Design Strategy

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Based on D. Saffer, Designing Interaction: Cognitive Innovative Applications and Devices, New Riders, Berkeley, CA, 2010

Design Strategy: Definition

✓ Asking questions:

“What should we be designing to meet the organization and customer needs?”

“How should the solution look like”

Components of the Design Strategy

✓ Framing the problem
✓ Determining key differentiators of the product to be designed
✓ Visualizing and internal (within the organization) selling of the strategy
✓ Creating a product roadmap allowing to achieve the design goals

Design Strategy vs Organization Strategy

Design strategy needs to be compatible with the organization strategy

Organization strategy:
✓ Corporate strategy – Deals with how the company is run, e.g., organization, finances, and overseas the other two strategies
✓ Operational strategy – Concerned with efficiency and effectiveness
✓ Business strategy – Deals with generating new products and looking for new markets
**Business strategy**

The business strategy is further subdivided into:

- **Cost leadership strategy** – Aims at producing low cost products that can be widely sold, e.g., Dell and Southwest Airlines
- **Focus strategy** – Targeting niches by creating products for a few selected markets, e.g., Leapfrog (a medical company) pursues such strategy
- **Differentiation strategy** – Creating products seen as unique and therefore a premium price can be justified, e.g., Apple computers

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**Design Strategy vs Business Strategy**

Both strategies need to support each other

- E.g., IKEA business strategy is to invest in explanatory catalog and displays to avoid expensive customer service
- E.g., IKEA design strategy follows the business strategy by designing furniture that can be packed in compact boxes and easily assembled

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**Framing the Problem (1)**

- Business usually discovers a real or perceived problem, e.g., the sales of the current product go down, or a new market has opened up
- Designers get involved next, however, not much is known at this stage and uncertainty is high
- For example, a company’s new mobile device does not sell well. The reasons could vary from market downturn to poorly functioning sales department
- Framing the problem means establishing a border around the actual problem and then zooming in on details

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**Framing the Problem (2)**

Methods used:

- Traditional research – Considers a multitude of information sources. Studying patents is tricky. Ironically, not knowing about the patent is the best defense in the patent infringement cases
- Design briefs – Provide initial design options/requirements, e.g., project goals, specifies constraints. Can be prepared an internal business manager at the beginning of the process or more often generated by a design team at the end of the framing phase
- Stakeholder interviews – People with interest in the product, including the customers (link to “gift economy” concept)
Interaction Designers Need to Be Aware of

- Metrics and ROI – The interaction designer needs to be aware about success metrics, e.g., anticipated sales volume
- Competitive analysis – Important to understand market trends, what industry leaders are doing, etc.
- Determining differentiators – A major task of design strategy is determining what the value proposition is, what a customer gets (Linkage to the soft requirements). Traditionally the value proposition has concentrated on, e.g., price.
  - A differentiator – something that sets a product apart from its competition

Types of Differentiators

- Product behavior (Linkage to the soft requirements)
- Specialization – Target one specialized market, e.g., Orbitz.com vs Google.com
- Generalization – A specialized product expanded into a wide audience product, e.g., rolling bags originally used by flight crews are in wide use nowadays
- Localization or changing context – A product working well in one context can be redesigned to work in another one, e.g., touch screen kiosks were used at point-of-sale locations before being used for passenger check-in

Fighting Feature-itis

- Both companies and customers like features
- Features can be easily replaced and therefore are a poor long-term strategy
- Feature paradox – Customers tend to be overwhelmed with product features, yet, find them attractive
- Customers do not like to pay for a product that looks simple, or perhaps some do
- The product strategy should focus on the story: meeting customer needs, discover a market niche, or create a new market

Pricing

- The sister of features is pricing – The revenue model needs to be determined at some point in time, e.g., a luxury item, a bargain item, supported by advertising
- Pricing is somewhat art – The profit margin needs to be determined, prices of competitive products are a factor in pricing
- Designers need to be aware of product pricing
Visualization and Visioning

- Visualization – Creating shadow products
- Visioning – Creative synthesis of all ideas that have accumulated through problem setting, stakeholder interviews, competitive analysis, and differentiation
  - Indicating how the organization will know that the product is successful is important
- Vision prototype – An imagination of what the final product may look like

Project Planning and Roadmapping

- Project plan – Should be visible to the team
- Product road map – Outlines the evolution of the product over time. It details features, technologies, platforms, upgrades, that will be created or added over time