"Everyone designs who devices courses of action to change existing situations into preferred ones"
Jørgen Rasmussen
1957
Langelinieparken 5, 2. tv.
8000 Århus C

Industrial designer MDD
1990
Partner DESIGNNORD (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"

Technology
- Engineering Analysis
- Stastics & Dynamics
- Electronics & Mechatronics
- Programming Methodology
- Bioengineering
- Materials
- Thermodynamics
- Chemical Engineering

Manufacturing
- Manufacturing Technology
- Manufacturing Process
- Supply Chain Management
- Rapid Prototyping

Business
- Accounting
- Finance
- Economic Analysis & Policy
- Marketing
- Operations
- Information Technology
- Entrepreneurship
- Competition and Strategy

Design & Interactivity
- Human Computer Interaction
- Visual Thinking
- Design and Sustainability
- Aesthetics & Form

Human Values
- Usability
- Desirability

Organizational Behavior
- Management & Teams
- Human Resources
- Organizational Dynamics
- Negotiation

DESIGN INNOVATION

Stanford University, USA
Design impact in Companies

- Product
- Experience
- Service
- System
- Strategy

- Subcontracter
- The Product developer
- The Innovativ
- The branted Company
- The learning Company

- Department
- Several departments
- The Organisationen
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

Subject matter

Products
Remember Mental Models?
Four orders of design

Richard Buchanan

Thought

Action

Object

Symbols

Thought

Action

Object

Symbols
Blue Ocean Strategy

W Chan Kim

The Strategy Canvas of Southwest Airlines

Southwest

Average Airlines

Car Transport

Low
Price

Meals

Lounges

Seating class choices

Hub connectivity

Friendly service

Speed

Frequent point-to-point departures
The Design of Business

Roger Martin

FIGURE 2-1

The predilection gap

Analytical thinking  Design thinking  Intuitive thinking

100% reliability  50/50 mix  100% validity
(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 – “Business Model Canvas”
Alexander Osterwalder
Nine “building blocks”
1 CUSTOMER SEGMENTS

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

- Mass market
- Niche market
- Segment
- Diversified
- Multi-sided platforms
2 VALUE PROPOSITIONS

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

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

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

- Personal assistance
- Self-service
- Automated services
- Communities
- Co-creating
REVENUE STREAMS

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

- Asset sale
- Usage sale
- Subscription fees
- Renting/Leasing
- Licensing
- Brokerage fees
KEY RESOURCES

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

- Physical
- Intellectual
- Human
- Financial
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
KEY PARTNERSHIPS

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

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

- Production machinery “get the job done”
- Reliability Fair price Good service

**Business 2 Business Personal assistance**

- Fairs Sales force Web

**Development Rent**

- Asset Sale of machines Spareparts

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Jørgen Rasmussen
Arkitektskolen Aarhus

**BRIO 1.0**
72 pages of the book:


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

Roger Martin, Dean, Rotman School of Management
There’s not a single business model...
There are really a lot of opportunities and a lot of options and we just have to discover all of them.”

Tim O’Reilly, CEO, O’Reilly
Design

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

The Canvas

The Brief
The Process

LOOK

UNDERSTAND

MAKE

ADVANCE
• Listen to each other
• Become inspired (no evaluation)
• Build on others ideas
• Share all ideas
Story telling and Scenarios

- Identify priority users
- Summarise through personas and scenarios:
  - Who you need to support +
  - What activities they are doing
- Refine user groups
- Analyse data for themes and patterns about use:
  - Needs
  - Motivations
  - Activities
  - Problems
- Immerse in their world (research)
- Desk research
- Surveys
- Interviews
Story telling and Scenarios

“Customer Journey”

Document the Customer Journey

Rental Car Example

- find
- reserve
- compare
- register
- arrive airport
- shuttle
- checkout
- get car
- load luggage
- load GPS destination
- start engine

at home
at airport
at rental lot
Story telling and Scenarios

“Storyboard”
Story telling and Scenarios
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Three Core Business Types

• **Product Innovation Businesses**
  Employee centered; coding the creative stars

• **Customer Relation Businesses**
  Highly service oriented; customer-first mentality

• **Infrastructure Businesses**
  Cost focused; stresses standardization, predictability and efficiency