



Pragmatic
Design

Aligning Design Activities to Business Strategy

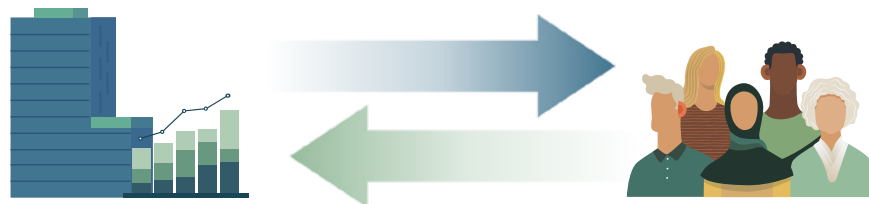


Earning a Seat at the Strategy Table

In the eyes of your business stakeholders, design work is more valuable (and worth investing in) when it's clearly connected to business strategy.

The more designers work to understand the business, the better they can demonstrate the impact of design, make the case for doing the right kind of design work, get the resources they need and expand design's influence.

Businesses deliver human value to their customers in the form of products and services. Customers, in return, deliver business value through payment. A company's strategy explains how it will exchange human value for business value in its industry at large.



Company Strategy Example: Target will be a leader in retail by providing food and merchandise shoppers with solutions for buying all the household items they need in one place. And they'll succeed in this market by offering a distinctive brand, an unrivaled in-store experience and a seamless omni-channel presence.

Designers create value for the business, but that value can sometimes feel intangible to others. Understanding your company's strategy helps you:

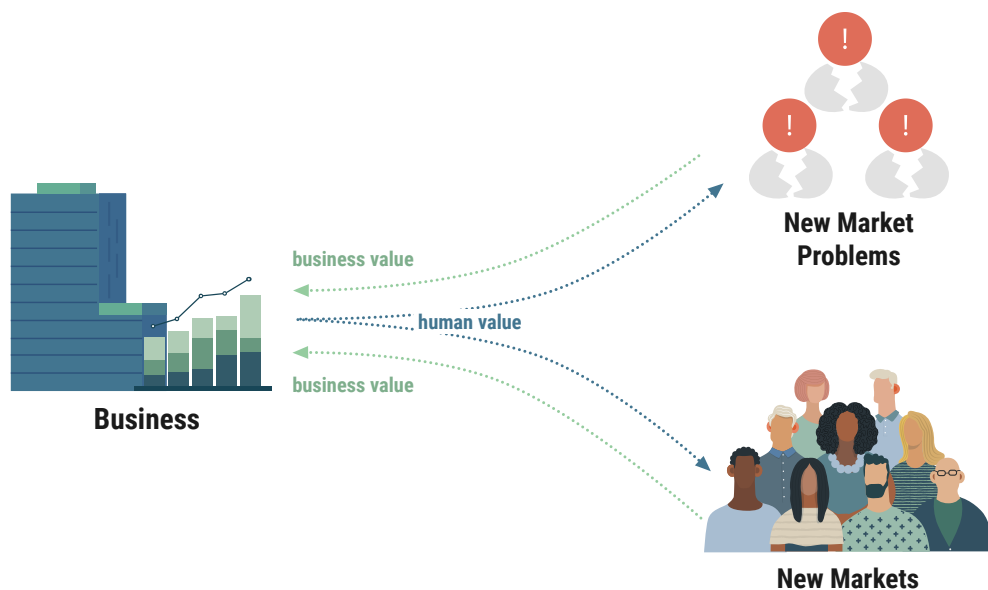
- ▶ Meet your business stakeholders where they are
- ▶ Showcase your ability to contribute to strategic conversations, like those around resource allocation
- ▶ Better advocate for users by translating their needs into concepts that resonate with the business

Once you recognize how the design activities you engage in today support your company strategy, you can draw that connection for your stakeholders to demonstrate the strategic value of your work. You can also uncover what other design activities you could do to support the strategy and therefore boost your impact further.



Let's zoom in further to look at product strategy. A product strategy focuses on identifying ways to turn human value into business value, and it's derived directly from the company strategy.

Two key ways of increasing value are addressing new problems or new people. In other words, producing new value for your market or expanding the size of your target market.



Breaking Down Strategies

There are four categories of long-term product strategy that fall within the buckets of new problems and new people. Your business stakeholders are likely focused on at least one of these strategies.

Market Penetration



People we know well, with problems we've solved

Example: Target buying local big box or department store retailers and convert them to Targets.

Product Development



People we know well, with new problems to solve

Example: Target buying existing brands with products they don't currently carry and bringing them in-house, like pet supplies or prescriptions.

Market Development



New people, with problems we've solved

Example: Target expanding internationally, choosing a new segment of the global market but offering the same retail experience.

Diversification



New people, with completely new problems

Example: Target offering grocery delivery to your home.

Connecting Design to Strategy

Once you better understand your company's product strategy, you can be intentional in your choice and recommendation of design activities. Here are indicators you can watch for inside your organization to suss out the strategy along with ways to strategically align your design work:

Market Penetration



People we know well,
with problems we've solved

Signals:

- ▶ Looking to increase current market share
- ▶ Attempting to take business away from competitors
- ▶ Focus on revenue growth and possibly brand awareness
- ▶ Resources allocated to product refinement and iteration (as opposed to R&D)

Sample design activities:

- ▶ User research with competitors' customers
- ▶ Observation of users with your current solution
- ▶ Usability testing with your current solution
- ▶ Streamline the design of current solution to simplify common tasks
- ▶ A/B testing with your current solution
- ▶ Conduct product gap analysis
- ▶ Competitor product assessment
- ▶ Journey mapping of customer experience with your current solution

Example of a design activity in action:

The company is looking to take business away from the competition, so you need to figure out what's driving customers toward competitors. Conducting user research with competitors' customers enables your company to reevaluate its assumptions about customers and their problems. You can also leverage this research across the business to deepen customer understanding among cross-functional teams. For example, marketing managers may need to update the messaging they use. Or, sales reps may want to incorporate new ways to talk about your product that hit their competitors' customers' most frequent pain points.

Product Development



People we know well, with new problems to solve

Signals:

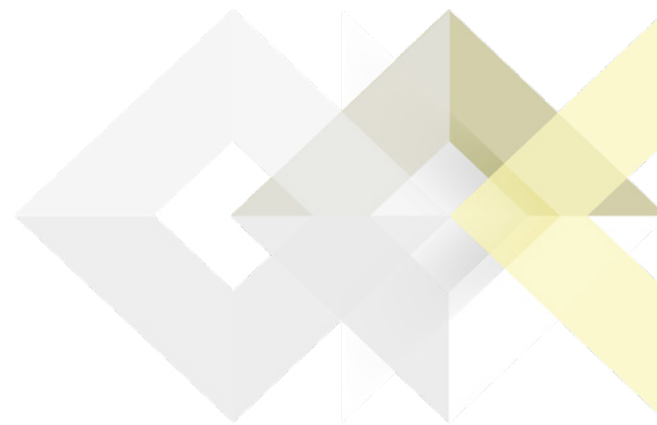
- ▶ Obvious gaps in products or services offered by you or your competitors
- ▶ Focus on innovation
- ▶ Metrics include upselling or cross selling
- ▶ Investment of resources in R&D

Sample design activities:

- ▶ Team problem-framing workshops to align on key problems
- ▶ Design add-ons for your existing solutions
- ▶ Design new products that interconnect with your existing solutions
- ▶ Conduct interviews with your users to understand what other problems they face
- ▶ Ideation workshops to identify potential solutions
- ▶ Surveys with your user base to understand how they prioritize other problems they face
- ▶ Create conceptual prototypes to evaluate potential new solutions
- ▶ Co-creation activities with your existing audience to understand what they care about
- ▶ Cross-functional hackathons

Example of a design activity in action:

When developing new products for existing customers, you risk tarnishing their current sentiments. Problem-framing workshops focus on contextualizing a problem, connecting it to business goals and developing a clear understanding of the users to create a problem statement. It can align internal stakeholders across design and business on how to provide innovative products to that audience.



Market Development



New people, with
problems we've solved

Signals:

- ▶ Entering into a new regional or international market with your current product
- ▶ New packaging for current products to engage new markets
- ▶ New distribution options for current products
- ▶ Resources focused on iterating on current product and market research

Sample design activities:

- ▶ Usability testing with your current solution
- ▶ Design alternate usage paths in your current product to accommodate new user patterns
- ▶ Interview new people to understand their unique needs
- ▶ Redesign existing product to accommodate multiple users
- ▶ Observation of new users to see how they currently approach the problem
- ▶ Design a separate variation of your solution for a new audience

Example of a design activity in action:

Conducting usability testing of your current solution with new market users can help ensure your product or messaging is a good match for them. As your company pivots to new markets, design can help by connecting with those users to ensure the business is in tune with the market and their problems.

Diversification



New people, with completely new problems

Signals:

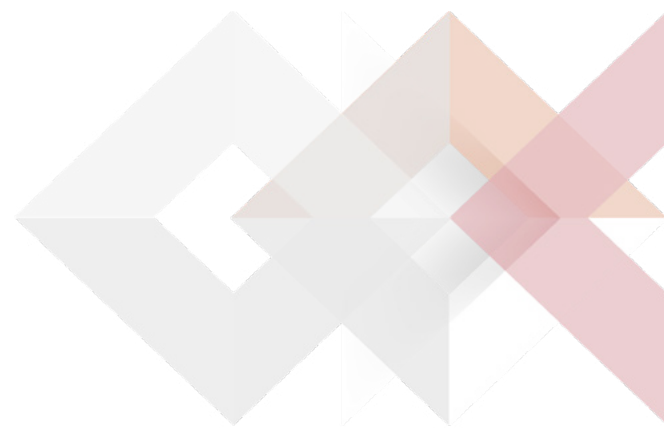
- ▶ Resources allocated to both market research and product development
- ▶ Large risks accepted as necessary
- ▶ Very few opportunities to continue to grow with current product
- ▶ Looking to acquire other products or even entire businesses

Sample design activities:

- ▶ Create clickable prototypes to test with target audience
- ▶ Exploratory research with new audience to understand their problems and goals
- ▶ Problem-framing workshops to align on key problems
- ▶ Ideation workshops to identify potential solutions
- ▶ Co-creation activities with new audience
- ▶ Create personas to communicate key learnings about new audience
- ▶ Cross-functional design sprints to rapidly generate and test potential solutions
- ▶ Create journey maps to capture new audience's experience with problems
- ▶ Technology trends research

Example of a design activity in action:

Prototype testing is a way to reduce risk along the product development journey and ensure you enter the new market with a product that resonates. By continually getting feedback from your target audience, you can iterate on a product and demonstrate your company's deep understanding of users and their problems.




Making the Case

It's one thing to understand how your work fits into the business landscape and another to be able to articulate that in a persuasive way (see our *Influence Through Storytelling* course for more). Here are three quick tips for crafting the case for particular design activities:

- ▶ Build your business vocabulary, and use language that speaks to a business audience, not design-speak
- ▶ Once you better understand the business ecosystem you operate within, explicitly tie your design work to business goals and strategy
- ▶ Articulate the human value you intend to deliver and how it can generate business value (human value alone is not enough to persuade your business stakeholders)

By aligning design activities to business strategy, you can increase the impact of your design work. You can accelerate your career—because you'll be seen as a strategic partner, not just a pixel pusher. And you can help elevate the design function in your organization.





Want to confidently contribute to strategy conversations? Learn how to tie your design work to business outcomes and measure and communicate how design fits into the strategic landscape.

Enroll in *Business Strategy & Design*, Pragmatic Institute's new course for designers across practices.

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