

# DeThinkingService ReThinkingDesign

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## Service Design Leadership

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### Summary

The service sector is now the dominant part of many western economies – and seems to be growing in importance. To differentiate their offerings, service providers need to be innovative to meet conscious and unconscious user needs. The innovation process to improve and redesign the way organizations deliver services demands collaboration from multiple sources, of which two are competence in design and in strategic leadership. The variety of services offered in the market raises cross-functional internal and external service leadership issues. How businesses understand and organize design activities can have a profound impact on the innovation process and outcome. Organizational leaders are often not designers. However, they are part of the design and innovation process in creating the vision and by making design-related decisions to obtain the envisioned future. The emergence of the service economy calls for rethinking within leadership. Thus, the term *service design leadership* is introduced in this paper to reflect a new attitude towards leadership in the service economy in response to the characteristics of services.

### Introduction

Research shows there is a growing consciousness of the value of design and design management (Borja de Mozota, 2003; Cooper & Press, 1995; Press & Cooper, 2003, Norwegian Design Council, 2009<sup>1</sup>) and the value of design as a strategic tool, which may unlock innovation in business.<sup>2</sup> In addition, the value of design in the innovation process has been experienced by businesses and described in numerous case studies communicated in both business and design literatures, like *Harvard Business Review*, *BusinessWeek*, and *Design Management Journal*. However, many of these studies are based on *product* design, and business leaders may be less conscious of the value strategic design may bring to the process of creating visionary service strategies and the actual design of innovative *services*. The value of specifically service design as a strategic resource for service organizations still remains to be broadly researched.

The field of design has undergone considerable change and development in line with shifts from an industrial economy to a service economy. However, there seem to be a gap between the change that has taken place within the design field and the understanding in business about how to take advantage of designers' skills and competence when the aim is to develop innovative services.

The design of efficient and useful services takes place in a complex and holistic context. This means that every detail that is designed may affect others and has an impact on overall customer experience. Even though there is a growing understanding of the value of design in business in general, the effectiveness of service design depends on business leaders' openness to include, and learn from, design thinking in order to develop a visionary and effective service design leadership role.

This paper addresses conceptual concerns about service design leadership and its implications for the service economy, informed by both research and literature from a variety of disciplines. The characteristics of services are located as part of a holistic system context. The paper aims to shed some light on how design thinking may contribute to business thinking and to a new mindset and attitude towards service design leadership.

## Definitions and premises

Before progressing to the matter of service design leadership, some premises underlying this discussion are given.

The emergence of the service economy calls for rethinking within the leadership of service design to develop innovative services. In response to the characteristics of services, organizations increasingly recognizing the need for service innovations and the value of design-inspired innovation, the term *service design leadership* is introduced here to reflect a new attitude towards leadership in the service economy (Fig. 1).

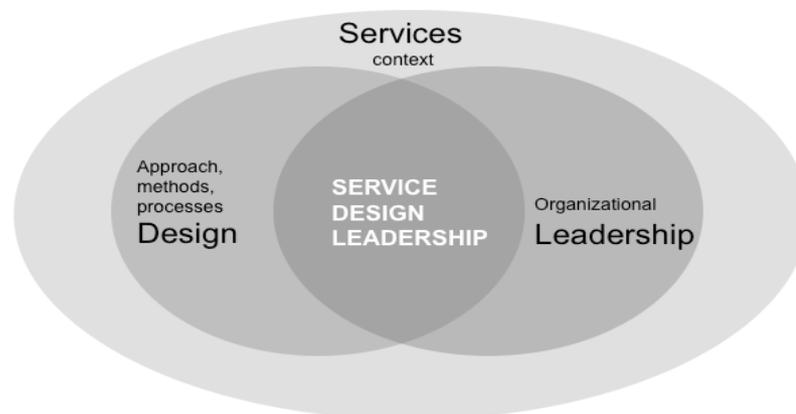


Fig. 1. Service Design Leadership

In the context of this paper Service Design Leadership is introduced as an approach where leaders in service organizations understand and use the power and value of design and design thinking's contribution to a visionary strategy process intended to create innovative services. Service design leadership involves a multidisciplinary and interdisciplinary synthesis approach to problem solving and innovation.

The *leadership* approach adopted here draws on Kotter's (1996:71) explanation that leadership creates 'a sensible and appealing picture of the future' (vision) and creates 'a logic for how the vision can be achieved' (strategy). *Design leadership* draws on the definition by Turner that 'design leadership is about helping organisations to envision the future and to ensure design

is used to turn those visions into reality' while 'design management is about delivering successful design solutions in an efficient, cost effective way' (Turner, in Best 2006:186). Further, in the context of this paper, the term *design* refers to methods and processes used by trained designers while *Service Design* broadly refers to a combination of tangible and intangible 'products' that require multi-disciplinary design and leadership in order for customers and participants to access them effectively and to make use of them enjoyably. Service designers apply design processes and methods to the development of services.

Service design may be used to create service *innovations* that are considered (by the service organization or the market) to be either incremental (small improvements) or radical. Both the terms *service provider* and *service organization* are used for organizations providing services and includes both 'pure' service providers and manufacturers offering value-added services to their core products.

Services are designed in a system of touchpoints where one element influences the other along the customer journey. *Touchpoints* refer to the multiple contact points between service providers and their customers. The sum of touchpoints and interactions between service provider and customer together constitute a *Customer Journey* – or a *Service Journey*.

*Design thinking* refers to an approach to creative problem solving based on a human-centred design process. Brown's argument that 'design thinking can be practiced by everybody' and should 'migrate outward into all parts of organizations and upward into the highest levels of leadership' (Brown, 2009:149) echoes the view of the author of this paper. The term design thinking will be further explored below. However, this paper merely aims to offer an indication of what the term may include in a service design leadership context. Further research to obtain empirical data may contribute to the need to unpack the term design thinking further as a topic within service design leadership.

Applying a service design leadership approach to creating innovations may help service providers achieve market leadership within the targeted market.

As both service design and service design leadership are emerging 'disciplines' and not much research has been conducted on the topics in a holistic perspective, it seems relevant, therefore, to draw on research and knowledge from related areas as design, strategic design management and design leadership. In addition, although rarely linked to design, services are discussed in literature and research in a service management and service marketing perspective. Both these disciplines are important for service design leadership. Marketing strategy as an essential part of organizational leadership and partly forming the basis for design briefs when developing innovative services, justify building on the marketing discipline. Also, the interest of studying service-specific issues emerged first among marketing researchers (Grönroos, 1994).

The growing number of new education programmes combining design thinking and business indicate a growing awareness of the value of integrating these competences.<sup>3</sup> Appropriate mechanisms to develop design leaders still remain to be established, according to Turner and Topalian (2002). Given that this applies also to design leadership, we need a better understanding of how to develop and support service design leaders in particular and their roles in the developing field of service design as part of the evolving service economy.

## Designing Services – collaboration between multiple disciplines and competences

Services consist of multiple contact points, or touchpoints, between service providers and their customers. Examples of touchpoints are brochures, internet, the environment in which a service is provided, and the service provider's employees to whom the customer is exposed. Each touchpoint can affect the overall customer experience. According to Shostack (1987) these various forms of perceived experiences also affect market position. Thus, each touchpoint has to be designed in a customer-centric way. As 'the basis of any service positioning strategy is the service itself' (Shostack, 1987), designing innovative services becomes an important part of organizational leadership.

Design and design-inspired innovation has become part of today's business strategy and management. As any other competence areas within business, the discipline of design has to be managed holistically in order to create value for customers, the organization's employees and the organization's return on investment. The discourse of design management has developed on strategic, tactical and operational level (Cooper and Press, 1995; Borja de Mozota, 2003). At the strategic level, the term 'design leadership' is used by some practitioners and scholars (Turner and Topalian, 2002; Topalian 1990, 2002). This development is not at present linked to services. However, in the same way that design of products has become central to management and leadership, we may expect the same to happen to design of services. While traditional product-based organizations are now also offering value-added services, designing services may or may not include designing products. However, to design services that aim to be experienced by customers in coherent and selective ways across multiple touchpoints, a wide spectre of design disciplines need to work together. To obtain the aim of a perceived coherent and desirable service experience, these design disciplines need to be linked to and managed in a strategic context at the service provider's leadership level – and combine design thinking with business thinking (Gloppen, 2008).

### Characteristics of Services

Several characteristics of services may have an impact on service design leadership in the process of designing innovative services.

An organization's offering often includes both tangible goods and intangible services (Hollins and Hollins, 1991). Kotler and Armstrong (2006) list four special characteristics of services: intangibility, inseparability, variability, and perishability. By service *intangibility* they mean that 'services cannot be seen, tasted, felt, heard, or smelled before they are bought.' In service *inseparability*, 'services are produced and consumed at the same time and cannot be separated from their providers.' Service *variability* acknowledges that 'services may vary greatly, depending on who provides them and when, where, and how.' Finally, service *perishability* refers to the state that 'services cannot be stored for later sale or use.'

The distinction between product and services may be vague as a tangible product is often part of an intangible service. However, there are differences that may influence the leadership role, for example divergences related to inseparability and variability in interactions between service provider and service receiver. Interactions may be either between persons, or between persons and machines. In contrast to customers' relation to manufactured products, the service experience may be influenced by the fact that services often require greater interactions between service provider and the customer, or the

customer's interaction with other customers while 'consuming' the service. (Hollins and Hollins, 1991; Gustafsson and Johnson, 2003; Normann, 2007; Pine and Gilmore, 1999).

From a marketing perspective, the characteristics of services influence the elements that are traditionally focused on in a marketing strategy. Booms and Bitner (1981) proposed the idea of adding three new elements to the traditional marketing mix for use by service organizations. The four elements (4 Ps) in the traditional marketing mix, as described by Kotler (1994:98) are: *Product, Price, Place and Promotion*. The new elements suggested by Booms and Bitner are: *Physical evidence* (environment), *Participants and Process*.

The expanded marketing mix clearly acknowledges the role of the service provider's employees, the environment in which interactions between service provider and customers (and sometimes between customers) take place, and the system of activities the process of delivering services require at different organizational levels. The three Ps are particularly important in services, which are provided by people more than machines.

Although Booms and Bitner make no links to design, the expanded service-marketing mix framework (amounting to 7 Ps) may serve as a framework in the process of developing service innovations that aim to be perceived as valuable by the customers. As a consequence, this framework may also form part of a platform for service design leadership.

In their research Voss and Zomerdijk (2007) discovered that innovation takes place in five distinct design areas that directly or indirectly influence the customer experience. These are the physical environments, the service employees, the service delivery process, fellow customers and back office support. Their findings thus echo the value of the new three Ps in strategy development.

### **Leadership strategy and perceived customer experience – closing potential gaps**

Service quality, as perceived by the customer, is created during the different interactions - or touchpoints - between service provider and the customer. Normann (2007) coined the term 'moment of truth' to focus on each of these interactions' influence on the total customer experience. In a service delivery system there are many 'moments of truth' between service providers and their customers. Thus there may be perception gaps between the service provider's strategy for desired customer experience and the customer's actual perceived experience. Parasuraman, Zeithaml and Berry (1985) have identified five gaps, from a service quality perspective:

Gap 1: Consumer expectation – management perception gap.

Gap 2: Management perception – service quality specification gap.

Gap 3: Service quality specifications – service delivery gap.

Gap 4: Service delivery – external communications gap.

Gap 5: Expected service – perceived service gap.

Closing potential perceived service quality gaps belong in discussions at the leadership level as part of the service strategy. Consequently, they are an important focus area in a service design leadership role. In addition, service designers are in a position to contribute with their human-centred design process and research methods, to which we will return below. According to Topalian (2002), design is a strategic resource 'because it has a critical influence on the conception and delivery of products and services that match closely with customers' needs and aspiration.'

## Collaborative design of the customer's service journey

Services are at times produced jointly by the service provider and the customer and the interaction influences the experience on both sides. Both parties control only parts of the service production process. Shostack (1984) introduced the *service blueprint* to create a context in which service providers may control every step of the service process. Shostack's blueprint method describes the interrelated parts of a service production and delivery process. In service design, a method of mapping all touchpoints and interactions between the service provider and the customer are employed in order for each touchpoint to be designed with the customer at the centre. In the language of service designers the term for this system of touchpoints that influence each other are Service Journey or Customer Journey. Observations (and reflections by the author) may suggest that the process of mapping the Customer Journey is best done in collaboration between service provider and service designers. Doing it together creates shared understanding and benefits from the competences of both service provider and designers. People from different levels and business areas of the organization are valuable informants and discussion partners in this mapping process. In addition to a common understanding of the service offering, seen from the customer's perspective, the learning outcome for the organization by cooperating with service designers may be valuable also on a strategic level. This may be achieved through the shared use of design methods and processes that may in turn contribute to a new mindset and attitude towards service design leadership.

Designing services is often based on knowledge gained from many fields and disciplines as it often includes both tangible goods and intangible services. Thus, service design leadership involves considerable interaction among different specialists. Design categories like graphic design, interaction design, industrial design, interior design, and design of uniforms, to name some, may all be part of designing services. For example, they all come into play when developing transportation services, restaurants or education institutions. In order to create a beneficial and coherent customer experience, service design leadership needs to be approached in an integrated, multi-disciplinary way, where all the 7 Ps of the expanded service-marketing framework are designed to deliver customer value.

## The role of leadership and designers in service innovations

Gaynor (2002) argues that leadership may be seen as a state of mind. It may also be argued that designerly ways of thinking and doing (Lawson, 2006; Cross, 2007) may have influence towards a leadership attitude that acknowledges the value of design in the innovation process. Topalian (1990, 2002) argues that design leadership is one of the most powerful means of generating new ideas.

Kotter (1996) distinguishes between leadership and management. He describes leaders as 'people who can create and communicate visions and strategies'. Further, he argues that 'management deals mostly with the status quo and leadership deals mostly with change' (Kotter 1996:165). In business settings the relationship between management and leadership is critical. Without it the shaping of innovation and maintaining growth is difficult to achieve. Leadership in innovation does not require being a multi-disciplinary specialist. However, innovation leadership requires listening to what other specialists bring to the table, as innovation does not take place in isolation (Gaynor 2002:195). 'Leadership defines what the future should look like, aligns people with that vision, and inspires them to make it happen despite obstacles' (Kotter 1996:25). This has implications for the translation of service strategy to service design in the strategic operations of businesses but also in the

organization's own orientation to changing perceptions and activities concerning the designing and delivery of service innovations in a customer-centric way.

### **Design leadership and design management – mutual dependency**

To better understand service design leadership in particular, we now look into how design leadership draws on design management, and particularly strategic design management.

The development of new services requires strategic direction. The fuzzy front end of innovation is where leadership by strategic thinking and decision-making take place. Service design *leadership*, therefore, belongs at the starting point of innovation strategy. Service design *management* then comes into play in the subsequent implementation phase.

'Design management is the business side of design', according to the Design Management Institute (DMI). 'Design management sees to link design, innovation, technology, management and customers to provide competitive advantage across the triple bottom line; economic, social/cultural, and environmental factors.'<sup>4</sup> Several researchers link design management to business management and leadership issues (Borja de Mozota, 2003; Press and Cooper, 2003; Cooper and Press, 1995; Dumas and Mintzberg, 1989; Gorb and Dumas 1987). These studies often focus on the value of design for business and on influences on decision-making by different stakeholders.

As there is not much research on design leadership in a service context, we may build on research on strategic design management and the transfer value this research may bring to the characteristics of services. In the same way, we may draw on theories of service management and relate the value of design, according to findings from design management and design leadership research in order to form part of a service design leadership role.

As with other disciplines, like marketing, design is active at three levels in organizations: strategic, tactical and operational. Design leadership belongs at the strategic level. Design management on the tactical and operational level. Adopting the distinctions of the different levels made in Best (2006) this means that the overall policies, missions and agendas are defined at the strategic level. Processes and systems of specific business units or functions come into play at the tactical level. At the operational level, decisions taken at the strategic and tactical level are implemented and 'design manifests itself in the physical and tangible products, services and experiences' (Best, 2006:17). However, a critical obstacle to establish design management's credibility as a rigorous business discipline is the lack of consensus on what design management encompasses (Topalian, 1990, 2002).

Today *design management* is used to describe what in the past was called design project management, while the term *design leadership* is used to describe a more strategic level related to the vision for how design might be used within an organisation to achieve corporate goals (Borja de Mozota 2003). The terms design 'leadership' and 'management' exists to differentiate between these two approaches in design (Best 2006). However, there is 'a move to change the name of design management to design strategy or design policy, with the aim being to locate design at the heart of new business development' (McDermott 2007:85).

Both design leadership and design management are necessary to get optimal value from service design. Design leadership is needed to know where the business is going. Design management is needed to know how to get there (Turner and Topalian, 2002). However, as Hollins states,<sup>5</sup> organizations in the service sector have 'only recently realized that a conscious effort in applying design techniques to services can result in greater customer satisfaction, greater control over their offerings and greater profits'.

Research on characteristic variables of design management indicates that there are three approaches to design management and how design creates a competitive advantage among design-oriented product companies. These approaches focus on design as a managerial, resource, and economic competences (Borja de Mozota, 2003). Although the research is based on product-oriented companies, these approaches are most likely applicable to service organizations as well. One such recent contribution is an exploratory research project 'Designing for Services'<sup>6</sup> initiated by the Säid Business School that explored service design from multidisciplinary perspectives. The project produced a collection of perspective essays both by academics and researchers, and by participating service designers.

Further research within multidisciplinary perspectives may inform the area of service design leadership and may have implications for the design of valuable services.

### The design field in the service economy

As a profession, design is evolving from a product-based practice born of the industrial age to a process driven practice in the service economy. The different roles for the industrial designer and typical statements on design from the 1950s have changed from designers being seen as artists to designers being acknowledged as innovation drivers and participants in the creation of corporate vision (Valtonen 2007).

A variety of design disciplines may work in collaboration in the field of service design. One such design discipline is interaction design, which has influenced the development of services both in the meaning of digital interaction design (Holmlid, 2007, 2009) and in the meaning of how human beings relate to other human beings (Buchanan, 2001). For Buchanan, concepts of interaction emerge as a new domain of design thinking, where human interactions take place in systems and environments, a development Buchanan introduces as fourth-order design. He argues that developing an understanding of this fourth-order design will transform the design professions and design education. His argument is based on his idea of the "Four Orders of Design" framework, which includes graphic design, industrial design, interaction design, and environmental design (Buchanan, 2001). These disciplines may all be relevant in service design.

Although the domain of service design is relatively new, it is expanding rapidly. Examples of pioneering design companies offering service design are LiveWork, IDEO and Engine service design. However, an increasing number of companies now offer service design as a resource to businesses and organizations to help them adapt to changing markets, and the needs and desires of their customers. Service design is a response to the service industries' recognition that their customers are now looking for a 'totality' of services of high quality (McDermott 2007). McDermott points out that service design attempts to offer greater efficiency, profits and ease of customer use to the service industries. She also makes the point that there is a growing understanding in business that a key component for economic growth is precisely design of services.

Some design companies have moved beyond products, services and customer experiences to an attempt to help organizations to design a culture to foster greater innovation themselves by learning from the way designers think and work (Utterback et al, 2006:8; Brown, 2008, 2009).

## Service Design Leadership – combining approaches from business and design in a service context

To analyze what make successful leaders, Martin (2007) argues that focusing on what leaders *do* is a misplaced focus and that a more productive approach is to look at how successful leaders think. Martin found that most successful leaders are *integrative thinkers*, meaning ‘they can hold in their heads two opposing ideas at once and then come up with a new idea that contains elements of each but is superior to both’. He builds the term *integrative thinking* on this process of consideration and synthesis. The notion of synthesis, meaning ‘the creation of a coherent harmonious whole emerging with integrity from a collection of specific design choices’, is fundamental in design as well as in business strategy (Liedtka, 2000).

For analytical business consideration, Boland and Collopy (2004) propose a *design attitude* toward problem solving. By design attitude, they refer to an attitude where decision makers make an effort to create a better solution than what has so far been suggested as opposed to a decision attitude that choose from among the alternatives already at hand.

Borja de Mozota’s (2003) research on design-oriented European SME’s (small and medium-sized businesses) found that business managers view ‘imagination’ as the most important skills designers have. Other key skills relevant to service design leadership, also included capacity to synthesize and to generate a vision.

### Non-designers in Service Design Leadership roles

The process of designing services involves people at different levels in a service provider’s organization. Leaders have a critical role to play here though this may not be explicit in terms of design. Leaders of these organizations are often not professionally schooled designers. However, they are part of the design and innovation process through their involvement in creating visions and strategies, and making design-related decisions to obtain the envisioned future. These design leaders influence the design process, often in unacknowledged ways.

Gorb and Dumas (1987) coined the term *silent design* to describe this activity. They define silent design as ‘design by people who are not designers and are not aware that they are participating in design activity’ (Gorb and Dumas 1987:150). The term silent design has been taken further by Dumas and Mintzberg (1991) to address how the role of *manager as designer* can have a profound impact on innovation. Managers and leaders practice silent design by the many decisions taken when they enter into the design process, whether they or others are unaware of their impact. Dumas and Mintzberg (1991) argue that ‘this role of manager as designer is hardly mentioned in the literature, and barely acknowledged in business practice’.

The importance of ‘silent designers’ resonates with Topalian’s (1990, 2002) statement that ‘business executives make up the most powerful body of ‘designers’ in the world’. He argues that the outcomes of design projects, and how solutions are presented to the market, always rests with these executives.

Enlightened understanding of the context for design within an organization may turn unconscious ‘silent designers’ into conscious strategic ‘design thinkers’, meaning a leadership attitude that acknowledges the power and value of design, and include design thinking in their service design leadership approach.

## Design thinking and design attitude

The terms design thinking and design attitude are associated with designer's mind-set and approach to problem solving, problem finding, and design methodology used to designing experiences and organizations in addition to the process of designing innovative services. In the service industry they may be connected to an empathetic user-focused approach to problem solving and service innovations.

Recently, the discourse of design thinking and design attitude (Boland and Collopy, 2004, 2008) has been extended into discussions of how design thinking and design attitude can create value in an organizational and management context (Buchanan, 2008). Design-inspired innovation (Utterback et al., 2006) is being recognized and has contributed to raising the present interest of the business world in design and design thinking.

Design thinking in a business context is defined by Brown (2008) as 'a discipline that uses the designer's sensibility and methods to match people's needs with what is technologically feasible and what a viable business strategy can convert into customer value and market opportunity'. Although Brown is pointing to designer's sensibility and methods, he also argues that design thinking is not the exclusive territory of designers, but a skill that can be learned to achieve successful innovation. He states that design thinkers are not necessarily created only by design schools. Brown's experience is that many non-designers have a natural talent for design thinking, which the right development and experiences can unlock.

For non-designers, educational development may take place by attending one of the joint programs at the intersection of design and business education. Another way of developing design thinking skills may be by working in close collaboration with designers and learn by observing the ways designers approach designing services, not just as problem solving but through 'designerly' ways of problem finding and arriving at solutions (Cross, 2007; Lawson, 2006). In their approach, designers make use of visualization, ethnographic research, divergent idea generation, synthesising, and their empathic skills, to mention some methods and processes generally associated with designers. Brown (2009) states that at the centre of a human-centred design process are field observations, prototyping, and visual storytelling. Junginger (2007) argues that a key skill for designers is learning to empathize and that visualizing plays a significant role in designing, as do prototyping.

According to Brown (2008:85) 'thinking like a designer can transform the way you develop products, services, processes – and even strategy'. Some of the characteristics he lists to look for in potential design thinkers are: empathy, integrative thinking, optimism, experimentalism and collaboration. One of Brown's characteristics, *integrative thinking*, echoes the findings of Martin (2007) in his study of what characterize successful leaders.

The process that supports design thinking is generally described in terms of phases, such as inspiration, ideation and implementation, according to Brown (2008, 2009). Applied to the customer-centric approach, most design processes begin with analytical processes of insight and understanding of customers' conscious and unconscious needs and the possibilities for innovations in an organizational context. Conceiving of change, innovation and strategy and setting it in motion may be understood as designing service design. However, the move from inspiration through to implementation depends hugely on how design management is involved and the roles leaders play in this process – the role of service design leadership.

## Towards a changing mindset in both business and design

In line with the change from an industrial economy to a service economy management perspectives have emerged from scientific management to service management (Grönroos,

1994). Normann (2007:58) stresses the importance of adopting a holistic approach to what he calls *service management systems*. The basic conceptual framework of this inter-related system consists of five main components; 1) the market segment, 2) the service concept, 3) the service delivery system consisting of the sub-components personnel, client, technology and physical support. 4) the image and 5) the culture and philosophy.

Service management is a market-oriented approach and a management approach geared to the characteristics of services (Grönroos, 2007). Further, Vargo and Lusch (2004) argue that we are now able to adopt a service-dominant logic of customer value co-creation approach. In this approach the 'logic' is to situate marketing according to a dominant logic where 'service provision rather than goods is fundamental to economic exchange.' Bringing in service designers to this service-dominant logic may then enable new perspectives and possibly a more human-centred view to be developed with respect to the conceptual service management system. Thus, this framework may contribute to a holistic approach to service design leadership.

Design-inspired innovation is recognized as important by a growing number of organizations aiming to maintain a high brand value (Utterback et. al., 2006). The scope of design management has changed as a result of changed understanding both by businesses and designers (Borja de Mozota, 2006). The attitude towards the value of design change as the businesses climb the 'learning ladder' and reach a strategic level of design leadership based on coherence of the design system in organizations that think of management as an art of collective action, according to Borja de Mozota (2006).

Although the value of design is appreciated from different perspectives, few organizations appear to understand how to manage design as a strategic marketing tool (Kotler and Rath, 1984). With the aim to study optimal use of design thinking in an organization's marketing strategy, Kotler and Rath (1984) propose a 'Design Sensitivity Audit' and a 'Design Management Effectiveness Audit' to indicate the role design plays in the marketing decision-making and to rank how well management uses design. Borja de Mozota (2006) proposes to use the Balanced Score Card, known from business management, as a measuring tool for design managers. The tools proposed by Kotler and Rath and by Borja de Mozota appear relevant in a continuous learning process as part of the basis for developing a platform for service design leadership because they facilitate the development of a design attitude, which is needed in management practice and education today, according to Boland and Collopy (2004). In addition, these tools may contribute to Topalian's (1990:47) argument that 'design leaders should convey a vision of what is possible through a professional approach to design in order to broaden perceptions of the contribution design makes to corporate performance.'

## Conclusions

### Service Design Leadership – leadership informed by design in a service context

Research on service design is now being published in a variety of contexts. Attention to the design part of service design still remains largely unarticulated in the domain of marketing. This makes it all the more important to locate and distinguish between services, design and leadership as they impact on service design and the roles of leadership therein, as well as service design leadership in strategic organizational operations and innovations.

Designing services from a desirable and integrated customer experience view asks that we focus on the interrelationships of the different touchpoints of a service journey in addition

to designing an experience that is perceived as being valuable at each touchpoint. This approach demands leadership and multi-competence collaboration and their relations to the perceived experience of customers. One way of pursuing an experience-oriented customer strategy is to link design thinking with traditional business training to form a platform for service design leadership.

This paper has identified that the role of design in business is broadening and moving towards a more strategic level in addition to the process of designing the variety of touchpoints that in sum constitute a customer journey in a service context.

At the same time, society has moved towards a service economy and thus may require a different approach from both designers and leaders of service organizations. We may expect leaders in service organizations to want to broaden their understanding of how they may collaborate and take advantage of designers' skills and competences on both strategic and operational levels.

This paper has identified some of the characteristics of services and some basics that may build up the basis for a framework for service design leadership. From the discipline of marketing, the expanded service-marketing mix (the 7 Ps) and the focus on potential gaps between service organizations' service strategy and perceived customer experience of the service present elements to be considered when making improvements or radical innovations. It may be argued that design management and design leadership are mutually dependent in a service design context in the same way it does in management and leadership in general. Even if research and knowledge are drawn from the discipline of design management, the focus in this paper is on the design leadership level and how design may inform leaders in service organizations. Enlighten organizational leaders may be done by designers being discussion partners on a strategic level as well as by the practical designing of services in close collaboration between service providers and service designers. It may be argued that designing successful, holistic services needs to be approached in an integrated, multi-disciplinary way that includes most design disciplines in addition to visionary leadership.

Leadership involves making decisions, including decisions that influence design processes and outcomes. However, leaders may not be aware of their impact on the design and innovation process and it may be argued, therefore, that leaders may benefit from adopting a design attitude. Designing services as collaboration between service designers and service organizations may lead towards leaders of service organizations adopting a design attitude. It may be claimed that successful leadership and strategic design may not be far from each other in attitudes towards problem solving. Both seem to have the capacity to be integrative thinkers and to synthesize. The notion of synthesis, fundamental in design as well as in business strategy, may lead to the claim that the main areas informing service design leadership are the approach, methods and processes of design in combination with organizational leadership strategies.

An open-minded collaboration between organizational leaders and service designers, with a shared aim of developing benefits and value for customers at every touchpoint, may necessitate a new mindset and a new attitude towards leadership in the service economy in order to utilize design-inspired service innovations. Arriving at this new attitude towards service design leadership demand a mutual understanding of the way of thinking and working within design and business.

With the service sector now being the major part of many leading world economies, it may be argued that the need for service design leadership is rising when aiming to develop innovative services in a strategic business context.

## Further research

The issues involved in service design leadership are numerous. By no means does the above discussion encompass all of the subjects relevant to a platform for service design leadership. However, the knowledge developed in this paper may be built on further by case studies exploring how methods and processes of design may inform and inspire visionary leadership in service organizations and possibly lead to service innovations that are perceived as valuable by relevant stakeholders.

Further research, for example, may be informed by and conducted in a Systems Theory view. For instance, considering that none of the touchpoints in a service journey work in isolation, the complexity of the service system leads to a need for a holistic view on service design leadership. This view may also inform increased task complexity for service designers. As a result, linking the framework of the service journey to systems thinking may be an area to research to further develop the service design leadership role. For example, in the context of organizational learning and innovation, Senge (2006) argues that a holistic view of a larger system allows us to better understand the different sub-subsystems and their links. Such a view would perhaps be fruitful to apply to service design leadership.

The link to service design leadership might also be made by way of a model of service management system (Normann, 2007). This could help us connect the internal and external aspects of the organization, market, delivery system and culture and service provision. Without such an approach to the wider system relation, service design leadership may all too easily miss an overall customer centric view. Also, adding design thinking to the service management system as described by Normann (2007) and to the expanded service-marketing mix framework, may contribute to a platform for service design leadership for developing innovative services by design.

The knowledge developed in this paper may be a starting point for exploring how a close collaboration between service providers and service designers may influence the attitude towards leadership in the service economy. Further, exploring the synthesis of design and organizational leadership by use of an innovative service design method may contribute to the future of service design leadership.

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- <sup>1</sup> Norwegian Design Council commissioned a quantitative survey among 515 Norwegian businesses. The quantitative survey was based on a qualitative survey and conducted by Synovate in June 2009. 'Designdiagnose 2009. Norske bedrifters bruk av design.' ('Design diagnosis 2009. Norwegian businesses' use of design'). The research will be available at [www.norskdesign.no](http://www.norskdesign.no) shortly.
- <sup>2</sup> Design Council has an overview of relevant research in their 'The Impact of Design on Business,' Design Council, [http://www.designcouncil.org.uk/Documents/About%20design/Facts%20and%20figures/DesignCouncilBriefing\\_TheImpactOfDesignOnBusiness.pdf](http://www.designcouncil.org.uk/Documents/About%20design/Facts%20and%20figures/DesignCouncilBriefing_TheImpactOfDesignOnBusiness.pdf) (accessed October 8, 2009). See also 'Value of Design Factfinder' <http://www.designfactfinder.co.uk/> (accessed October 8, 2009) and the UK 'National survey of firms 2008', which shows an increase in the importance of design in 2008 compared to similar research conducted in 2005 <http://www.designcouncil.org.uk/About-Design/Research/Value-of-Design-Factfinder/> (accessed October 8, 2009)
- <sup>3</sup> BusinessWeek, 'The World's Best Design Thinking Programs.' Business Week, [http://www.businessweek.com/innovate/NussbaumOnDesign/archives/2009/10/the\\_worlds\\_best.html#more](http://www.businessweek.com/innovate/NussbaumOnDesign/archives/2009/10/the_worlds_best.html#more) (accessed October 8, 2009)
- <sup>4</sup> Design Management Institute (DMI), 'What is design management?' DMI, [http://www.dmi.org/dmi/html/aboutdmi/design\\_management.htm](http://www.dmi.org/dmi/html/aboutdmi/design_management.htm) (accessed August 11, 2009)
- <sup>5</sup> Design Council, 'Service design,' Design Council, <http://www.designcouncil.org.uk/en/About-Design/Design-Disciplines/Service-design-by-Bill-Hollins> (accessed May 28, 2009).
- <sup>6</sup> For more on this project, including essays, images and video, see: <http://www.sbs.ox.ac.uk/D4S/index.html> (accessed May 28, 2009).