



以人为本
HUMAN-CENTERED APPROACH



IDEO: Make Positive Impact on Business and People

By Leo Li, Li Yuzhen, Chris Chen | Translated by Vivian Hu

IDEO is an innovation and design firm that uses a human-centered, design-based approach to help organizations in the business, government, education, and social sectors innovate and grow.

It identifies new ways to serve and support people by uncovering their latent needs; visualize new directions for companies and brands; design the offerings including business models, experiences products, and services; and enable organizations to build on their cultures and develop capabilities required for indigenous innovation.

IDEO, one of the most famous innovation consulting companies in the world, is the benchmark for many companies in the same industry. The firm has come to China to extend its business by deepening and localizing its services. "Our understanding of local behaviors, along with the global knowledge that we have accumulated from our work around and the world for a multitude of clients from diverse industries, has made us quicker in adopting best practices into our ever-evolving design processes." Tony Wong, IDEO Shanghai's design director, is full of confidence about developing business in China. He sees IDEO's value lies in its ability to help clients think of growth in a different way. That is to say, attaining business growth need not be narrowly thought of as selling a better version of what clients have already been selling. Rather, it

should be thought of as achievable via creating new choices and solutions that better suit the new and latent needs of consumers. IDEO's multidisciplinary team comprises of individuals from different backgrounds, including insight and research specialists, business designers, brand designers, industrial designers, engineers, interaction designers, communication designers, and environment designers. This well-rounded teams allows IDEO to begin the design process with new questions from different perspectives and to realize innovation strategy.

IDEO never stop moving forward despite their leading position. Their long-term objective is to help clients create positive impact for both businesses and people. "The designer's influence will not only lie in designing products or services, experiences, or businesses, but the design of organizations and social systems," Tony Wong says. "The future of good design will create desirable, viable, and feasible 'system solutions' that benefit not only the elites, but the larger Chinese society."

DESIGN vs. Tony Wong

DESIGN: How was the decision made to enter the Chinese market? What was your impression of Chinese market before you worked here? Has it changed?

TONY: IDEO is motivated by creating positive impact in the world. We want to help our clients innovate and grow with a human-centered approach and a design process that takes the technical feasibility, consumer desirability, and business viability of a solution into consideration. With 1.3 billion in population, China is a market that both needs and enables us to create positive impact on a large scale. It would seem obvious that the voluminous population presents vast opportunities, but how cultural nuances and dynamics affect the development of products, services, and experiences, and how these can be scaled to meet the needs of such a large number of diverse and discerning consumers can be a tough challenge.

Our work is shaped by critical insights into consumers, businesses, and also by the our understanding of the differences and commonalities between China and the rest of the world. Understanding both the ways China is different and the ways it is the same is important in creating meaningful growth and success for the clients we work with.

My impression before coming to China was that things were different from those in the West and that we should do things very differently. But after having spent time here, I've discovered that the knowing what is the same is, in some ways, as — if not more — important in the context of design and innovation.

DESIGN: Since entering the Chinese market, has your company undergone different stages of development? Please describe your company's initial structure, the scope of your business. What was your main challenge at that time?

TONY: In many ways, our development can be observed through the changing shape of the make-up of our client portfolio. Prior to 2009, our clients were almost exclusively Chinese companies, and they were partnered with us to tackle the challenges of competing and growing within China. Since 2009, our client portfolio has widened considerably. 50% of our clients are Chinese companies partnering with us to tackle the challenges of competing and growing within China, 25% of our clients are Chinese (and Asian) companies wanting to compete and grow globally.; and the other 25% are MNCs (multinational companies) wanting to compete in China. You can infer to some extent from this that the development of IDEO's business in China reflects the evolution of the Chinese market, and the changing needs of Chinese companies.



Product name: "Keep the Change" service

Project date: 2005–2006

Client: Bank of America

Benefits or uniqueness of product: Design "Keep the Change" service and communication for Bank of America to help American save money.

Evaluation of project: The service has led to more than 12 million Bank of America customers saving more than US\$3 billion dollars. Impressively, 93% customers who have signed up for the program to date have chosen to stay and continue to use the service.



Product name: "Tong" Chinese-style healthy life

Project date: 2011

Benefits or uniqueness of product: IDEO explored the concept of Health and Wellness in China for a Chinese mass consumer household appliances business. Western health philosophy is based around "add and apply", whereas the Chinese concept of health is much more holistic, it is about the constant readjustment of the body - the as a way of life. This project was called 'Tong'. Three design solutions were created in the context of eating, breathing, and being. A convenient herbal tea maker and dispenser that creates drinks for you and your family members that is tailored to your health conditions; an air- balancer which ensures the quality of air that comes in and out of your home; and a smart phone app that leverages social media to encourage you to do light exercises in a fun, and sharable way. Each of these concepts has their own unique business models. When revenue is generated though means beyond the device or the hardware, it makes it hard for competitors to simply copy the product.

Evaluation on of project: IDEO created these concepts to spark new conversations with the client and provoke new thoughts and new ways to of innovating that benefit from the economy of leveraging people's existing behaviors.



Tony Wong, Design Director of IDEO Shanghai.

In the early stages, most of IDEO's successful work was with clients outside China. Some clients initially questioned whether we could transfer our success to this market. It was a challenge to gain the initial trust from some of our clients without the extensive body of work we have today.

DESIGN: Please describe your company's strengths.

TONY: Our value lies in our ability to help clients think about growth in a different way. That is to say, attaining business growth need not be narrowly thought of as selling a better version of what clients have already been selling. Rather, it should be thought of as achievable via creating new choices and solutions that better suit the new and latent needs of consumers. In this way, we create new, meaningful growth for our clients. Moreover, our experience in China and around the world means that our perspective is unique, in that it is locally tuned and globally informed. Importantly, I believe our strength is also our eclectic and egalitarian workforce, which includes insight and research specialists, business designers, brand designers, industrial designers, engineers, interaction designers, communication designers, and environment designers. This allows us to assemble well-rounded, multidisciplinary teams that begin the design process with questions from different perspectives.

DESIGN: During the first three to five years of development, what were the main business targets, and how did they compare to the company's long-term objectives?

TONY: Our business is about positive impact. Financial growth is often the consequence of what we do. In the beginning, as we looked to make impact in China, we sought to grow the breadth of our portfolio in terms of what we do and the different industries we work in. We have always been determined about delivering positive impact, so we sometimes question our client's brief. This is to be sure that we are helping our clients meet new, latent consumer needs — and not just incrementally improving a design so clients end up just selling a better version of what they already have.

More recently, we've been working on projects that push our clients to expand their innovation capacity. For example, we explored the concept of Health and Wellness in China for a Chinese mass consumer household appliances business. Western health philosophy is based around "add and apply", whereas the Chinese concept of health is much more holistic, it is about the constant readjustment of the body as a way of life. We called this project 'Tong'. Three design solutions were created in the context of eating, breathing and being. A convenient herbal tea maker and dispenser that creates drinks for you and your family members that is tailored to your health condition; an air-balancer which ensures the quality of air that comes in and out

of your home; and a smart phone app that leverages social media to encourage you to do light exercises in a fun and sharable way. Each of these concepts has their own unique business models. When revenue is generated through means beyond the device or hardware, it makes it hard for competitors to simply copy the product.

These concepts may seem far-reaching to our client at this stage, and there are plenty of other viability and feasibility considerations before they hit the market, but they are created to generate new conversations with our clients and to provoke new thoughts and ways to innovate that benefit from the economy of leveraging existing behaviors. Our long-term objective is to help clients create positive impact for both businesses and people.

DESIGN: How many Chinese designers are on your design team in China? Please describe the strengths and weaknesses of Chinese designers: In your experience, what was the best strategy for motivating Chinese designers? What was the best approach of working efficiently with team members from different cultural backgrounds?

TONY: The number of Chinese designers depends on the problem we are trying to solve with any given project. We assemble teams based on a combination of the problem the project is trying to solve and the skill sets of our designers. Having Chinese colleagues on our teams offers a deep cultural understanding that is critical to Chinese clients who want to grow and compete in local markets and want to partner closely with us to go into global markets. It also matters to multinational clients who want to compete in the Chinese market. Sometimes a non-Chinese perspective is useful in unlocking some of the insights that locals take for granted; having balanced teams that suit the needs of the project accomplishes this.

Motivating Chinese designers is no different than motivating designers from any other country. Each designer has his or her own strength and weakness, regardless of background. The growth of a designer is often based on design exposure, and this exposure leads the individual to come up with new questions that result in better, more holistic solutions. We have Chinese designers who are curious about design inside and outside China, allowing them to compare and contrast, ultimately leading to deeper personal growth. This curiosity also enables teams from different cultural backgrounds to have the common goal to work better together.

Growing and learning new ways of doing things are key motivators for IDEOers across our firm. At IDEO, designers do not need to ask for permission to do something or to try something new. It is about just doing it and if things should go wrong, then asking for forgiveness.

DESIGN: How do you manage the multidisciplinary and team overlap on a project?

Do you have a client who purchases all of your services? If yes, how do you manage those big projects?

TONY: Clients are interested in how we solve their problems, not the diversity of our offerings. Each project always touches on the different aspects of our services. It is our job to create a balanced team that can tackle challenges while delivering outstanding impact and best value to our client. Teams in IDEO rarely consist of designers from only one discipline, and experts are often brought in at different stages of the process to ensure our designs are ultimately well-rounded solutions.

When we work with clients on multiple projects, we assign portfolio leaders to work with each project leader to align and leverage our efforts, so that we have a strategic overview and can deliver optimal impact and the best client value. Over time, clients come to us for

challenges beyond those related to their products and services that apply to their brand and organization.

DESIGN: In your opinion, what is the best approach of evaluating the current state of design in China and its future potential? What field in the design industry do you think is the most promising?

TONY: Design-led innovation is a tool to create business growth. Importantly, good design creates positive impact for people and their daily lives. For example, the Keep the Change account service we designed with Bank of America enabled people to save money. The service led to more than 12 million customers in the US saving more than 3 billion dollars. Impressively, 93% of customers who've signed up for the program to date continue to use the service. As China looks to the next wave of growth, I believe that the design industry will play an increasingly active and far-reaching role in shaping the economic, cultural, and societal future of this country. The use of design to achieve financial gain and social good will fuel social harmony, allowing growth to benefit not only businesses, but also the larger society. As a result, the designer's influence will lie not just in designing products or services, or experiences or businesses, but the design of organizations and social systems.

DESIGN: What is your approach of evaluating Chinese local design organizations? How do you compare them with your group?

TONY: I am constantly inspired by the quality of work that is produced by some local design organizations. As the design industry evolves, design organizations are going to expand into more varied aspects of design. This will require new perspectives to challenge and evolve our industry. Being open to learning and adapting is perhaps one of the most important aspects of our evolution as a firm. Our understanding of local behaviors, coupled with the global knowledge that we have accumulated from our work around the world for a multitude of clients from diverse industries, have made us quicker in adopting best practices into our ever-evolving design processes. This is one of the key reasons our presence is expanding in the region.

DESIGN: Please describe the difficulties you've encountered with clients and how they were resolved.

TONY: One initial difficulty is how clients express their strategy based on a belief or a philosophy rather than a precise framework of action. So, for example, Jack Ma of Alibaba in a press interview last year with renowned journalist, Charlie Rose, in the US, called helping small enterprises his "religion". He said that Alibaba's core competency is not technology but the company's culture; it is that everyone works for helping others and creating value for others. Moreover, customers and employees are more important than shareholders. To Mr. Ma, this is why they succeed in China, and he tries to make employees believe in it.

More so than in other markets, we have learned the importance of making the intangibles such as strategy, ideas, concepts, tangible — and quickly. This is a much better way of engaging in dialogue with our clients to get to the right solutions. We have since adopted this learning for some of our international clients, too.

DESIGN: What is your impression of the future of design in China?

TONY: As design plays an increasingly important role in shaping the growth for China, it is important to focus on the larger needs of China. With a population of 1.3 billion, it makes no business sense to only focus on premium. The future of good design will create desirable, viable, and feasible "system solutions" that benefit not only the elites, but also Chinese society at large. To design these solutions, designers will have to look beyond aesthetic preferences and

toward the latent needs and behavioral motivations that are deeply embedded in the Chinese culture. This will result in designs that are uniquely Chinese and more relevant to this gigantic market.



IDEO Shanghai

Set-up time: October 2003

Founders of Shanghai office: Mike Nuttall, Andy Switky

General Manager (Shanghai): Richard Kelly

Key industries served: Consumer Goods, Digital, Education, Financial Services, Food and Beverage, Government, Health and Wellness, Home Appliances, Hospitality, Media and Entertainment, Retail, Software, and more.