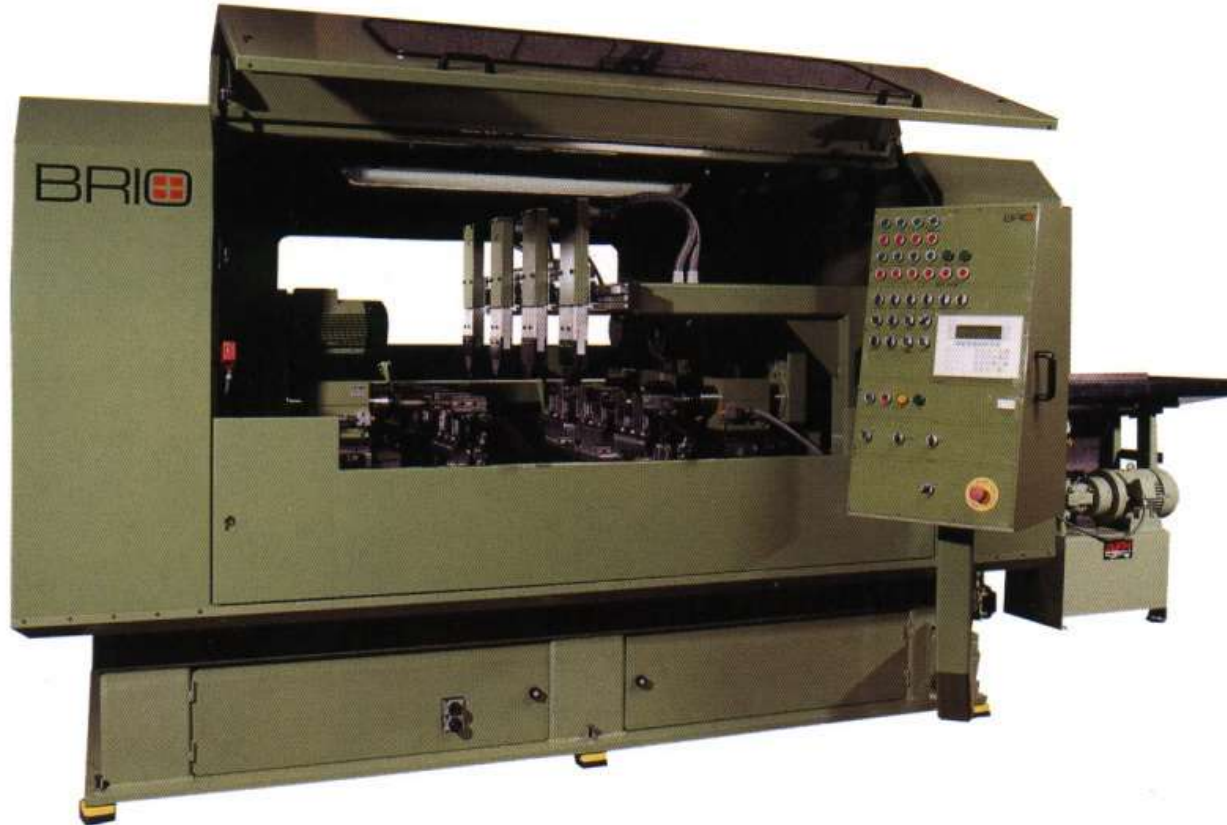
# THE BUSINESS MODEL CANVAS



# THE BUSINESS MODEL CANVAS

<i>Key Partners</i> 	<i>Key Activities</i> 	<i>Value Proposition</i> 	<i>Customer Relationships</i> 	<i>Customer Segments</i> 
	<i>Key Resources</i> 		<i>Channels</i> 	
<i>Cost Structure</i> 			<i>Revenue Streams</i> 	

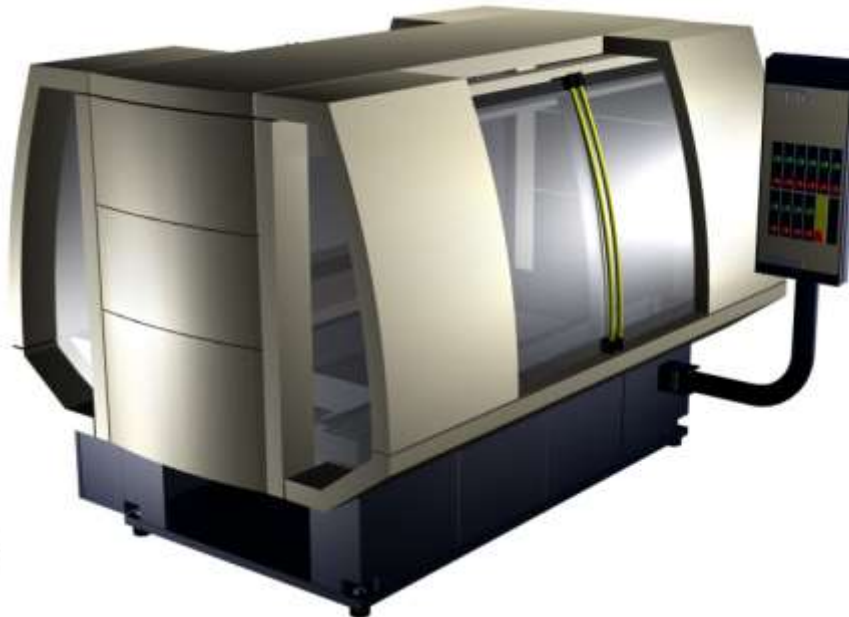
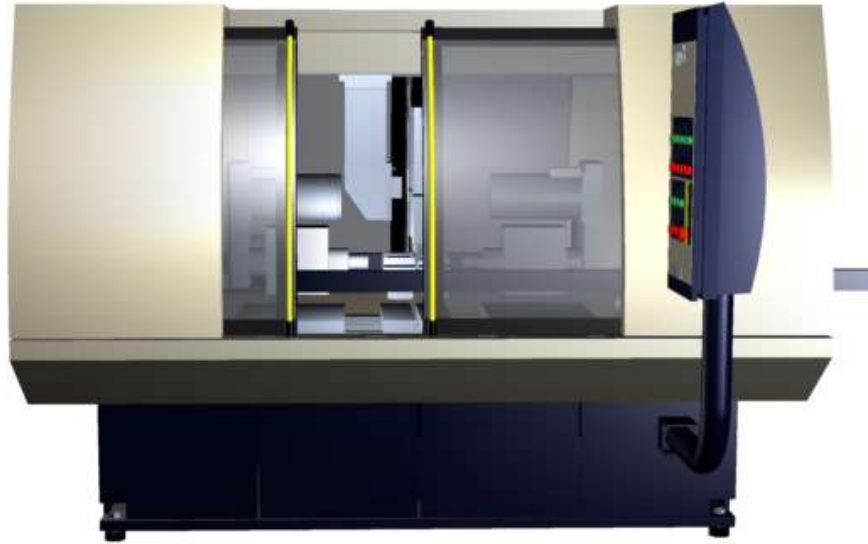
# BRIO 1.0



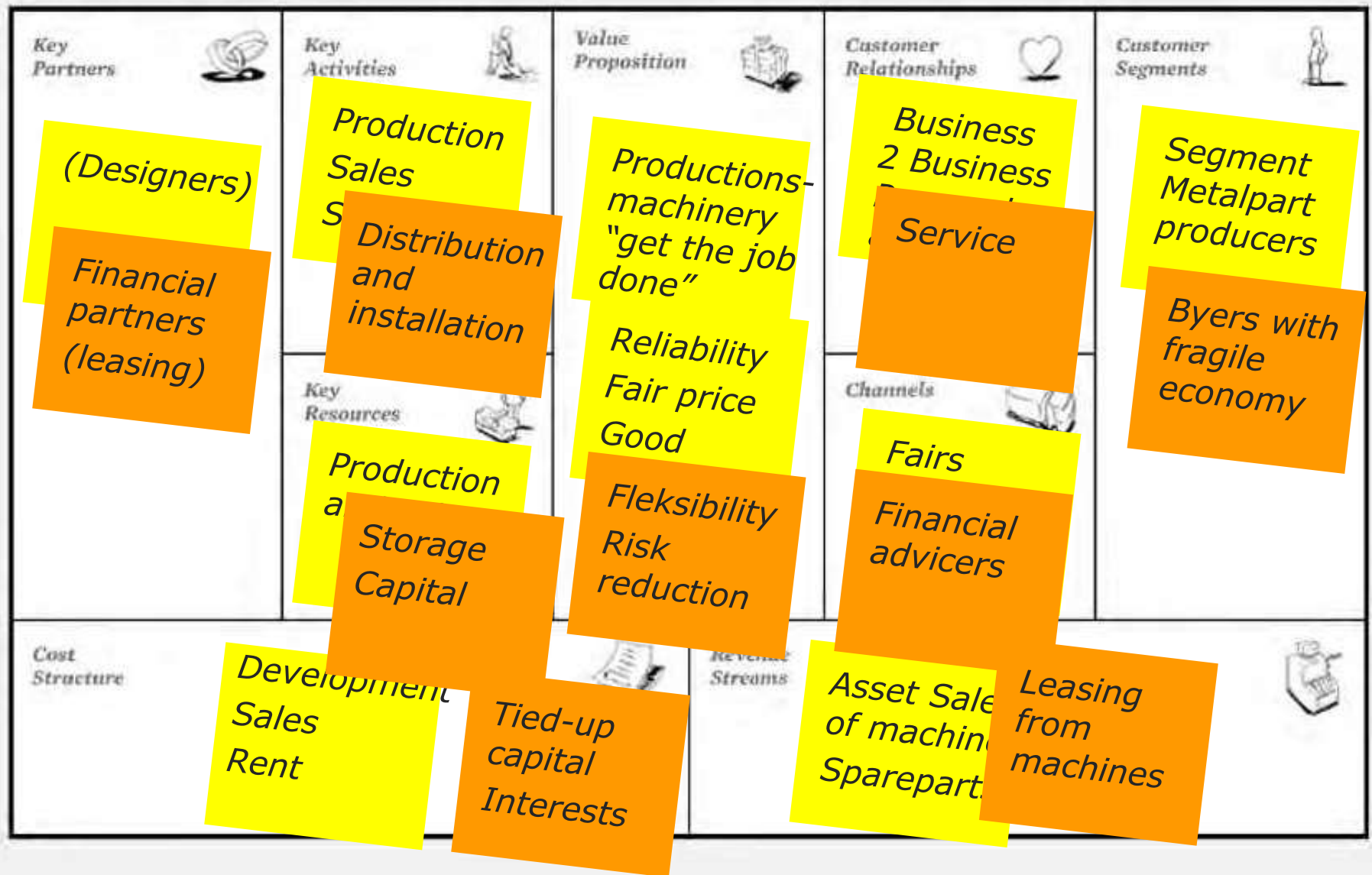


**BRIO 1.0**

# BRIO 2.0







**BRIO 1.0**



# 72 pages of the book:

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

## 1 *Canvas*

- 14 Definition of a Business Model
- 16 9 Building Blocks
- 44 The Business Model Canvas

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- 88 FREE as a Business Model
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- 134 Ideation
- 146 Visual Thinking
- 160 Prototyping
- 170 Storytelling
- 180 Scenarios

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- 212 Evaluating Business Models
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- 276 References

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

Roger Martin, Dean, Rotman School of Management

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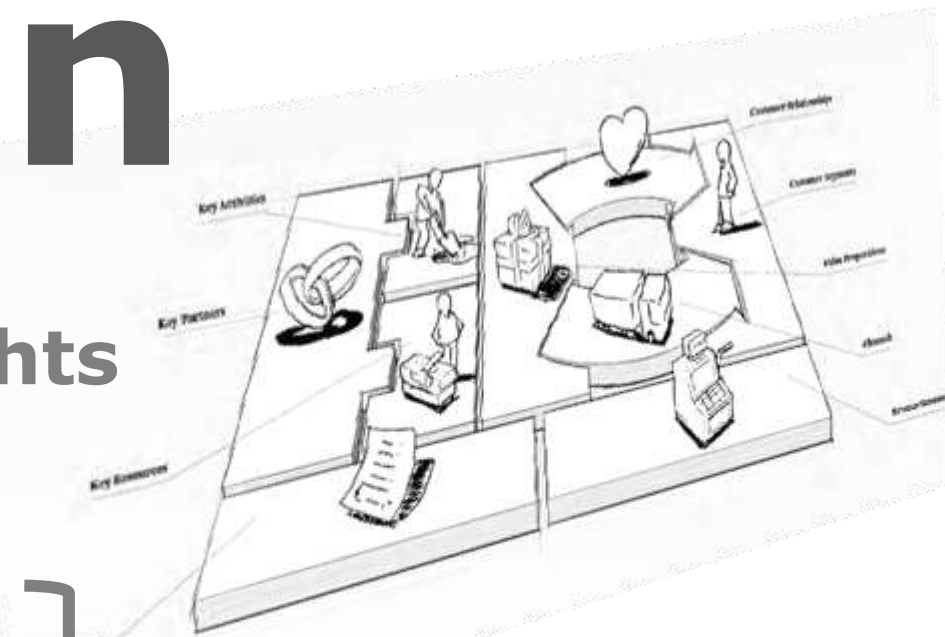
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*“There’s not a single business model...  
There are really a lot of opportunities and a lot of options and we just have to discover all of them.”*

Tim O’Reilly, CEO, O’Reilly

# Design

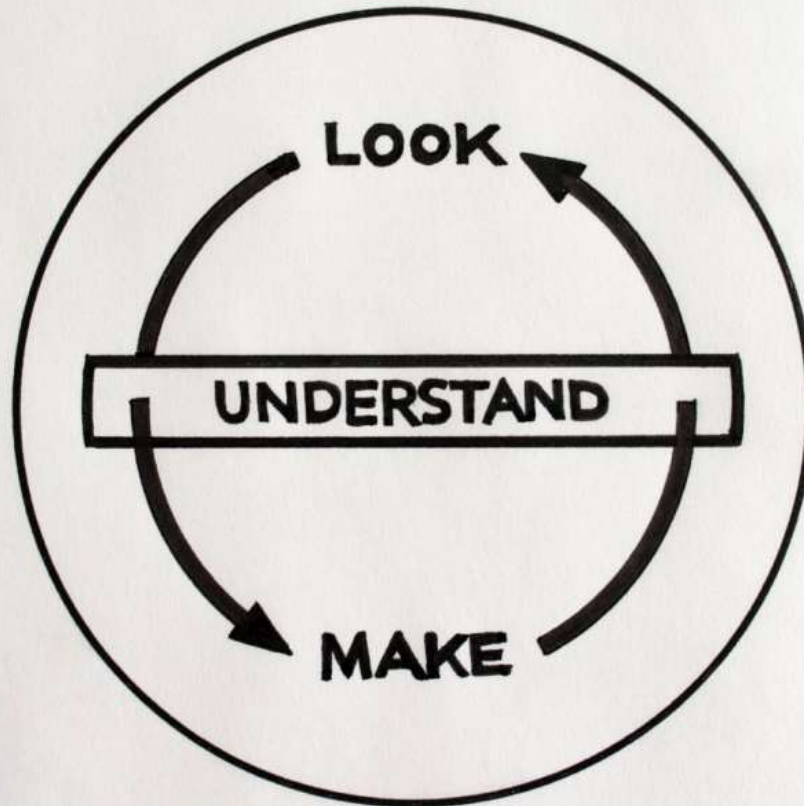
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**The Canvas**

**The Brief**

# The Process

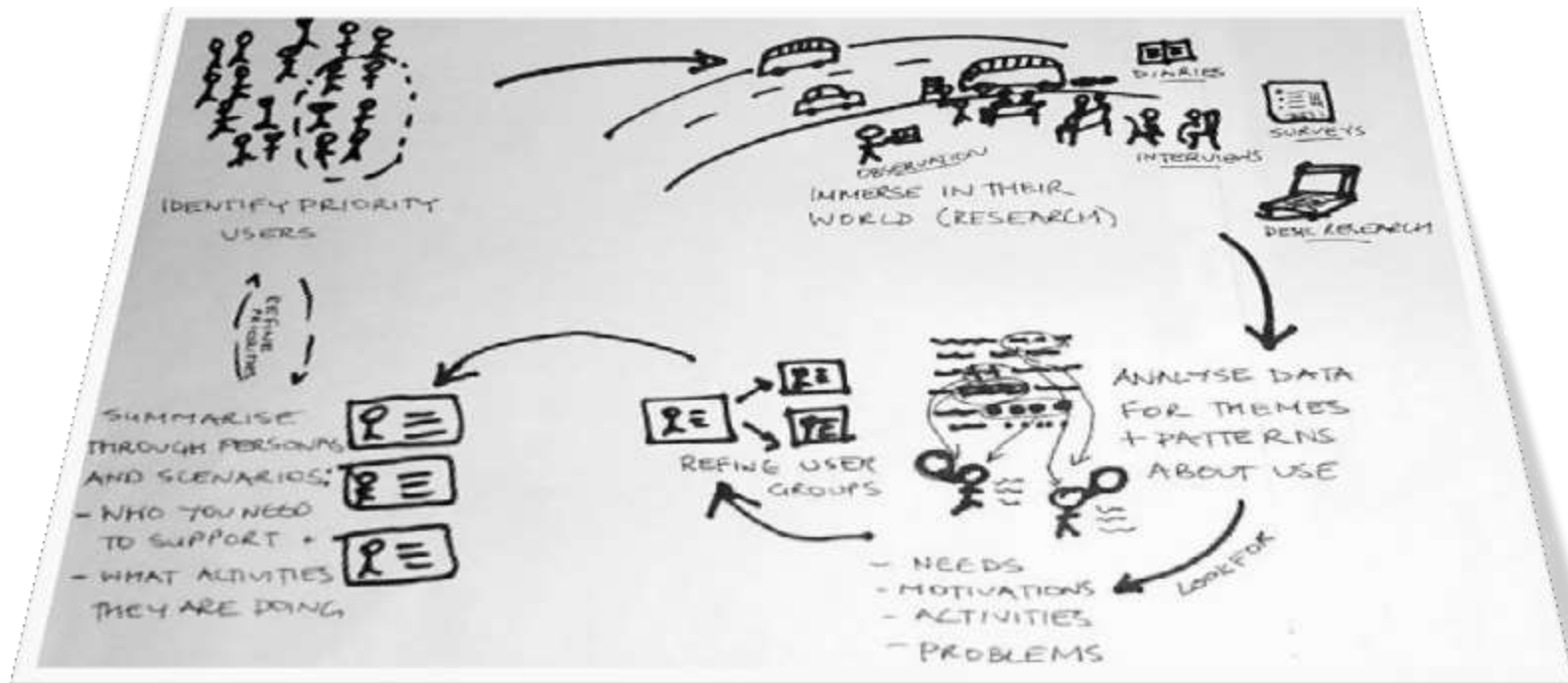


**ADVANCE** →





# Story telling and Scenarios



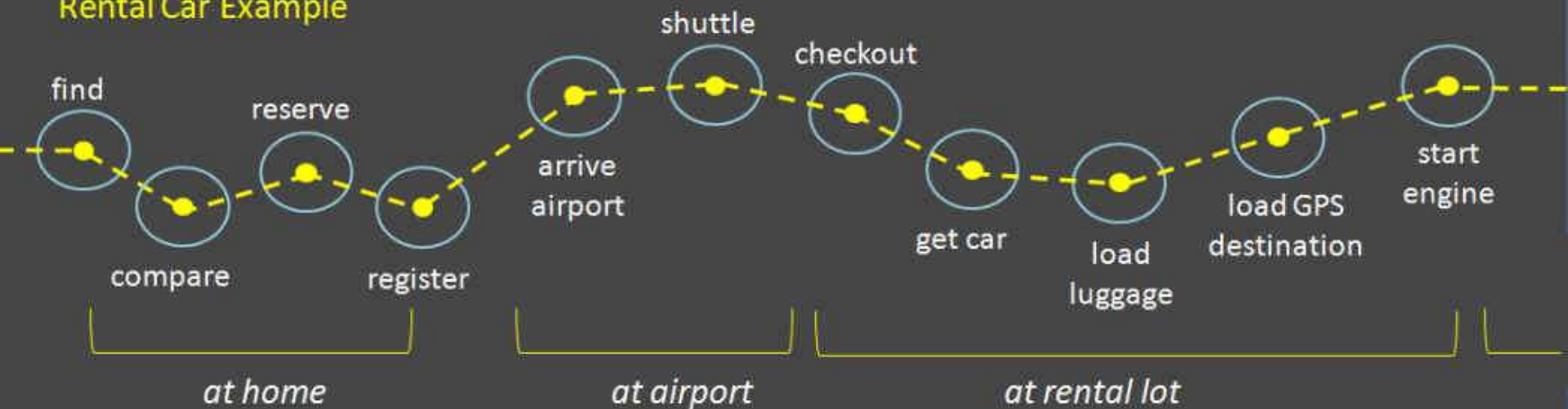


# Story telling and Scenarios

## “Customer Journey”

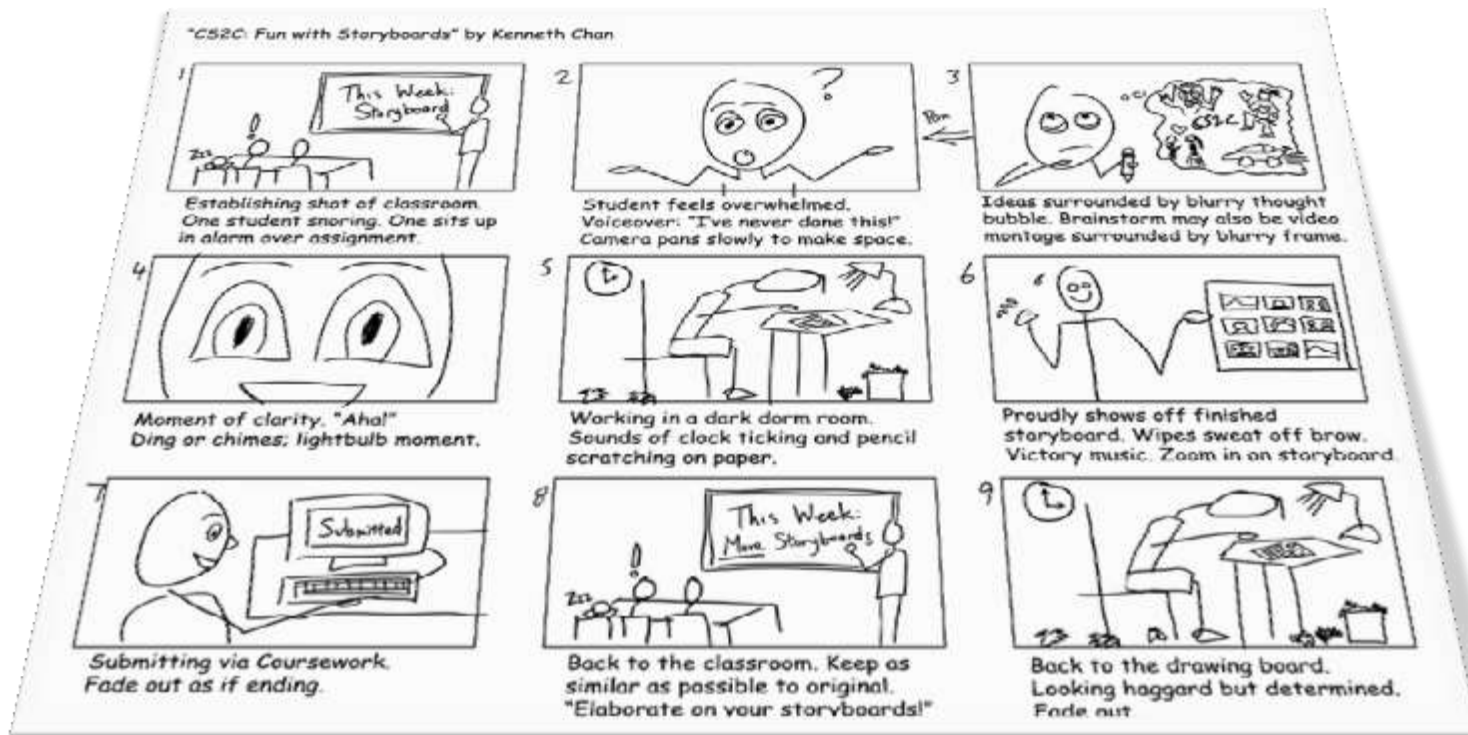
### Document the Customer Journey

#### Rental Car Example

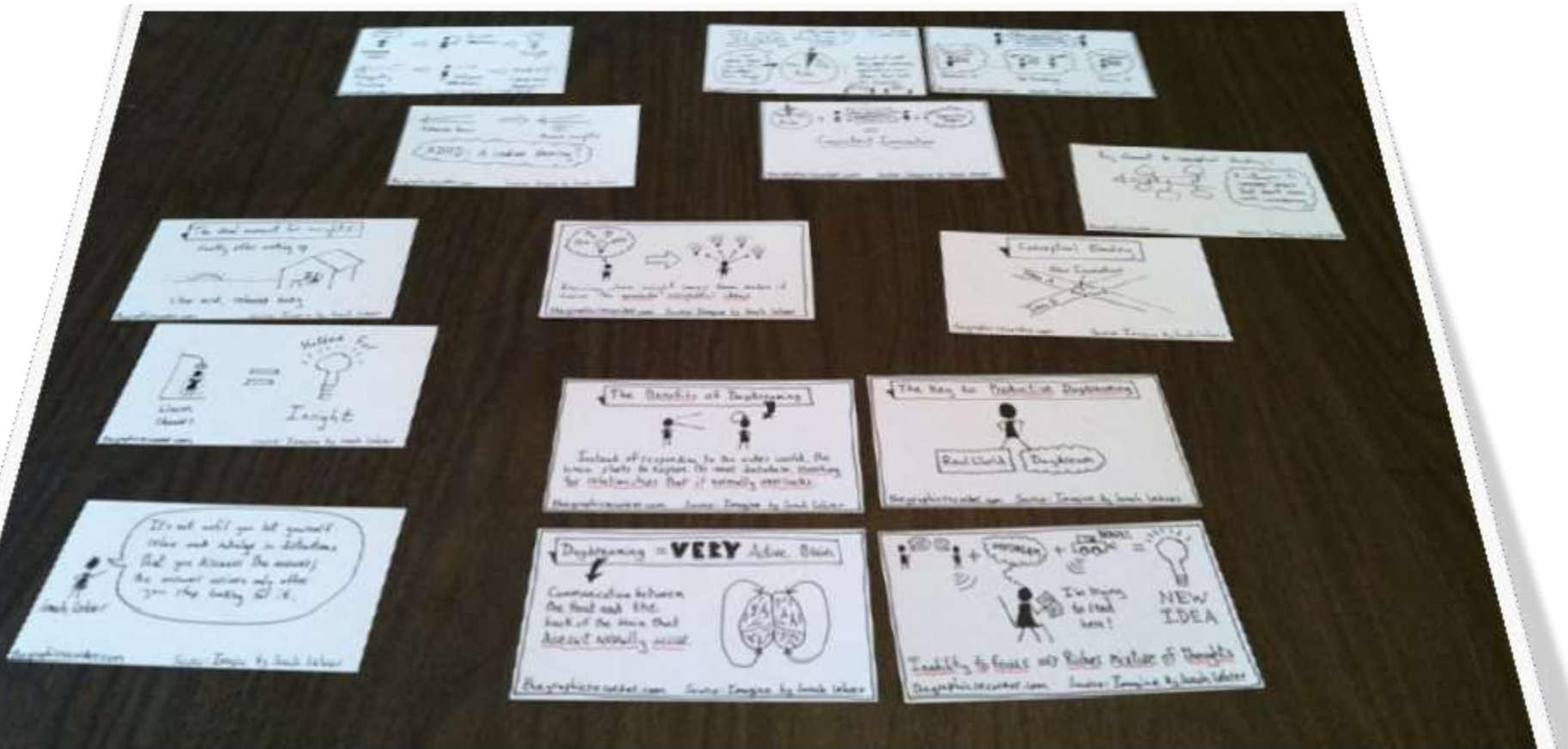


# Story telling and Scenarios

## "Storyboard"



# Story telling and Scenarios





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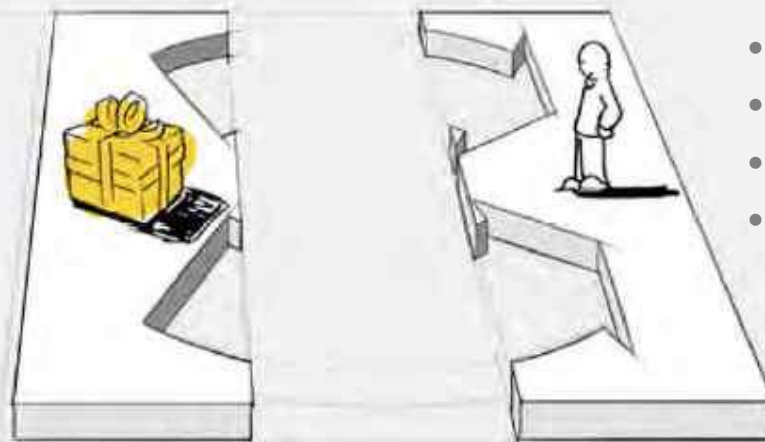
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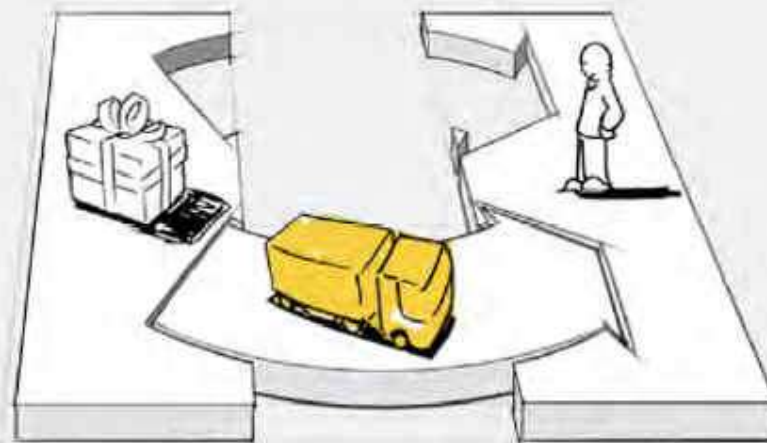


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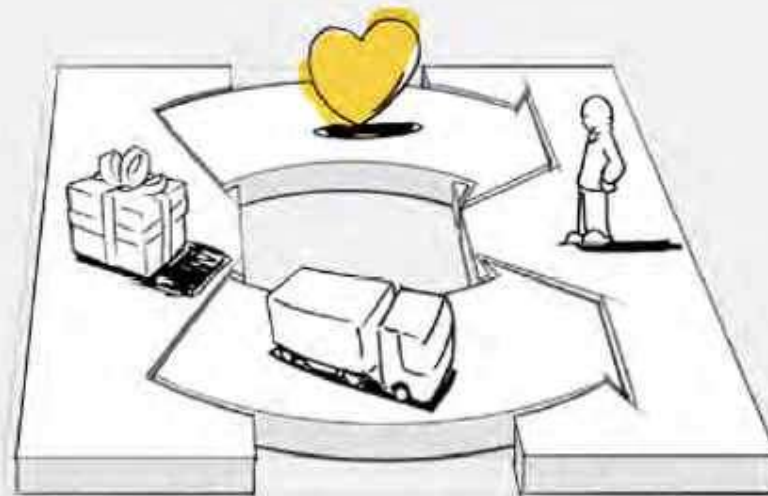




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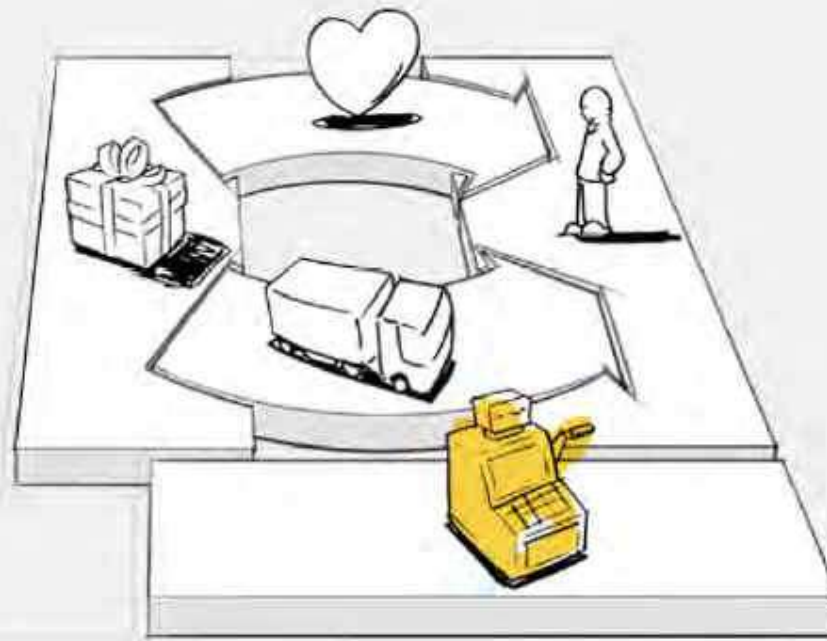


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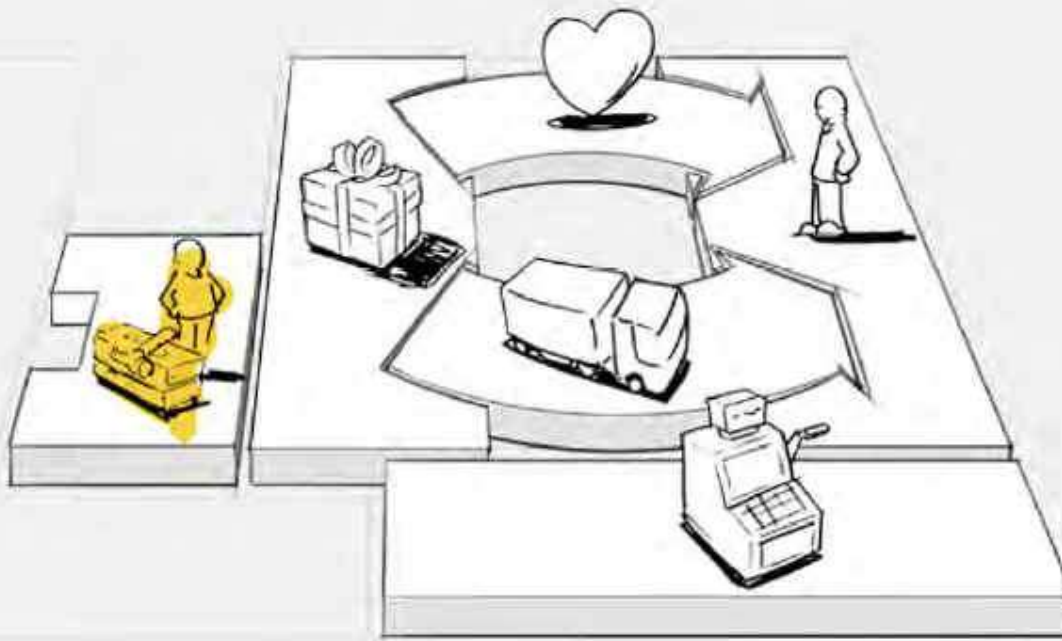
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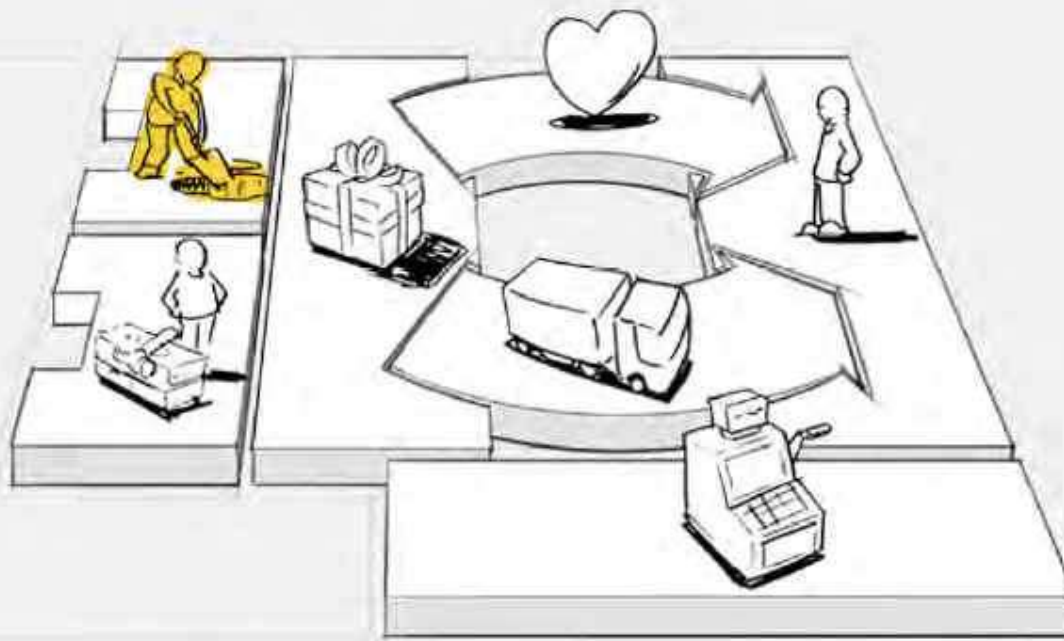
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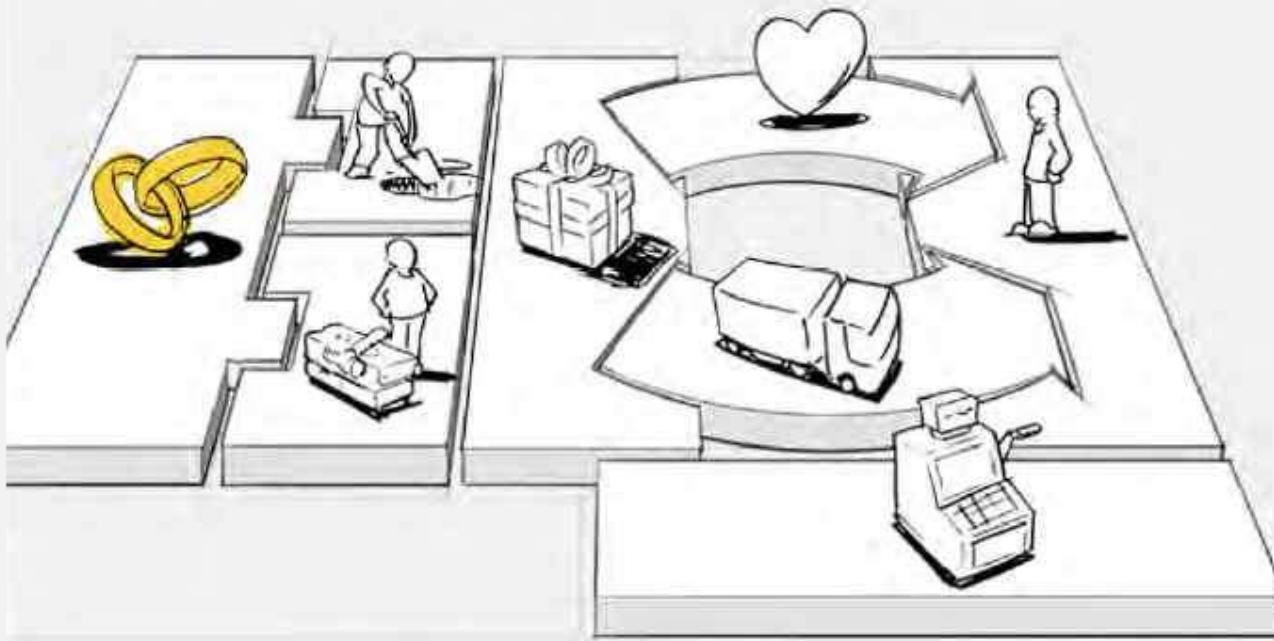


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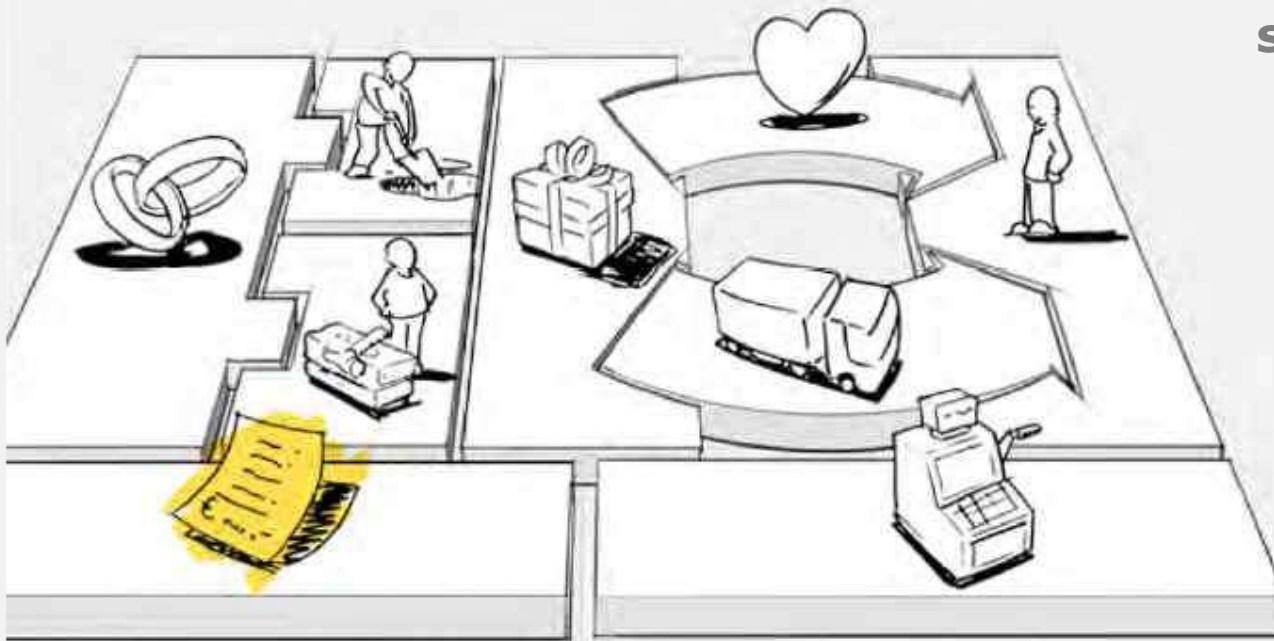
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# Three Core Business Types

- **Product Innovation Businesses**

Employee centered; codding the creative stars

- **Customer Relation Businesses**

Highly service oriented; customer-first mentality

- **Infrastructure Businesses**

Cost focused; stresses standardization, predictability and efficiency