

Touchpoint

THE JOURNAL OF SERVICE DESIGN



From Sketchbook to Spreadsheet

Service Design Creates Break-through Cultural Change in the Brazilian Financial Industry

By Tennyson Pinheiro, Luis Alt and Jose Mello

Learning the Language of Finance Gives Your Ideas the Best Chance of Success

By Jürgen Tanghe

Designing Human Rights

By Zack Brisson and Panthea Lee

By Tennyson Pinheiro, Luis Alt and Jose Mello

Service Design Creates Breakthrough Cultural Change in the Brazilian Financial Industry

Service design can be a great tool to infuse a culture of innovation in big companies, even in traditional sectors of the economy. This article will show that by empowering business leaders and decision makers with the right and relevant knowledge and service design tools, instant transformations can occur. The Wealth



Management & Services division of Brazil's Itaú-Unibanco, the largest bank in the Southern Hemisphere, embraced the challenge of using service design as its main drive for innovation, focusing on the implementation of a long term human-centred innovation culture.

In 2008, in a gargantuan merger – the biggest, in fact, in the history of Brazil's financial industry – two major players joined forces to become Itaú-Unibanco, the largest bank in the Southern Hemisphere and one of the 10 largest banks in the world today.

A new bank was born, and with it a new culture: dreams and goals needed to be designed. After the merger, Itaú-Unibanco became the leader in almost every segment in which it operates and, as a consequence, the bank embraced the challenge to become the number one player for the financial industry in the country.

Considering this complex and challenging scenario, bank executives began to look for innovative companies in other sectors of the economy in order to understand what makes them great trendsetters and leaders and what lessons could be learnt from them. They studied several companies with a history of innovation such as 3M, Google and Procter and Gamble. However, no model seemed to

suit the specific needs of the business, and it became clear that a new and particular form of innovation had to emerge. There were no models to copy or other players to acquire: the bank needed to build its own tailored innovation model in order to ensure survival and sustain its leadership position in the long term.

Itaú-Unibanco established a new Wealth Managements & Services (WMS) innovation team and a partnership with design consultancy IDEO for the definition of this new strategy. The primary questions waiting for answers at that time were: why innovate? And where to innovate?

Throughout 2010, more than 300 employees and partners of the WMS division got their hands dirty in the construction of this strategy. The main objective was not just to co-create a methodology, but to forge a new way of thinking, a culture that would allow the company to put people at the centre of any strategic decision and, with that, to produce the



Tennyson Pinheiro,
founder-director,
live|work, Brazil



Luis Alt,
founder-director,
live|work, Brazil



Jose Mello,
Innovation.edu
project leader,
Itaú-Unibanco

results that meet people's desires and, at the same time, to align business needs for better results. As a result of this journey, Itaú-Unibanco defined five values to serve as a guide for the new culture of innovation:

- *A Spirit of Participation*
The need for the business areas to move beyond their borders and co-create results.
- *A Common Language*
The establishment of a common language about what innovation is.
- *A Style of Experimentation*
To foster experimentation through prototypes and give space for error and learning.
- *Recognise efforts (as well as results)*
To acknowledge that results are consequences of constant effort and learning.
- *Room for Exploration*
To establish a policy of constant exploration of new possibilities.



The next step was to make sure those values could be actionable by any leader in the organisation and would really impact the business on a daily basis. It was time for the WMS innovation team to answer the 'how' question. How could they make sure those values became an influential factor on the project management and decision making processes of the bank?

To make the jump from values to action, service design was chosen as an approach and a platform as, at its core,



100 | Executives shadowing subway users at rush hours in São Paulo. | 101 | Process guides by the WMS Innovation through design team

“Can you imagine recruiting high-level executives of one of the world’s largest banks, getting them out of their comfort zones and asking them to ride the subway during the rush hour in order to get a deep, empathetic understanding of real users’ lives and experiences?”

it is the application of a human-centred perspective in order to deliver better service solutions. But for that approach to really penetrate business leaders’ minds and affect their conduct, Itaú-Unibanco needed to create and establish methods and tools that could be easily used by the bank executives on a daily basis. This next step, where the vision touched the ground, was called Innovation.Edu and, for this phase, the global service design consultancy live|work was chosen as a partner.

Innovation.EDU was not to be a series of workshop sessions. It needed to be real: real people, real challenges and real application of service design tools. The program also needed an immersive, in-the-field experience that enabled the bank innovation team and live|work consultants to guide the bank’s executives towards a clear vision of what service design could bring to the business.

The program needed to be structured upon the base platform created by IDEO and, at the same time, be actionable enough to allow executives to start changing their approach from day one.

This represented a big challenge, as most leaders were not well acquainted with design methods and practices and most of them were very sceptical about it. To tackle that complexity, we held co-creation sessions to ensure that everybody from the business could make their ideas and points of view count as to how the program should be designed. Using co-creation workshops, the design team mapped out do’s and don’ts to guide the construction of the learning-by-doing Innovation.EDU experience.

By involving those leaders in the conversation, the project team found out that the program should take the program participants completely outside their

normal comfort zone, giving them the opportunity to be completely immersed in the experience, with nothing present that would trigger their usual thought patterns.

The result was the preparation of a quick-fire project, a small-but fully wicked challenge, that would allow them to delve deep in the world of service design and see firsthand its holistic approach to problems. We agreed upon two full days of immersion and a scenario of designing an entirely new commuting experience for people who use the underground in São Paulo.

Can you imagine recruiting high-level executives of one of the world’s largest banks, getting them out of their comfort zones and asking them to ride the subway during the rush hour in order to get a deep, empathetic understanding of real users’ lives and experiences? Then add to that thought the fact that the São Paulo subway carries 3.4 million users everyday.

For some of the executives, it was their first time even using public transport and they got a little panicked when they realised that this was not a drill and that they would do no ‘dummy runs’ of the experience. Instead, they were about to live it and to hunt for insights while doing so. And they did it, brilliantly.

Without exception, the experience was transformative: their concerned faces often gave way to a carefree, almost child-like expression as they made their

way back to the project room. Their level of engagement was outstanding.

Over the next day, after their deep-dive ethnography, the newborn service designers moved with grace through the ideation and then solution experimentation phases, focusing their efforts on creating a better subway experience for three different target groups.

Building on the insights gathered in the field, they could understand what it's like to create an experience from the user's point of view, instead of just imagining what it would be like to be a user of the subway at rush hour. Every solution presented by the small groups of 'executive service designers' was relevant and surprisingly 'out of the box', considering their previous points of view (and misconceptions) about how people commute using the subway in São Paulo.

At the end of each quick-fire project, we conducted a session for the teams to share impressions and feelings about the two days of intense work. We asked participants to express their point of view regarding the work of the last two days, including the feelings that they experienced and how they could relate all of this to the work and to the challenges that they face daily inside their business units.

In the end, not a single participant doubted the relevance and suitability of the service design approach as a way to

foster innovation and produce better business results. By the time they returned to their business units – after their baptism of fire as service designers – they were changed individuals. Their mindsets, perspectives and opinions about the design process and its holistic approach had changed dramatically, and feedback like that quoted below became routine for the Itaú WMS innovation team:

“I never imagined that the experience would be so good and would bring me so many insights. I came back suffused with enthusiasm and, the very next day, went through a brainstorming session with my team. I want to congratulate all the team behind it, who gave their all during those two days and who contributed to the feeling that we can do things differently in our daily lives.”

Claudia V.



Prototype for a commuting solution for the São Paulo subway.

To help these leaders keep their transformative enthusiasm for service design, live|work designed a toolkit that was built to fit their daily activities. The executives are using this toolkit as a reference and, at the same time, a base canvas for project planning. Named the Service Envy Toolkit, the kit included an Insights Pad, a small, portable magnetic board created to help executives turn any boring meeting into an engaging co-creation session.

This is indeed an ongoing journey for Itaú and the WMS innovation team, and much still needs to be done. But the first stage of this huge cultural change initiative has already been delivered, and with a

great impact that resonated through a wide range of business units within the WMS division at Itaú-Unibanco.

The culture of one organisation is a reflection of the way its people behave and organise themselves for the future. Service design has, once again, proved itself to be an efficient way to include a human-centred perspective into two of the most crucial manifestations of a company culture: the way it handles and prioritises projects and the decision making process. By proposing a balanced mix of persistent focus on the end-user with a consistent search for streamline, cost-effective processes, service design is positioning itself as a powerful and time-relevant approach that better connects a company to its people's needs and desires in a wholly different, improved and sustainable way. ●