



# HfS Research Blueprint: Design Thinking in the As-a-Service Economy

A study on the use of Design Thinking in Business Operations and Outsourcing Services Engagements

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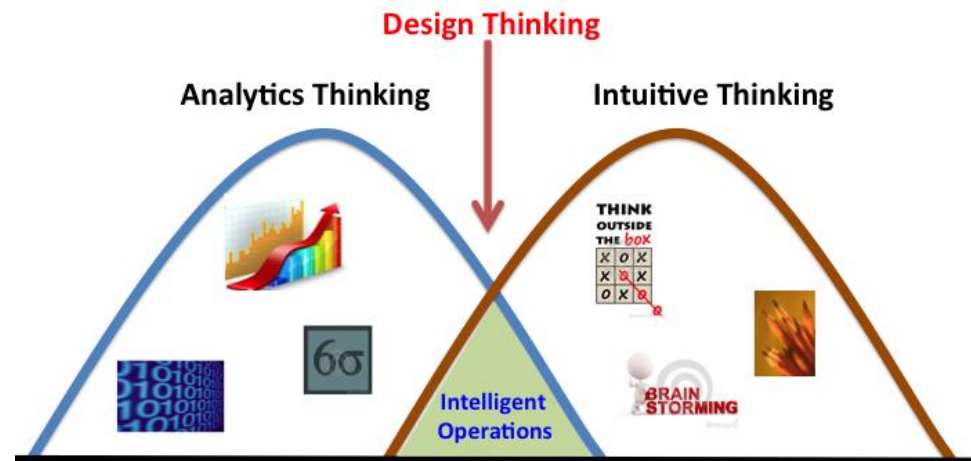
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# Context for HfS Blueprint on Design Thinking in the As-a-Service Economy

- Being successful in today's consumer-focused and rapidly changing economy requires companies to be more flexible and innovative, faster.
- For the services industry, it means making fundamental changes to the "old way" of service design and delivery.
- This is driving the shift to service solutions being designed with real business context and creativity, as opposed to looking at process and technology alone.
- In this context, Design Thinking sits at the intersection of analytical and empathetic-centered work in business process and IT operations and outsourcing. It also provides an outlet and a framework for creativity.
- Industrialization, standard delivery methods, Lean Six Sigma, and global delivery models are all valuable tools for business and IT operations, and we see service providers looking to integrate Design Thinking here, not replace.

**Design Thinking complements "classic" outsourcing methods and tools**



Source: HfS Research

# Context for HfS Blueprint on Design Thinking in the As-a-Service Economy, continued

- Outsourcing used to be about doing the same thing more efficiently – to drive out time, cost, and labor by doing them over and over. But in this emerging As-a-Service Economy, outsourcing is about getting access to capabilities and driving outcomes.
- Since the new approach means you often don't know exactly what you need to do to achieve those outcomes, or which technologies to use when and how that impacts your talent, then you need Design Thinking to brainstorm your options. That's the fundamental shift of why you need Design Thinking now.
- This Blueprint Report, therefore, explores the use and impact of Design Thinking on services engagements by service providers. We see it taking shape in consulting, workshops, and as an integral part of outsourcing solution and service delivery.
- This Blueprint Report focuses on selected service providers in terms of the integration of Design Thinking and the benefits that have been achieved for enterprise clients and service providers.

*“Design is not being creative. It's solving hard problems. You may come to a creative solution, but only after you've done the hard work.”*

– Jared Spool, Designer

# Executive Summary



# Introduction to the 2017 HfS Blueprint: Design Thinking in the As-a-Service Economy

- The HfS Blueprint for Design Thinking in The As-a-Service Economy is an assessment of the integration of Design Thinking principles and methods into a way of working in outsourcing services and operations. We first examined if and how service providers were adopting Design Thinking for innovation in this industry in 2016 and have only seen momentum in the interim.”
- The 2016 [HfS Blueprint for Design Thinking in the As-a-Service Economy](#) was the first-of-its-kind report to use the HfS Blueprint methodology to assess the business process and IT services market for this approach in outsourcing engagements.
- Since then, Design Thinking has come a long way from being a scholarly written concept to a practical utility. The goal of the 2017 HfS Blueprint Report on Design Thinking in the As-a-Service Economy is to assess the progress made on the real uses cases, concepts, and adoption into the culture of Design Thinking among top-tier service providers.
- These service providers described their rationale, approaches, stories, and investment areas, and connected us with clients to share their experience. It says to us that this group believes there is a new way to work in business operations and IT that enables collaboration between service buyers and service providers.
- These service providers are on a journey to redefine outsourcing engagement and impact. The participants are Accenture, Capgemini, Cognizant, Concentrix, EXL, Genpact, IBM, Infosys, Sutherland, Tech Mahindra, and Wipro.

# Introduction to the 2017 HfS Blueprint: Design Thinking in the As-a-Service Economy, continued

- Through this Blueprint, we review the overall market penchant for adopting Design Thinking and evaluate the approach of participating service providers, including leadership, methodology, investment plans, corporate culture, and in-house talent.
- Unlike other quadrants and matrices, the HfS Blueprint identifies relevant differentials between service providers across a number of facets under two main categories: innovation and execution. The input for the evaluation comes from service providers and clients, survey data, a network of outsourcing services leaders, and the HfS industry analyst team.

“We know how to make something efficient,” in our shared services center, “and we have been doing Lean Six Sigma for years. We required a new way of thinking to look at specific areas where to change and make it sustainable.”

– Shared Services Global Leader

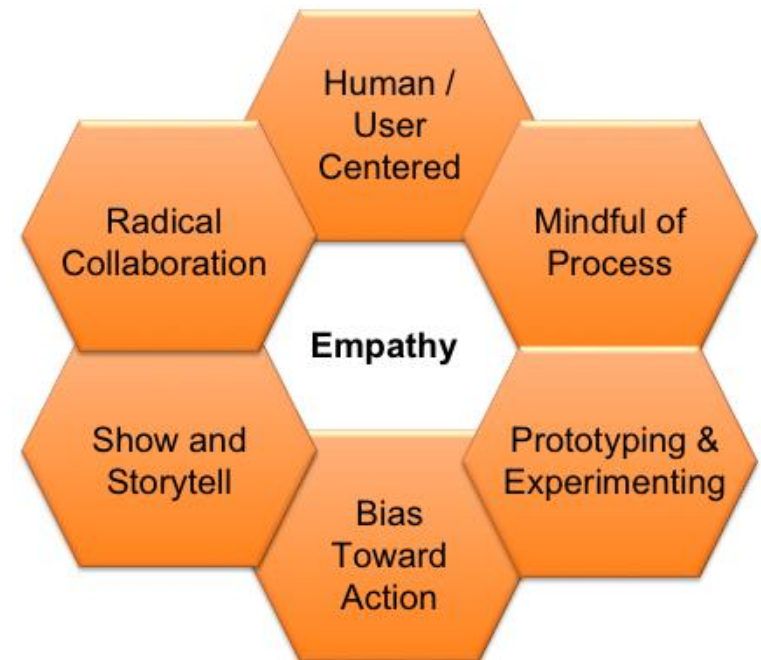
# What is Design Thinking?

HfS subscribes to the IDEO definition of Design Thinking, which follows, and the Key Principles based on Stanford d.school that can be incorporated into the way we work in service delivery and engage as partners in outsourcing.

“Design thinking is a human-centered approach to innovation that draws on the designer’s toolkit to integrate the needs of people, the possibilities of technology, and the requirements for business success.”  
- Tim Brown, president and CEO, IDEO

This approach provides principles for service providers and service buyers to work across silos inside and outside your business, take stakeholder and user experience into consideration, move quickly and flexibly through experimentation to solution, and communicate in an engaging way through visuals, hands-on prototypes, and stories.

## Principles of Design Thinking



Source: Modified from principles put forth by the [d.school, Stanford University](https://d.school.stanford.edu/)

# Why Are We Looking at Design Thinking for Service Delivery and Outsourcing?

Design Thinking is a way to make innovation “active”—to create a cycle of innovation. We must continue to learn and improve to impact outcomes. To do the same thing over and over and expect different results is, as often credited to Einstein, the definition of “insanity.”

So Design Thinking is a way to continually think about what could be better for the end-user, the stakeholder, by engaging that individual or group (directly or indirectly) in the way a business works, by people for people, enabled by technology. In doing so, you are winning their loyalty to use your product or service ... as long as it is done in the context of your business strategy and industry direction.

Shared services and outsourcing used to start with a clear objective in mind (take over this labor/work process), but now that the world is about outcomes, you need more creative thinking about what to do and how to do it. That's why outsourcing contracts without Design Thinking are, increasingly, less effective. You may be achieving a level of cost savings and efficiency, but how will you continue to raise the bar? When service level agreements are green, why do you feel there is something more to be done?

When do you use Design Thinking with your service provider? Examples shared in interviews for this study:

- To support a transition into shared services and/or outsourcing
- To create a long term vision
- To check that you are solving the “right” problems
- To figure out how to move forward with using robotic process automation
- To find out if your business operation (e.g., finance, HR) is missing opportunities for savings or efficiencies
- To understand what will really attract and engage the type of people you want in your workforce

“A Voice of Customer survey revealed a high degree of dissatisfaction with the overall process (transparency, complexity, cycle time, effort), despite the achievement of cost savings and green SLAs. It led us into a Design Thinking exercise.”  
- Finance Transformation Lead

# How Does it Work?

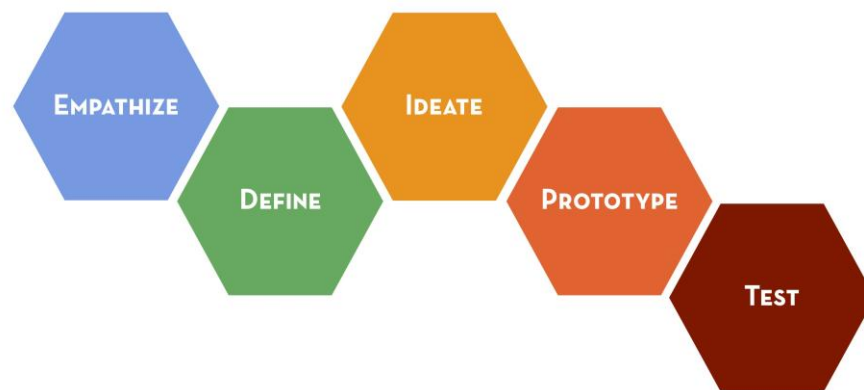
A common baseline for Design Thinking is the method put forth by the Stanford d.School. The service providers in this research have incorporated some form of this approach into methodologies for working with clients in services and outsourcing engagements.

Why? We are seeing how it is helping to change the approach from “we have these services and this IP for you” to more of a questioning-based, iterative approach: “what is the problem you are trying to solve, and for whom; what is really needed and relevant to your business; and what business outcomes do you want to impact” in order to help solve problems and address opportunities, not just provide services.

Yes, service providers still want to map their IP, capability, and talent into a solution with services for your business, but they want to make it relevant over time – not just at a point in time, for current and potentially new business opportunities as well. To do that, they need to be more interactive and more flexible with your business.

Contracts also need to match that flexibility, so Design Thinking is also helping to better shape relevant outcomes-driven contracts that are based on transactions, or a combination, with people.

## Design Thinking Process



For a full explanation of “[Design Thinking Process](#),” visit the Stanford d.School site.

# Impact of Design Thinking on Outsourcing and Service Design and Delivery

- “A design isn’t finished until somebody is using it,” Brenda Laurel, designer at MIT. While this Blueprint starts with a look at the use of Design Thinking for ideation, we also explore the transition into action – the doing, the using, the implementation, and the results.
- Business results and outcomes are especially relevant to the study. Being able to define and talk about desired business outcomes, such as entering new markets, creating new revenue streams, increasing employee engagement or customer loyalty, attracting new members, reducing risk, etc., has to be part of the Design Thinking culture in this results-oriented and measured industry.
- Through sharing the process of understanding the problem or opportunity and designing the solution together, service providers have told us they are more willing to step into outcome-based contracts.
- Most of what we learned in our 2016 research was about how Design Thinking was in the early stages of being used in service design and IT and business operations (e.g., in F&A, HR). It is taking hold as service providers and clients better understand the value of this approach to defining, prioritizing, and addressing operational and business problems, big and small, and finding opportunities for cost savings and growth plans.
- Design Thinking really is changing the way executives talk about business operations and outsourcing from being focused on overhead, cost reduction, labor arbitrage, how to use automation and when, etc., to a focus on the end user/stakeholder/customer experience and what problem to solve, result desired, and what people/process/technology is needed in a solution to get there: try, tweak, try again.
- This is driving the shift to service solutions being designed with relevant business context, as opposed to looking at just the the process (what are the steps we can re-design or cut out), or the technology (what can we automate, what app can we develop), or the people (how many people do we need to hire and manage to process transactions).

# Impact of Design Thinking on Outsourcing and Service Design and Delivery, Continued

- For a service buyer, the advantages of working with a service provider include:
  - (a) **Business Context:** They are often already working within your business operations and know the steps, the processes, and the results. “They have such a good view of where our pain points are, because our pain is their pain,” said one executive.
  - (b) **Resources:** People with skills, technology of their own or through partnerships, investment for piloting and prototypes, and experience with business cases.
  - (c) **Motivation:** Realize that the outsourcing industry is in a shift and must work with clients in a new way, so are increasingly willing take on more risk, flexibility, and experimentation in partnership.
- Creative firms have the design and ideation methodology and expertise, and often also the experts in understanding human emotion and capability (sociologists and ethnographers for example). Consulting and outsourcing firms have the business and market context, as well as engineering and quantitative analytics capability that help define the business context and rationale for ideas, and drive the ideas through prototyping and experimentation into implementation. We are seeing a considerable amount of collaboration and consolidation between these two groups, through acquisitions, such as:
  - Capgemini – Idean (2017), Fahrenheit 212 (2016)
  - Cognizant – Idea Couture (2016)
  - Tech Mahindra – BIO Agency (2016)
  - Wipro – Designit (2015)
  - Accenture – Chaotic Moon (2015), Fjord (2013)
- And while other outsourcing companies are not making acquisitions, they are partnering with Design Thinking firms (e.g., Sutherland with UXAlliance, Genpact with Elixir Design) and academic institutions that offer Design-Thinking curriculum (e.g., Infosys with Stanford d.school).

# Why Is Design Thinking Relevant to Outsourcing and Service Design and Delivery?

- Business leaders need to address a number of industry factors, and it can be difficult to know where to start and how to work with the many people who need to be involved to effect change. These factors and how Design Thinking is relevant include the following:
  - **Digital Transformation:** Robotic process automation, cognitive computing, artificial intelligence, machine learning, mobility ... all of these and more technologies are available to use and are part of our everyday lives, but what is the most effective way to use them in the business – in a way that is going to make operations more efficient and effective at a lower cost and enable the business to grow? Design Thinking is an approach that starts with defining the problem or opportunity for which to experiment with these technologies.
  - **Consumerism:** You need to see how your customer sees you in order to do business with them. You also need to understand how they work and their motivations in order to engage over time. With Design Thinking, the end-user/customer/stakeholder experience and feeling is considered in solution design, implementation, and iteration.
  - **“Lack of Innovation”:** Outsourcing service providers have been challenged with the “what have you done for me lately” and “what’s innovative” about the work you do? A first step in Design Thinking is to define the problem or opportunity and the business outcomes and results you want to impact. By doing so as a team, you share the understanding of the starting point and enter a journey on which everyone shares in the change and everyone sees the innovation (or lack thereof).

# Why Is Design Thinking Relevant to Outsourcing and Service Design and Delivery?, continued

- **Big Data and Analytics:** What is the relevance of all the data that is being created, aggregated, and normalized? What questions do you want answered? What challenges are you looking to address? Using a Design Thinking method gives you a way to frame questions and test assumptions using the data – or redefine what data you actually need. “Using empathy means thinking about the customer at a whole new level and moving on from just data to also understand the emotion and how customers feel, hear, say, and do, and from multiple perspectives,” said one executive in an interview.

# Use of Design Thinking in Service Design and Delivery and Outsourcing: Service Provider Landscape

- **As-a-Service Winners** are service providers that are in collaborative engagements with clients and making recognizable investments in future capabilities in talent and technology to continue to increase the value of Design Thinking methods into a way of working:
  - Accenture, IBM, Capgemini
- The **High Performers** all execute Design Thinking well and are investing in capabilities but need to gain more consistency and traction among clients in the transition to delivery that involves the broader business:
  - Cognizant, Genpact, Sutherland, Wipro
- As service providers with **High Potential**, we see Concentrix, Infosys, and EXL also on a journey to incorporate Design Thinking more effectively into their way of working.

HfS appreciates how these service providers, among the many that talk about using Design Thinking, have shared their approaches, stories, and client contacts with us so that we can share with the industry a perspective on the role and value of Design Thinking to service design and delivery in the outsourcing market. Each one brings unique strengths that should be considered by a service buyer for the right “match” in an engagement.

## AS-A-SERVICE ECONOMY

Use of operating models, enabling technologies and talent to drive business outcomes through outsourcing. The focus is on what matters to the end consumer.

HfS uses the word “economy” to describe the next phase of outsourcing as a new way of engaging and managing resources to deliver services.

### *The 8 Ideals of the As-a-Service Economy:*

1. Write-Off Legacy
2. Design Thinking
3. Intelligent Engagement
4. Brokers of Capability
5. Intelligent Automation
6. Accessible and Actionable Data
7. Holistic Security
8. Plug-and-Play Digital Services

Source: [Beware of the Smoke: Your Platform Is Burning](#)  
by HfS Research, 2015

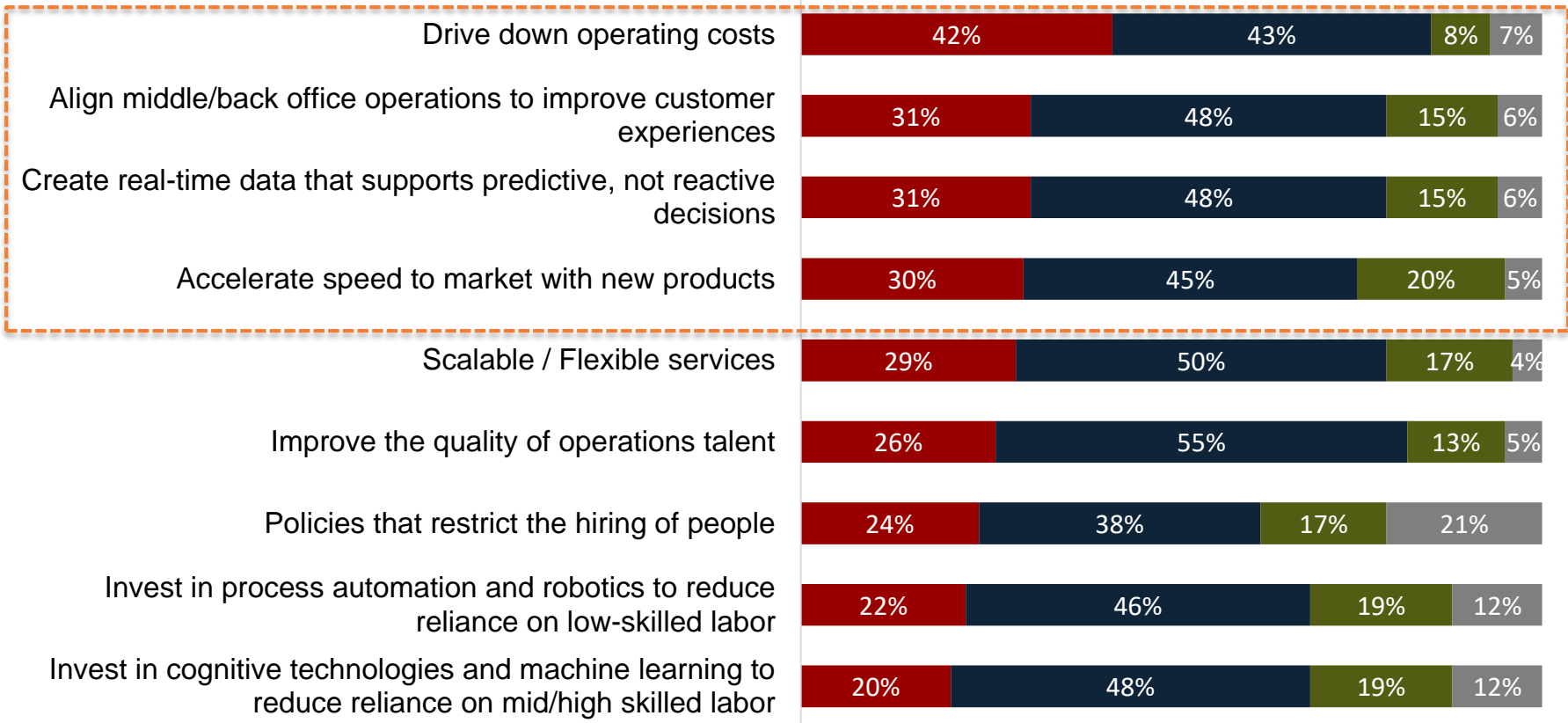
# Market Overview



# Leaders Are Looking to Grow the Business Without Growing Operations and Services Costs

How critical are the following C-suite directives to your operations strategy? (SVPs and above)

■ Mission Critical ■ Increasingly Important ■ Emerging ■ Not a Directive

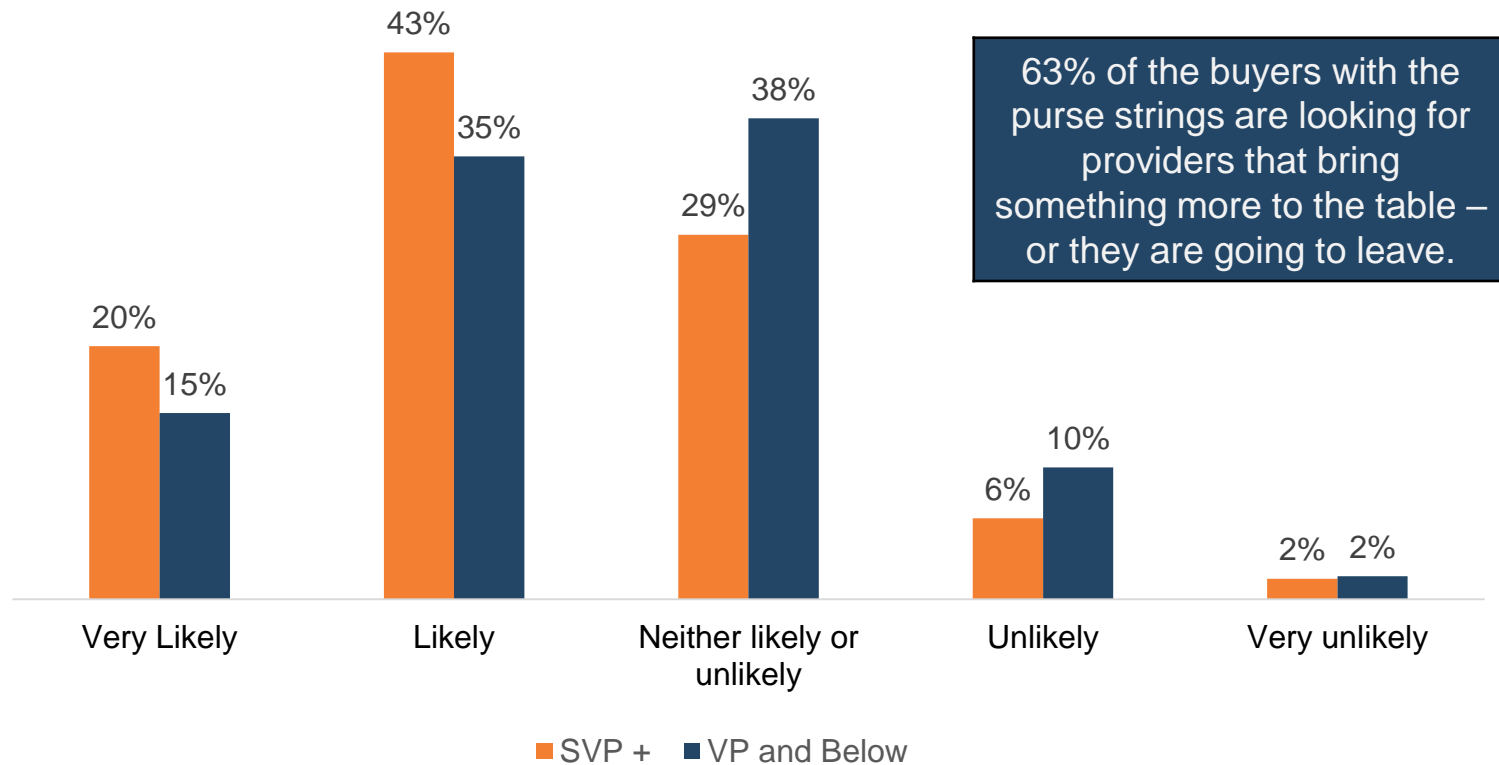


Source: HfS Research in Conjunction with KPMG, "State of Operations and Outsourcing 2017"  
 Sample: n=454 Enterprise Buyers

Note: Totals may not equal 100% due to rounding

# Service Providers Need to Adapt or Risk Losing Executive Sponsors

How likely is it that you are going to switch out primary service providers that fail to evolve legacy service delivery to intelligent operations when you renew your next phase of ITO and/or BPO contracts?

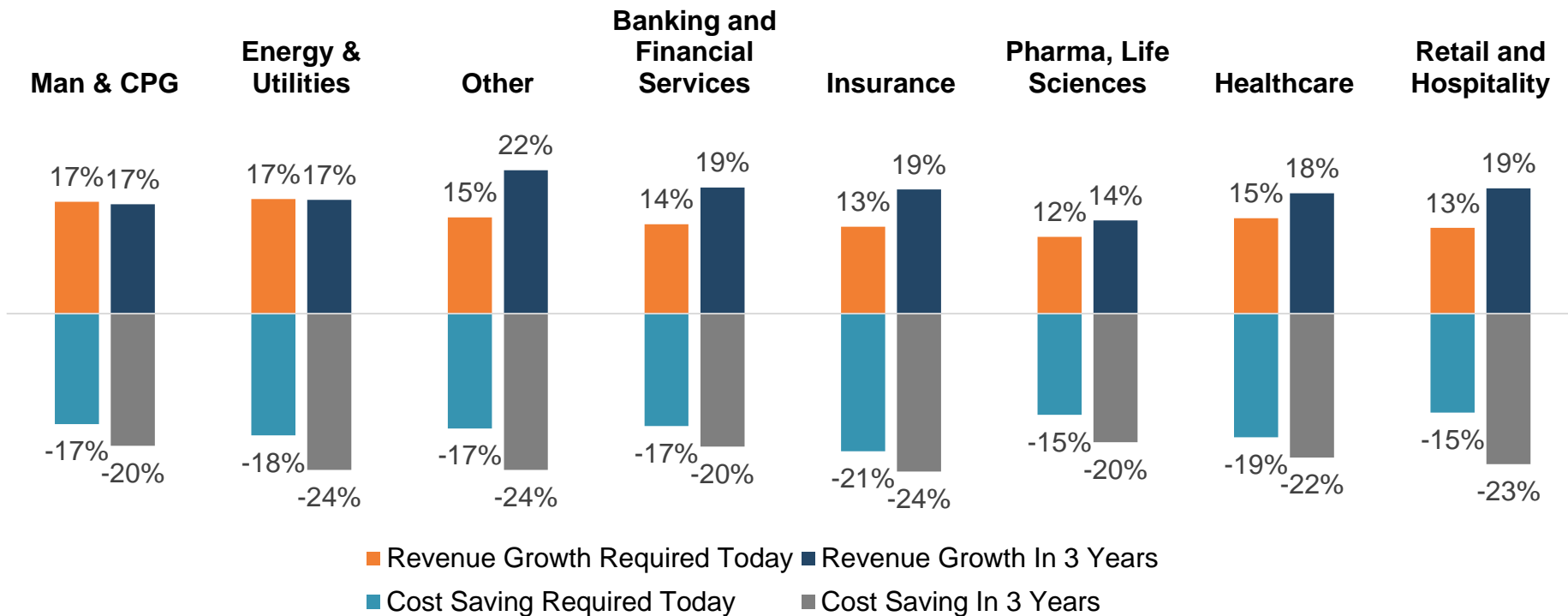


Source: "Intelligent Operations" Study, HfS Research 2016  
Sample: Buyers = 371

# Service Buyers Have Increasingly Aggressive Expectations for Cost Saving, Productivity, and Growth

What additional productivity improvements would you need to be able to justify shifting to an as-a-service led intelligent operations model now and in 3 years?

Cost savings are not enough.  
Revenue growth is expected as part of operational transformation.

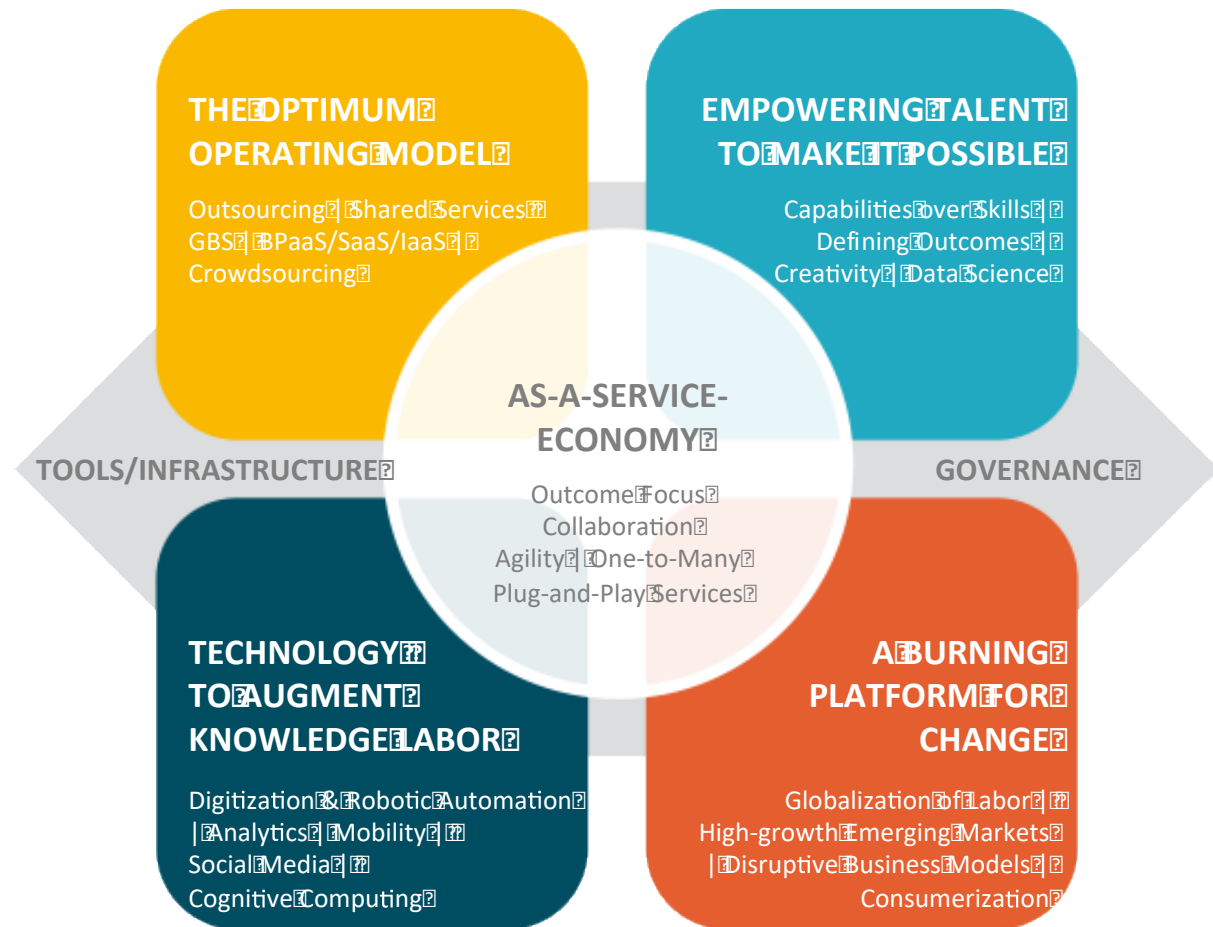


Source: "Intelligent Operations" Study, HfS Research 2016  
Sample: Buyers = 371

# There Are Many Levers to Pull for More Efficient & Effective Business Operations -- to Work more “As-a-Service”

- The outsourcing industry is in a transition stage from legacy “lift and shift” and headcount-based contracts to more flexible, on-demand, business-outcome oriented services. The focus is on value to the consumer. This is the As-a-Service Economy.
- HfS Research believes that a new approach to solutions and increased collaboration focused on defining and solving business problems, trouble spots, and opportunities will lead to more effective and valuable engagements over time.
- Design Thinking is a means of changing the nature and focus of engagement.

## Welcome to the As-a-Service Economy



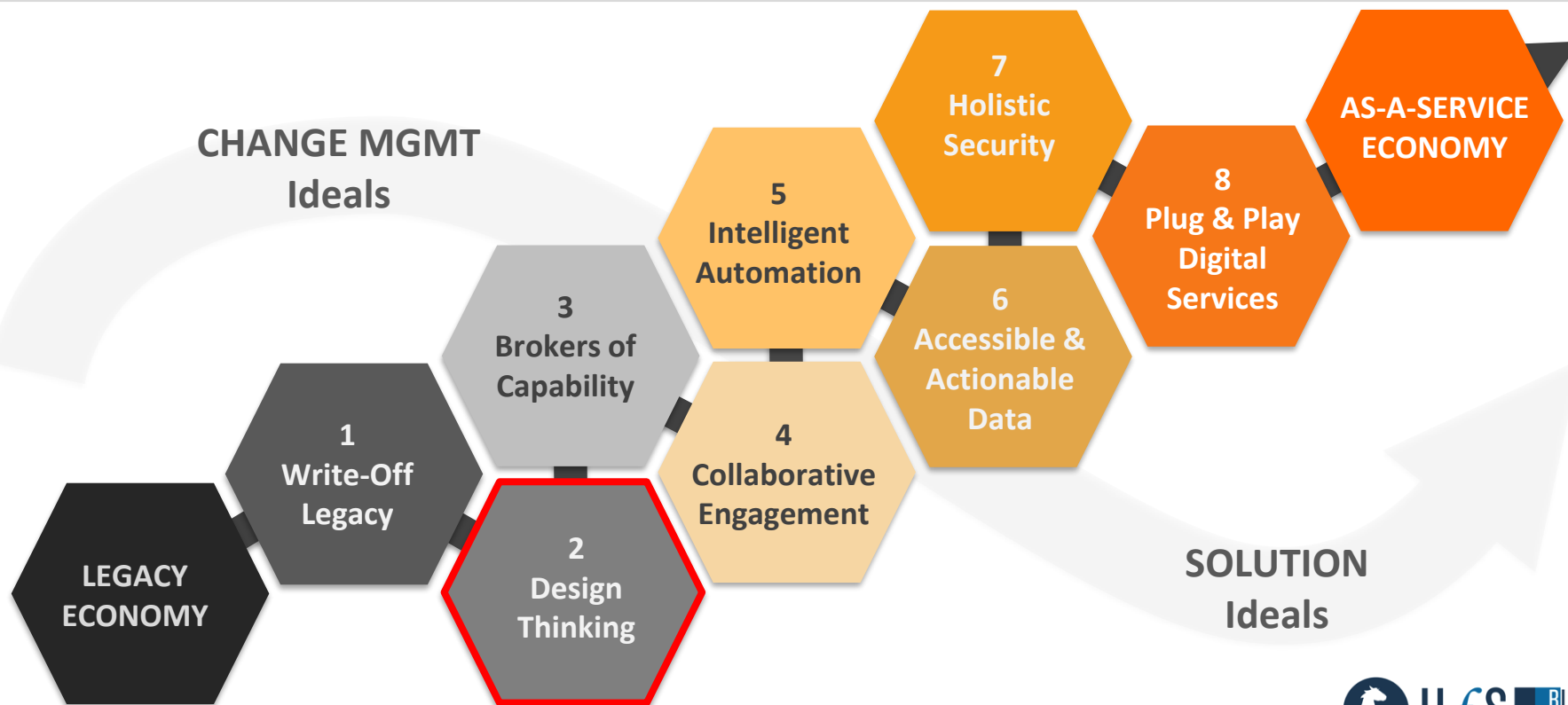
Source: HfS Research

# Design Thinking in the Journey to the As-a-Service Economy

- Moving into the As-a-Service Economy means changing the nature and focus of engagement between Enterprise Buyers, Service Providers, and Advisors.
- Using Design Thinking is a way to move from the past of resolving problems by looking first at the process or technology as the source of the solution to understanding the business context to reimagine processes aligned with meeting client needs.

*Fixed Assets*

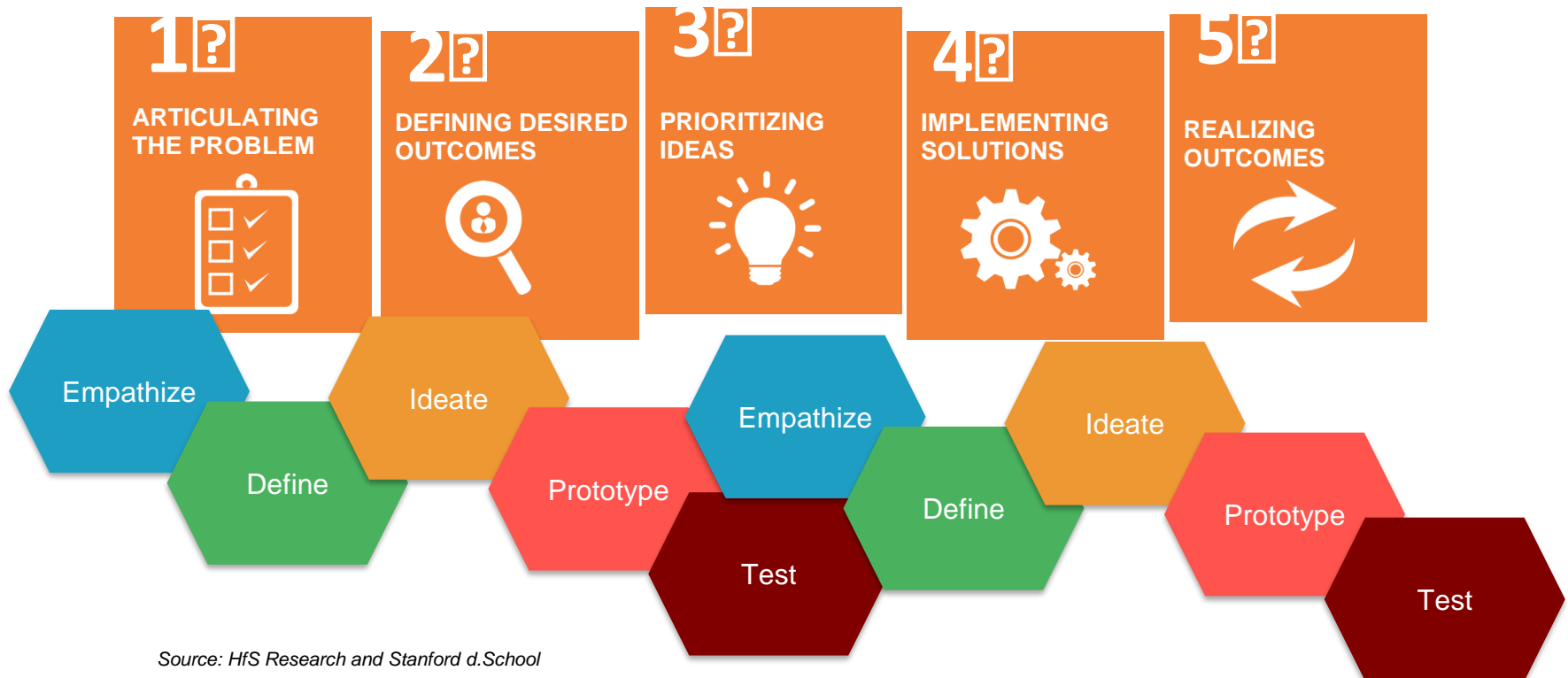
*Leveraged Assets*



# Design Thinking Can Help Change the Focus of Services Engagement to Work Smarter

- Design Thinking provides an opportunity for people to work together to share a problem and a solution.
- In the context of outsourcing services, it starts with understanding the situation and the people involved, the business outcomes you want to impact, and then quickly generating ideas, prioritizing them, testing them, figuring out how to measure the impact, and iterate to determine a solution.

## Incorporating Design Thinking into Business Context:



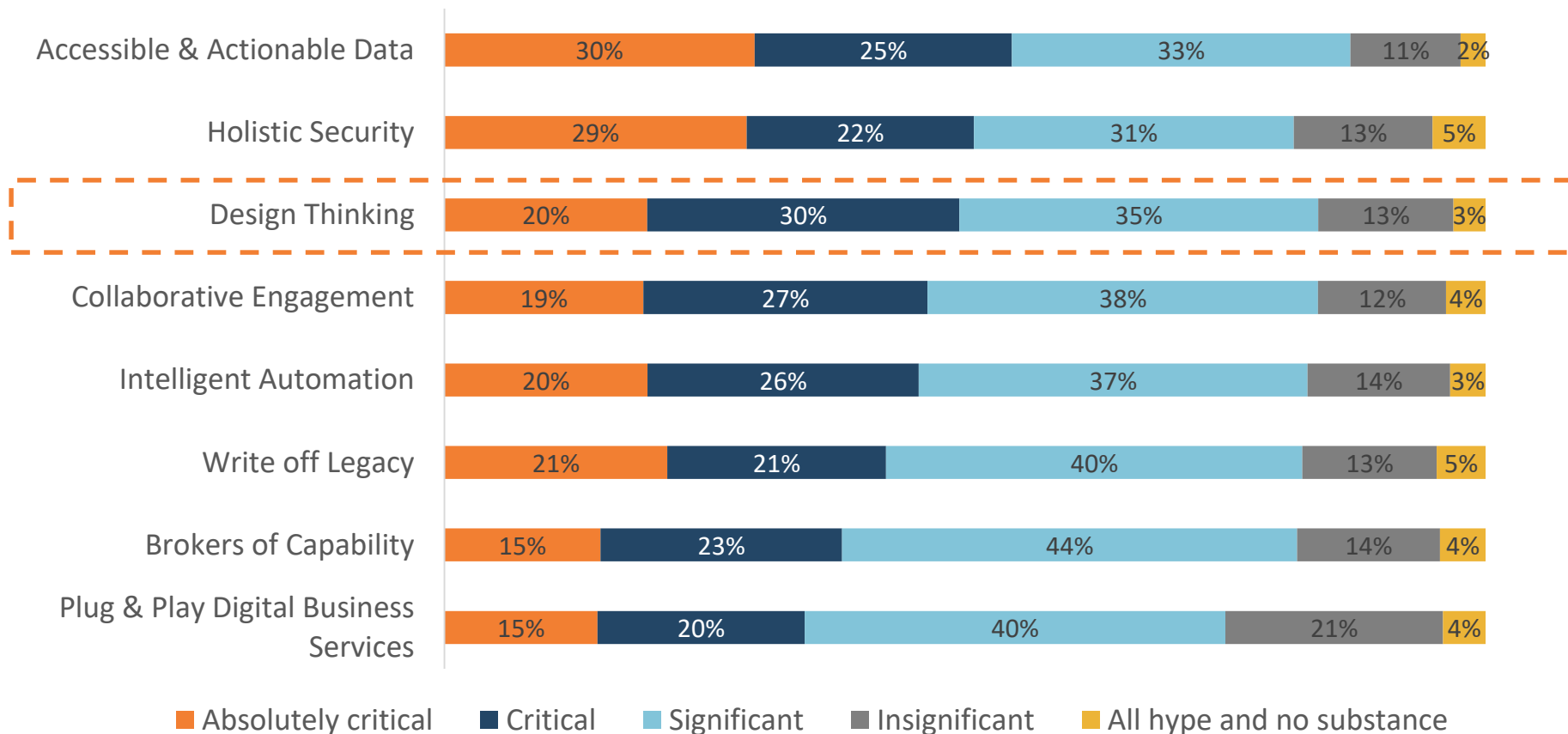
Source: HfS Research and Stanford d.School

# How Service Providers Are Operationalizing Design Thinking: Methods

Service Provider	Proprietary Methods that Incorporate Design Thinking
<b>Accenture</b>	Accenture Innovation Architecture and Fjord Service Design
<b>Capgemini</b>	Scan – Focus – Act
<b>Cognizant</b>	Rethink/Reframe – Reimagine – Reset – Realize
<b>Concentrix</b>	EDGE Methodology
<b>EXL</b>	Five-Point Value Delivery Framework; EXLerator™
<b>Genpact</b>	Lean Digital™
<b>IBM</b>	Observe – Reflect – Make
<b>Infosys</b>	AI KI DO and Zero Distance
<b>Sutherland</b>	Embedded into Operational Excellence Methodology
<b>Tech Mahindra / BIO Agency</b>	BIO Customer Experience Framework
<b>Wipro</b>	Alpha Beta Five – Step Methodology

# Service Buyers See Design Thinking as a Way to Shift to More “Intelligent Operations”

How significant do you see the “As-a-Service Economy” ideals in the shift to more intelligent operations for your organization?



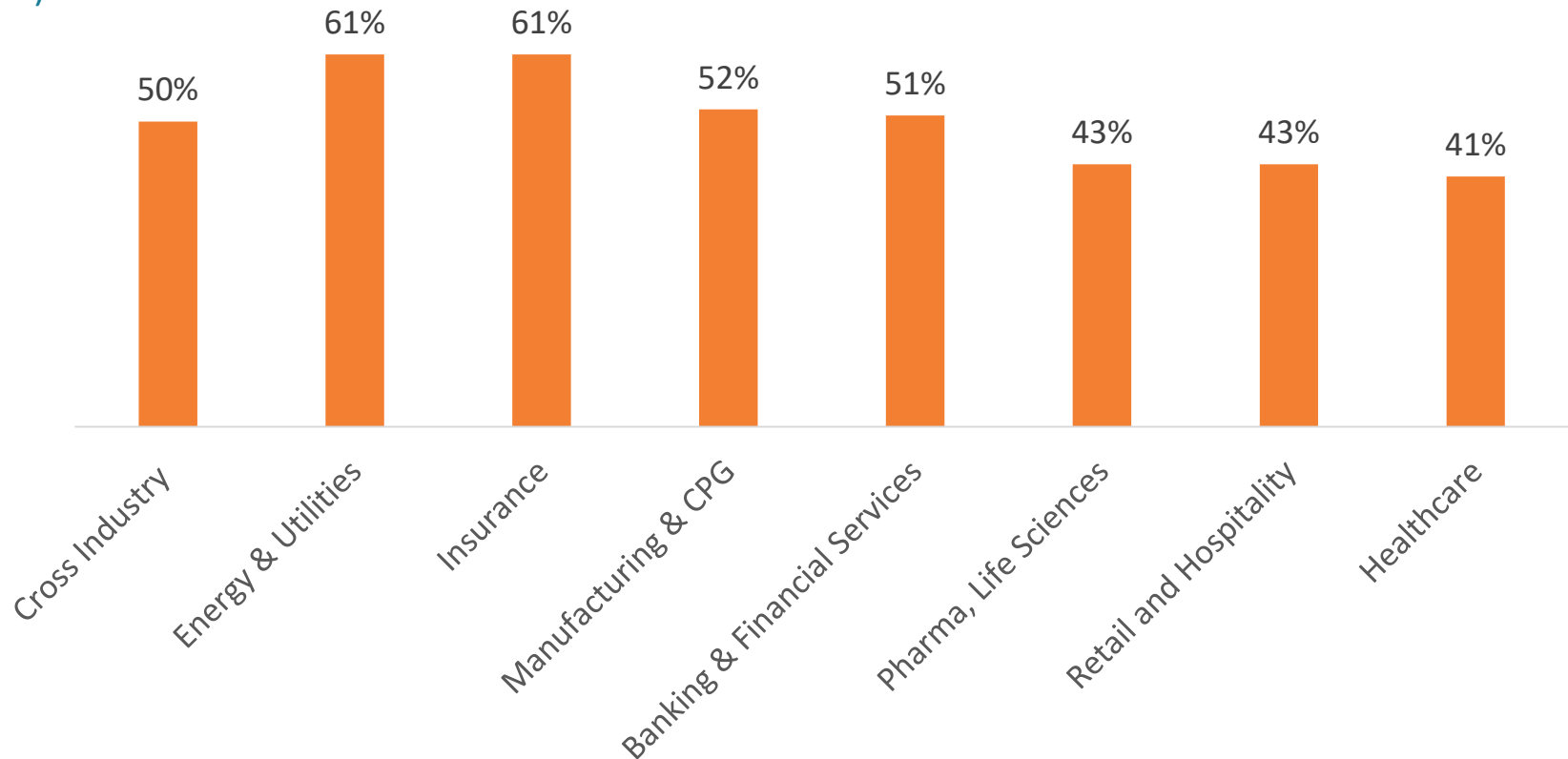
Source: “Intelligent Operations” Study, HfS Research 2016  
 Sample: Buyers = 371

Note: Totals may not equal 100% due to rounding

# Interest in Using Design Thinking by Industry

Focusing on and addressing the end-user and stakeholder experience is relevant to all industries and across front, middle, and back office. The industries that recognize the value of Design Thinking to synching operations in this way are Energy & Utilities and Insurance, although it is clearly on the radar screen across all industries.

How significant do you see the “As-a-Service Economy” ideals and the shift to more intelligent operations for your organization? (Responses show the cut for Design Thinking and Absolutely Critical / Critical.)



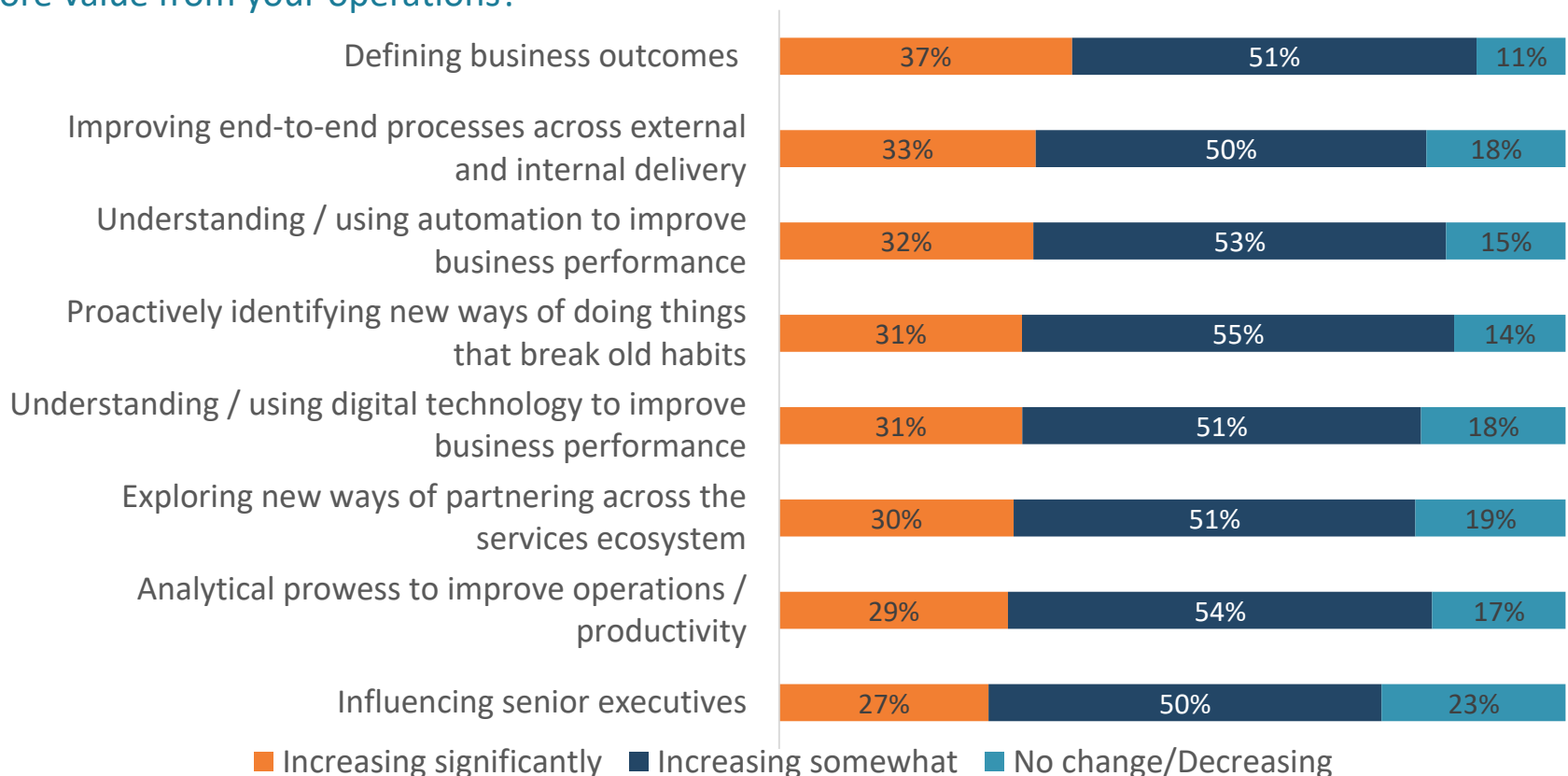
Source: "Intelligent Operations" Study, HfS Research 2016

Sample: Buyers = 371

# Design Thinking Leverages Talent that Is Required for More Intelligent Operations

Our research shows that companies are looking for people who are creative, critical thinkers, and interested in technology. These capabilities support all of the following requirements for driving change in business and IT operations.

To what extent are the following talent requirements increasing in importance, in order to gain more value from your operations?

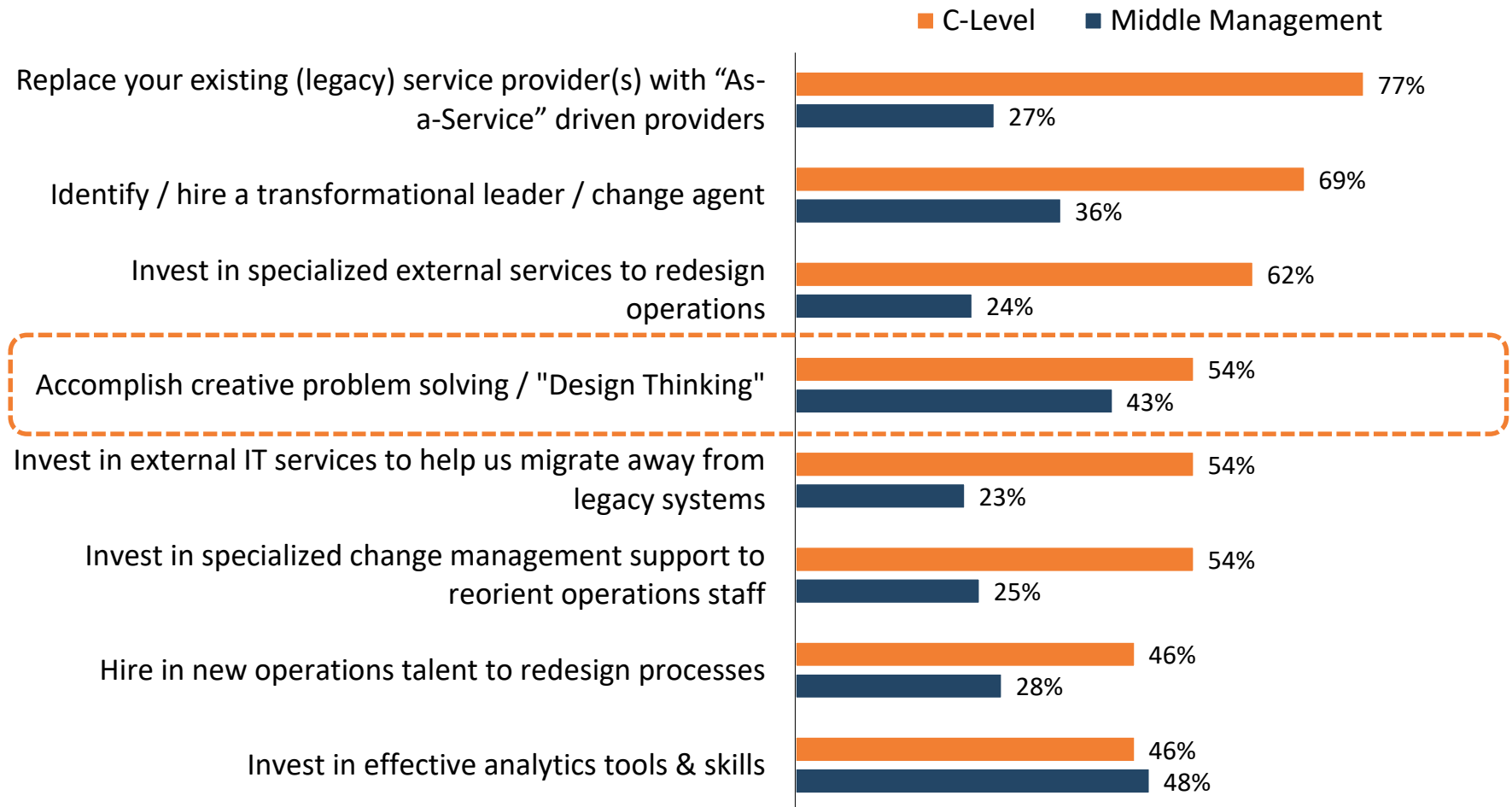


Source: "Intelligent Operations" Study, HfS Research 2016  
 Sample: Buyers = 371

Note: Totals may not equal 100% due to rounding

# It's an Action that Executives and Management Agree Will Make a Difference in Advancing Business Operations

How much impact would taking the following actions help you reach your desired "As-a-Service" end-state, if you were to make them today?



Source: *Ideals of As-a-Service Study*, HfS Research, 2015

Sample: *Enterprise Service Buyers* = 178

Proprietary | Page 27

# Perspective from Business and IT Executives Who Have Engaged in Design Thinking with Service Providers

“We made assumptions about people in the industry and are familiar with our services,” said one executive. During the Design Thinking-led process, the service provider “called us out a lot in a great way ... and then came back with what they heard and thoughtful recommendations,” of which a handful have been implemented quickly.

“We are evolving shared services into a more integrated approach with the stakeholder.”

“Journey mapping isn’t a way to develop big picture strategy or consumer experience but a way to take a problem and understand it as best you can from multiple perspectives, and put solutions in place for that problem or business issue.”

“We can’t take every idea; we’ve had to do prioritization on-going. It gave us a new way to work together. But the challenge is to weave it into the real world. How to carry on what is identified and get the right levels of attention and funding.”

“It gave us a way to see beyond the transactions.”

# Stories of How Design Thinking Is Being Used in Operations

Here are few examples that show briefly how Design Thinking works in business operations and outsourcing engagements. There are more examples on our [research](#) site and [blog](#).

**Capgemini** facilitated a Record-to-Analyze refresh jointly with two Business Process Services clients in a “Business Priority Week” workshop. Another led to the creation of a Business Services Virtual Delivery Center. It’s also used Design Thinking-led approaches to address purchase to pay (P2P), human resources (HR), and supply chain management in combination with Lean Six Sigma.

**Genpact** and clients shared stories of using Design Thinking workshops and principles effectively in core operations areas – order management, finance, business intelligence – that are Genpact’s traditional areas of strength. It has a lot of F&A and industry subject matter expertise to leverage here, and is using the Lean Digital approach on its own F&A with results.

An **EXL** client was challenged with stakeholder satisfaction, even though the SLAs were green. EXL worked with the client team to develop a stakeholder experience journey that involved starting with understanding the challenges of the people involved in the end-to-end work processes, at the client, and at EXL. On the journey, they identified the pain points and discussed processes and tools to address them, prototyped new workflows and experimented with a technology solution, identified new resources, are now looking to operationalize them, and have used cuts of data to analyze along the way.

# Research Methodology



# Research Methodology

## Data Summary

- Input was collected Q42016–Q12017, covering service buyers, service providers, and advisors/influencers in the outsourcing services industry.

## Participating Service Providers:



- Participants were selected from the leading global IT as well as BPO Services providers and had to meet two criteria:
  - Exhibited interest and spoken about initiatives in building Design Thinking capability during discussions with HfS Research.
  - A named provider within the ranking section of our annual enterprise buyer survey.

## This Report Is Based on:

- **Tales from the Trenches:** Interviews with buyers who have evaluated service providers and experienced their services. Some are supplied by service providers, and many are gathered through interviews conducted with HfS Executive Council members and participants in our extensive market research.
- **Sell-Side Executive Briefings:** Structured discussions with service providers were intended to collect data necessary to evaluate their innovation, execution and market share, and deal counts.
- **Publicly Available Information:** Thought leadership, website information, presentations given by senior executives, and other marketing collateral.

# HfS Blueprint Scoring for Design Thinking 2017

## EXECUTION

100%

Design Thinking Sponsorship and Commitment	15%
Creating Awareness and Partnering with Clients	15%
Client Feedback and Results (Use of Design Thinking)	30%
Real-World Delivery	
Customer / Client Problem Solving and Opportunities	10%
Internal Corporate Initiatives	10%
Trained / Experienced Personnel	10%
Formal Methods and Tools	10%

## INNOVATION

100%

Vision for Design Thinking in Business Operations and Outsourcing Engagements (“As-a-Service Economy”)	15%
Client Feedback and Results (Managing Complexity / Transition to Execution)	10%
Adoption of Design Thinking Mindset and Methods: Cultural Shift	20%
Investment in Design Thinking Resources and Capability	15%
Use of Insights and Analytics with Design Thinking	15%
Partner Strategy and Use of Acquisitions	10%
Integrating Design Thinking Within As-a-Service Environment	15%

# Execution Definitions

EXECUTION	How well does the service provider execute on its contractual agreement, and how well does the provider manage the client/provider relationship?
Design Thinking Sponsorship and Commitment	What is the demonstrated enthusiasm and quality of the executive and leadership commitment for driving Design Thinking? Are there any unique aspects to the sponsorship? Does it include Business Process and IT Services?
Creating Awareness and Partnering with Clients	How well does the service provider engage clients in the use of Design Thinking? Are clients made aware of this methodology and encouraged to use it? Does the service provider engage in community building?
Client Feedback and Results (Use of Design Thinking)	What are the clients' overall impressions of the quality of service?
Real-World Delivery	Is Design Thinking used to best tap into solutions? Create new offerings? Is it used internally by the Service Provider as well as with Clients?
Customer / Client Problem Solving and Opportunities	What are the solutions and engagements that have been impacted by the use of Design Thinking and what has been the result? Examples of Design Thinking collaboration between service provider and client? Use of Design Thinking principles, workshops, etc.
Internal Corporate Initiatives	What are the initiatives to adopt Design Thinking for finding solutions for organizational challenges, such as sales, procurement, HR, finance?
Trained / Experienced Personnel	How extensive and pervasive is the use of Design Thinking? Are corporate leaders trained? Service delivery? By what means (classroom, experiential, mentoring, etc.)?
Formal Methods and Tools	Does the service provider follow a standard approach to Design Thinking? Have the principles of Design Thinking been incorporated into the service design and delivery methodology for outsourcing that was already in place? Any unique tools per the client feedback?

# Innovation Definitions

INNOVATION	Innovation is the combination of improving services and business outcomes.
Vision for Design Thinking in Business Operations and Outsourcing Engagements (“As-a-Service Economy”)	The strategy for use of Design Thinking in solution and delivery. Examples? How does the service provider tell the story?
Client Feedback and Results (Managing Complexity / Transition to Execution)	What is the client feedback on transition from ideas/ideation to execution? Is work continuing with the client?
Continuous Improvement Through Iterative Approach	How does the service provider address Lean Six Sigma and Design Thinking as approaches for continuous improvement and innovation? Technology enablement capability?
Investment in Design Thinking Resources and Capability	What is the investment in Design Thinking capability? (e.g., methods, tools, training, acquisitions, innovation centers and labs, etc.)
Use of Insights and Analytics with Design Thinking	How well does the service provider integrate analytics with Design Thinking? Client stories and examples?
Partner Strategy and Use of Acquisitions	How effectively does the service provider identify and articulate problems and issues, and provide suggestions or partner to explore solutions? Is the service provider offering or providing analytics?
Integrating Design Thinking Within As-a-Service Environment / Cultural Shift	How well does the provider use Design Thinking to create and maintain an As-a-Service (e.g., business outcome-oriented, flexible) environment?

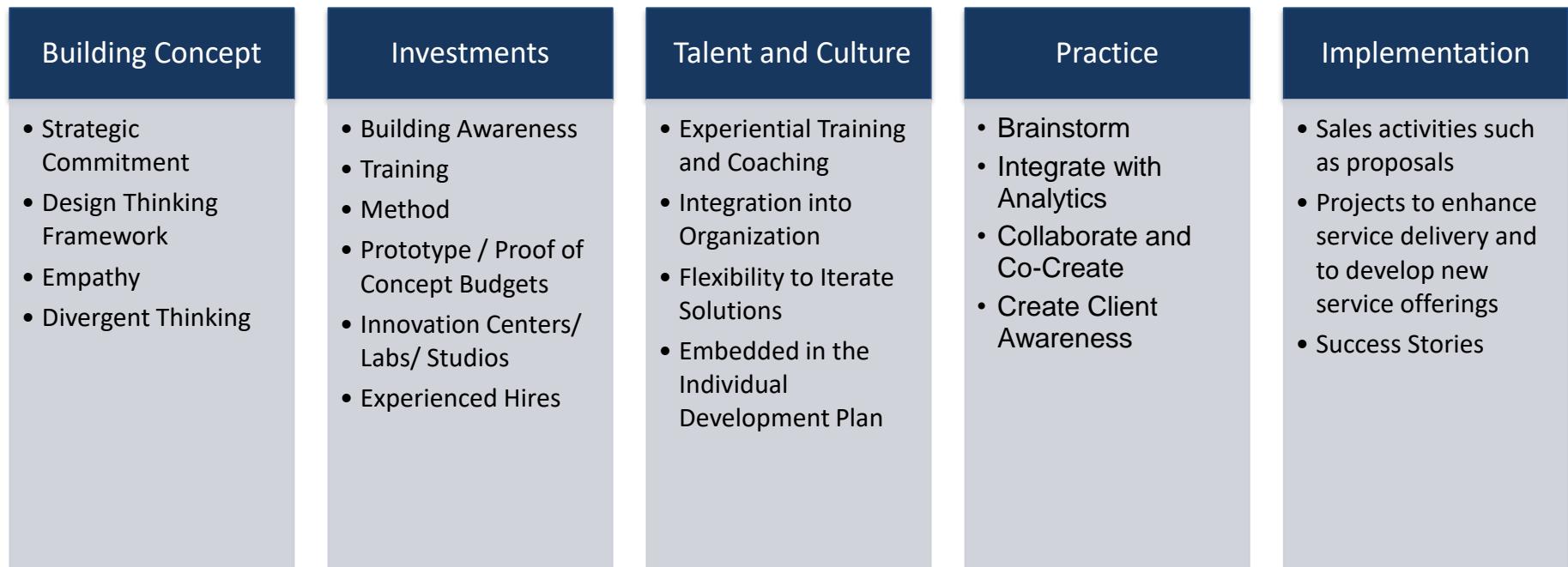
# Service Provider Analysis



# Operationalizing Design Thinking

This value chain shows the business characteristics and activities relevant to incorporating Design Thinking into a service provider's way of working, from launching it with the right level of sponsorship, investing in resources and talent to support it, practicing it, and using it to drive specific business activities.

## Design Thinking Value Chain



# Operationalizing Design Thinking: Progress Among Service Providers in This Study

Service Provider	Internal Operations	Client Digital Transformation	Client Business Operations	Sponsors
Accenture				CEO Pierre Nanterme; Chief Strategy Officer Omar Abbosh; Chief Leadership and HR Officer Ellyn Shook
Capgemini				No one single owner
Cognizant				CEO Frank D'Souza; Chief Strategy Officer & CMO Malcolm Frank; President Cognizant Digital Business Gajen Kandiah
Concentrix				Sales and Consulting SVP Rick Rosso
EXL				CTO Mike Toma; Global Head of Consulting Suren Kumar; Chief Growth Officer Nagaraja Srivatsan
Genpact				Chief Innovation Officer Gianni Giacomelli; Global Head of Consulting & Solutioning Shantanu Ghosh; Chief Digital Officer Sanjay Srivastava
IBM				CEO Ginni Rometty; Global GM Phil Gilbert; VP Global Business Services Jason Kelley
Infosys				CEO Vishal Sikka; Head of Corporate Design Sanjay Rajagopalan; Digital Lead Scott Sorokin; Consulting Lead Rajesh K. Murthy; Learning / Development Lead Navin Budhiraja
Sutherland				President of Digital Andrew Zimmerman; Chief Engagement Officer Darin Wright; Global Head Sutherland Labs Owen Daly Jones; Director of Design Strategy Ben Little
Tech Mahindra / BIO Agency				CEO - The BIO Agency Peter Veash
Wipro				CEO Abid Ali Z Neemuchwala; Global Head Wipro Digital Rajan Kohli; Designit Founder & Chief Visionary Officer Mikal Halstrup

Use of Design Thinking in:	Depth of Integration & Use
Internal Operations	None Shared
Client – Digital Transformation	Examples Shared
Client – Business Operations	Examples and Results

# Major Service Provider Dynamics: Highlights

## EXECUTION

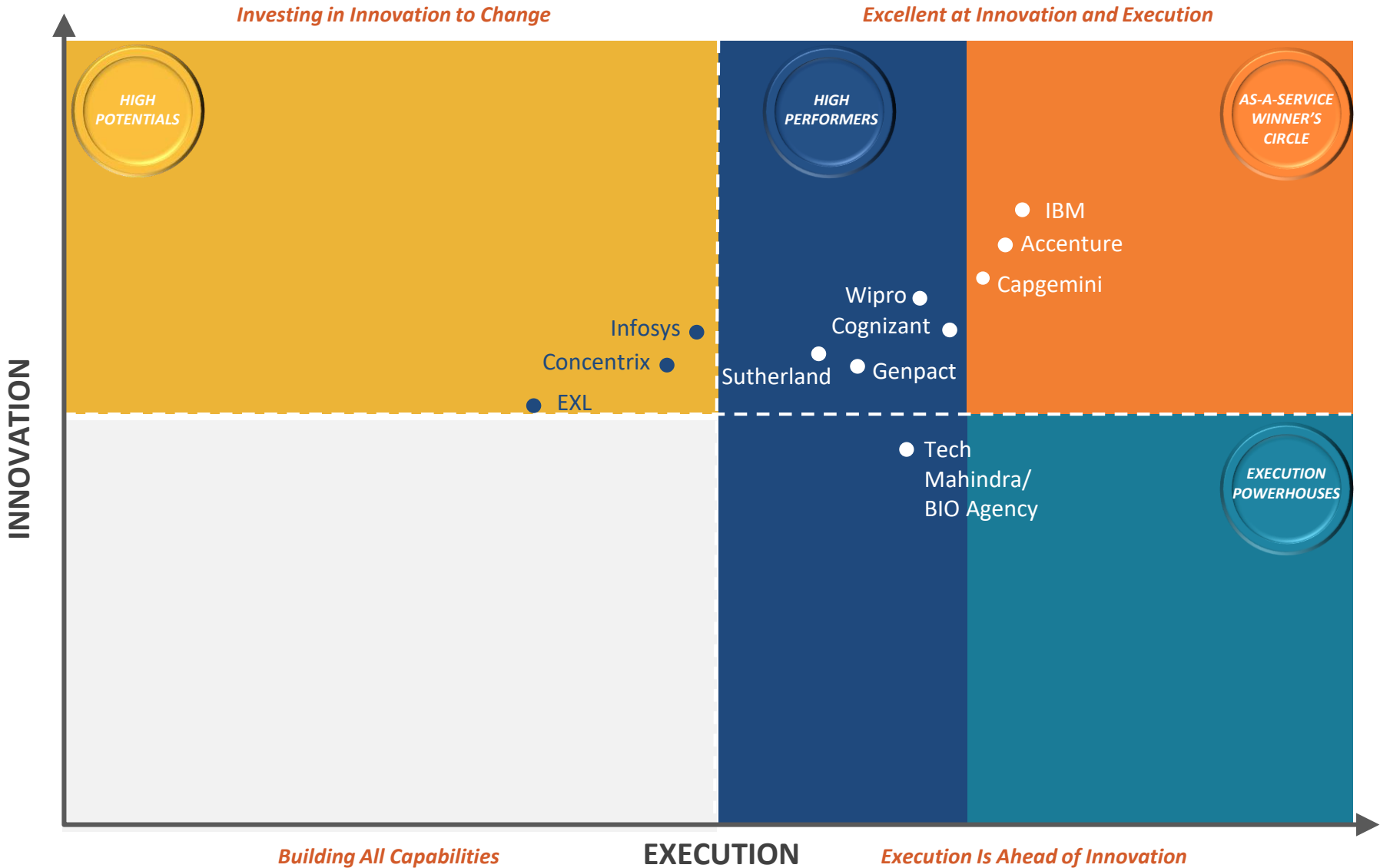
- **Sponsorship:** All the participating service providers show commitment to using Design Thinking principles broadly in their way of working. A number of CEOs are sponsoring these efforts, representing a change in culture broadly in the organization: **IBM, Accenture, Cognizant, Infosys, Wipro.**
- **Creating Awareness:** **IBM** and **Infosys** have introduced Design Thinking to clients through various events. **Capgemini** and **Tech Mahindra** host roundtables with industry and thought leaders on innovation. **Sutherland** brings Design Thinking into new bids, QBRs, and client / account team activities. **Accenture** is bringing Design Thinking method to select client opportunities, with examples of results.
- **Talent Development:** Learning efforts vary from online coverage of principles to experiential learning. At **Sutherland**, staff rotate through the labs. Training-based initiatives at **IBM** Design Studios are supplemented by a mentoring program and the beginnings of a certification process. **Genpact** is training its Six Sigma BlackBelts to have complementary teams of process-oriented industrialization and innovation. **Accenture** is training and mentoring its own and client professionals.
- **Experienced Personnel:** Unique strengths are showing in the service providers, such as kudos to **Wipro's** Designit for simplifying complexities and storytelling; **Cognizant's** Idea Couture for flexibility and creative thinking. **Tech Mahindra's** acquisition, BIO, is noted for being particularly effective at "active listening." **Accenture** and **IBM** are powerhouses in this area with depth and breadth in designing, developing, and solutioning for industry relevance and business outcomes.

## INNOVATION

- **Vision for Use of Design Thinking in Outsourcing Services:** **IBM** with its cognitive orientation and **Accenture's** focus on industry and business outcomes most clearly and comfortably articulate Design Thinking as a way to help clients describe and solve business problems and opportunities and impact business results using talent and technology for digital transformation and business process services and operations. **Capgemini, Cognizant, Genpact, Sutherland, and Wipro** are progressing.
- **Service Delivery:** For innovation, managing complexity and the transition to execution play a significant role in the value of Design Thinking for services. **Capgemini** has facilitated work across clients from thinking to doing in business process services support; and **Genpact** shared examples in finance and order management. **Tech Mahindra's BIO Agency** received kudos for the way it breaks down complex problems.
- **Cultural Shift:** All of these service providers have efforts underway to change the way they work, from tactical examples like the journey maps that are core to **EXL** and **Concentrix** work, to co-locating **Wipro** Digital engineers with creatives from its acquisition Designit to cross train. Principles of Design Thinking being incorporated into the foundation of the way that **IBM** works is most progressive. **Infosys** has invested significantly in shifting its workforce to be more customer-centric and questioning, and it's making progress along these lines.
- **Use of Insights and Analytics:** **Cognizant's** Strategic Foresight is a unique tool here. Clients also referenced the use of analytics by **IBM** in Design Thinking workshops; **Infosys** through AI KI DO; and **Accenture** and **Genpact** in on-going services.

# HfS Blueprint Grid: 2017 Design Thinking Integration

This grid represents an analysis of the use and incorporation of Design Thinking into outsourcing and operations.



Blueprint Leading Highlights	Strengths	Challenges
<ul style="list-style-type: none"> <li>Design Thinking Leadership and Commitment</li> <li>Understanding Client Business and Context for Innovation</li> <li>Actual Solutions Derived Using Design Thinking</li> <li>Formal Methods and Tools</li> <li>Vision for Design Thinking in the As-a-Service Economy</li> <li>Use of Partnerships &amp; Acquisitions</li> </ul>	<ul style="list-style-type: none"> <li><b>Design Thinking, Design Doing, Design Culture:</b> Accenture has a culture of doing, so with Design Thinking, it is adding in the element of observing and understanding the end-user. With the acquisition of Fjord, Accenture brought in a global capability, methodology, and studios that it can use for design projects that change the way it works internally (such as revamping its global performance management program and client offerings) and with clients (examples in every industry). Clients appreciate that Accenture can take into consideration what they know about their business when they design and manage complexity. The goal is “to disrupt and reinvent everything we do and help our clients do the same,” in the framework of measurable results.</li> <li><b>Thoughtful Talent Development:</b> Accenture wants its whole workforce to at least understand the principles of Design Thinking – collaboration, human-centered, iterative. Training ranges from self study on what is Design Thinking to tools to use and workshops for experiential learning. A current initiative puts people with Design Thinking skills in positions to work with teams and mentor. Accenture is also helping clients build capability.</li> <li><b>Innovation Framework:</b> The Accenture Innovation Architecture supports a journey that includes, as warranted, research, prototyping, development, and implementation of services and operations support. It’s also a good way to give clients comfort that innovation is tied to outcomes—through a project or on-going service. A Fjord Rumble workshop will help a team frame a problem and start down a path together.</li> <li><b>Cultural Shift:</b> Accenture’s rich history of consulting and operations work is focused on defining and delivering business outcomes. Design Thinking is helping to shift services and solutions to user-centric versus “best practices.”</li> </ul>	<ul style="list-style-type: none"> <li><b>The “Doing” Mentality:</b> Accenture has a strong culture of outcomes-based work and driving to results. It can come across as “directive” and “doing to” rather than “empathetic” and “doing with.” We understand how Accenture and clients want to measure results qualitatively for every undertaking, but we challenge both to incorporate more of the empathy that is characteristic of Design Thinking.</li> <li><b>Early Days for Design Thinking in Business Operations:</b> Accenture Operations has a large portfolio of clients that are used to traditional, industrialized service delivery through BPO and a solid hierarchy in place. There are some early examples of “results,” but it lacks the storytelling and direct client references to create a “feeling” of success. Accenture needs to be more bold about sharing its stories of how empathy, end-user experience, and journey maps, for example, are part of how they work.</li> <li><b>Keeping Talent Engaged:</b> Service design is a massively growing industry, and Accenture and other service providers will have the challenge of keeping people engaged and on-board. As other service providers figure out the value of Design Thinking with their clients, Accenture (and other leaders) will have a target on its back for capable professionals. Accenture will need a flexible and fast acquisition and on-boarding plan.</li> </ul>
Use of Design Thinking in:		
Internal Operations		
Client – Digital Transformation		
Client – Business Operations		

Acquisitions and Partnerships	Representative Clients	Service Delivery Operations	Frameworks / Tools
<p><b>Acquisitions include:</b> 2<sup>nd</sup> Road (2016), Chaotic Moon (2016), Karmarama (2016), Fjord (2013)</p> <p><b>Partnerships include:</b> Massachusetts Institute of Technology (MIT), Duke University, Indian Institute of Technology, Purdue University, Stanford University, University of California, Berkeley</p>	<ul style="list-style-type: none"> <li>Large European Bank</li> <li>Global Pharmaceutical Company</li> <li>Global Insurance Company</li> <li>North American Healthcare Payer</li> <li>North American Healthcare Provider</li> <li>Global Energy Firm</li> <li>Spanish Banking Group</li> </ul>	<ul style="list-style-type: none"> <li>100,000+ trained on Design Thinking (Design Thinking Academy, Design Thinking Online)</li> <li>Delivery center training in India &amp; Philippines</li> <li><b>Fjord Evolution</b>, an internal design-learning</li> </ul> <p><b>Innovation / Design Centers:</b></p> <ul style="list-style-type: none"> <li>Fjord Rumble™ - Design Thinking Workshops</li> <li>50+ studio &amp; delivery center locations</li> </ul>	<ul style="list-style-type: none"> <li>Fjord’s Service Design methods</li> <li>Accenture Innovation Architecture supported by Accenture Research, Ventures, Labs, Studios, Innovation and Delivery Centers</li> <li>New Consulting Methods</li> </ul>

Blueprint Leading Highlights	Strengths	Challenges	
<ul style="list-style-type: none"> <li>Understanding Client Business and Context for Innovation</li> <li>Creating Awareness of Design Thinking Value for Services</li> <li>Simplification and Articulation of the Problem</li> <li>Formal Methods and Tools</li> <li>Actual Solutions Derived Using Design Thinking – Internal and Client</li> </ul> <p>Use of Design Thinking in:</p> <ul style="list-style-type: none"> <li>Internal Operations</li> <li>Client – Digital Transformation</li> <li>Client – Business Operations</li> </ul>	<ul style="list-style-type: none"> <li><b>Creativity and Context:</b> Client feedback included strong appreciation for Capgemini’s ability to address executive concerns and interests and balance with creativity. Capgemini uses a “two-sided approach” to innovation with Design Thinking: (1) lay out the needs of the customer and (2) the needs of the business; and manage risk and reward to solve both in parallel. The framework is designed to “get to desirability where people want it, feasibility to make and deliver with quality at scale, and economically viable through savings or top line.”</li> <li><b>Simplification:</b> Capgemini’s acquisition, design agency Fahrenheit 212, receives kudos from clients, particularly for simplifying complex conversations in a way that helps people shift perspective, using market-based and analytical approaches. Also, Capgemini’s own Technovision is an approach to using actual building blocks with disruptors, technologies, operating models, etc., to help teams talk through what something “means,” and use the blocks to “build” a problem, solution, or storyline, e.g., “if we used X, we could do Y.”</li> <li><b>Reimagining BPS With and Across Clients:</b> Capgemini facilitated a Record-to-Analyze refresh jointly with two Business Process Services clients in a “Business Priority Week” workshop. Another led to the creation of a Business Services Virtual Delivery Center. It has also used Design Thinking-led approaches to address purchase to pay (P2P), human resources (HR), and supply chain management, in combination with Lean Six Sigma.</li> <li><b>Community Innovation Networking:</b> Capgemini networked its innovation labs with other partners and clients to remotely and collaboratively keep on-going interactive development. In its Applied Innovation Exchange centers, Capgemini hosts a monthly conversation led by a thought leader on emerging innovation locally. Additionally, Capgemini clients have access to MIT experts through webinars, client forums, and events on Digital Transformation and customer experience. Finally, Capgemini offers opportunities for clients to co-locate in an Applied Innovation Exchange (AIE) and work alongside Capgemini Design Thinking experts and its ecosystem of partners.</li> </ul>	<ul style="list-style-type: none"> <li><b>Executive Sponsor for the Way Forward:</b> There is no one single owner of Design Thinking within Capgemini. The company has been integrating the principles into its methodologies, but it still seems centered in the AIE. Capgemini might be missing an opportunity to have the Design Thinking principles be an integral part of being increasingly collaborative and outcome-oriented across its broad client portfolio.</li> <li><b>Integration of Acquisitions:</b> Capgemini’s stated direction for the acquisitions of F212 and Idean is to bring them into Capgemini Consulting. Designing a more integrated or cohesive approach could create a smoother end-to-end innovation program for Capgemini’s clients – to leverage the value of what is more of a solution provider (Capgemini) and a creative agency (F212). In particular, market research and analytics capability are areas that clients F212 could benefit from tapping into Capgemini.</li> <li><b>Training Junior Levels:</b> We heard some feedback that sometimes people involved in Design Thinking-led engagements didn’t have the right level of experience, style, or expertise, but also that Capgemini addressed it quickly.</li> </ul>	
Acquisitions and Partnerships	Representative Clients	Service Delivery Operations	Frameworks / Tools
<p><b>Acquisitions:</b></p> <ul style="list-style-type: none"> <li>Idean (2017)</li> <li>Fahrenheit 212 (2016)</li> </ul> <p><b>Partnerships include:</b></p> <ul style="list-style-type: none"> <li>Massachusetts Institute of Technology</li> </ul>	<ul style="list-style-type: none"> <li>An American fast-food chain</li> <li>A global consumer packaged-goods company</li> <li>A global beverages company</li> <li>U.S. insurance agency</li> </ul>	<ul style="list-style-type: none"> <li>Capgemini’s ~200,000 employees are trained in its framework.</li> <li>Capgemini University includes modules on Design Thinking</li> </ul> <p><b>Innovation / Design Centers:</b></p> <ul style="list-style-type: none"> <li>Accelerated Solutions Environment (ASE)</li> <li>Applied Innovation Exchange (AIE) labs – 30 across the globe</li> </ul>	<ul style="list-style-type: none"> <li>Scan, Focus, Act methodology of the ASE</li> <li>Technovision: A tactile approach to using building blocks to design future digital company</li> </ul>



Blueprint Leading Highlights	Strengths	Challenges
<ul style="list-style-type: none"> <li>Design Thinking Sponsorship and Commitment</li> <li>Creating Awareness with Clients</li> <li>Formal Methods and Tools</li> <li>Actual Solutions Derived Using Design Thinking – Internal and Clients</li> <li>Use of Insights and Analytics with Design Thinking</li> <li>Vision for Design Thinking in the As-a-Service Economy</li> </ul> <p>Use of Design Thinking in:</p> <ul style="list-style-type: none"> <li>Internal Operations</li> <li>Client – Digital Transformation</li> <li>Client – Business Operations</li> </ul>	<ul style="list-style-type: none"> <li><b>IBM Is a Design Company:</b> IBM sums up its approach to working now as Observe—Reflect—Make, an iterative, customer- and stakeholder-centric and collaborative model. It’s all based on Design Thinking and is the foundation for a shift in the way IBM approaches, thinks about, and does work. The enabler, or “hub,” is IBM Design, with design teams deployed into the services units (GBS and GTS), and leaders for industries and functional areas. IBM aggressively started investing in People, Places, and Practices to support this change in 2012; more recently, it has been gaining momentum beyond “digital” with business operations and clients wondering “why didn’t I do this sooner.”</li> <li><b>Exceptional People for Design Thinking:</b> IBM’s Design team that’s aligned with BPS receives high marks from its clients. Clients appreciate the way they identify and bring in experts from across the company, such as RPA and cognitive, to participate in workshops. “They know how to lead and organize, what questions to ask, and flow of activities,” said one executive.</li> <li><b>Proven Business Operations Impact:</b> IBM has shared qualitative and quantitative results from Design Thinking-infused initiatives. They have helped identify opportunities for business operations from process improvements: big ideas to simple step changes, such as “change Friday to Thursday.” IBM workshops have led to clients asking for repeats, training employees, and adopting tools.</li> <li><b>New IBM Solutions and Offerings:</b> By conducting so many workshops with clients in business functions, IBM has identified common issues and problems, leading to new solutions that are applicable across clients, such as IBM Cognitive Buying Assistant.</li> <li><b>Breadth of IBM Enables Speed:</b> IBM is known for its broad array of products, services, and IP, and the Design Team taps into it for quick prototypes and solutions. “Projects that used to take years, done in 6 months,” said an executive at an IBM client.</li> </ul>	<ul style="list-style-type: none"> <li><b>Push the Bar:</b> While clients believe IBM does quite a bit to prepare for a workshop, we heard that the expectations are high, and clients would like IBM to further consider how a company could best carry forward Design Thinking into their own organizations. IBM’s new, early-stage program, Transformation by Design, is to address this challenge.</li> <li><b>Enabling the Way Forward:</b> IBM brings such strength to Design Thinking workshops that clients are finding that they have to do a “reality check” afterward to move forward. IBM’s practice of “hills” and next steps at each workshop conclusion can help, but it needs to formalize “how to move it forward” by addressing sponsorship, governance, and funding in a transition out of the workshops.</li> <li><b>COE/SME-Centric:</b> IBM is ahead of many other service providers in this study that are using Design Thinking in business process services. However, the sheer size of the organization means it is still in the midst of the multi-year effort to bring all of the more “traditional” IBMers who lead with process and technology into the new way of working. It is the path forward though, through CEO Ginni Rometty’s sponsorship.</li> </ul>

Acquisitions and Partnerships	Representative Clients	Service Delivery Operations	Frameworks / Tools
<p><b>Acquisitions:</b></p> <ul style="list-style-type: none"> <li>ecx.io (2016)</li> <li>ResourceAmmirati (2016)</li> </ul> <p><b>Partnerships include:</b> American Institute of Graphic Arts, Stanford University (d.school), Rhode Island School of Design, Carnegie Mellon University, North Carolina State University, Savannah College of Art &amp; Design</p>	<ul style="list-style-type: none"> <li>A large consumer products brand</li> <li>A global beverages company</li> <li>A large Asian bank</li> <li>A global telecom provider</li> </ul>	<ul style="list-style-type: none"> <li>100% leadership and client-facing people “activated” through IBM University and experiential learning</li> <li>Certification / badge system now in place</li> <li>Enablement Teams: localized “schools” of IBM Design Thinking led by certified Masters</li> </ul> <p><b>Innovation / Design Centers:</b></p> <ul style="list-style-type: none"> <li>36 IBM Studios globally</li> </ul>	<ul style="list-style-type: none"> <li>The Keys of IBM Design Thinking: Hills + Playbacks + Sponsor Users</li> <li>IBM Design Thinking Field Guide</li> <li>Remote Collaboration Tools</li> </ul>

**Blueprint Leading Highlights**

- Creating Awareness and Positioning with Clients
- Identifying and Articulating Business Problems
- Actual Solutions Derived Using Design Thinking – Internal and Clients
- Adaptable / Flexible
- Formal Methods and Tools

Use of Design Thinking in:

- Internal Operations**
- Client – Digital Transformation**
- Client – Business Operations**

Strengths	Challenges
<ul style="list-style-type: none"> <li>• <b>Design Thinking for Digital Business:</b> Cognizant incubated Design Thinking in Cognizant Digital Business with an initial focus on Digital Transformation and four components: industry SMEs, strategists, business consulting, and technology. It is practicing Design Thinking with a dual focus: user centricity and relevance to business needs. Last year, it acquired Idea Couture (strategic innovation and experience design) and an equity investment in ReD, a group that includes social scientists, cultural theorists, and behavioral economists. This combination brings a unique depth and breadth of expertise and human insight to Cognizant as a service provider.</li> <li>• <b>Adaptable:</b> Cognizant and Idea Couture clients express appreciation for the service provider’s flexibility, broad and creative thinking, and ability to make them feel as if the work is customized—a “quiver with lots of arrows.” We also heard IC-led projects manage complexity well – supporting shifting timescales, priorities, requests, and scope changes.</li> <li>• <b>Thought Leadership:</b> Cognizant publishes a monthly M/I/S/C, and one of the most straightforward articles we’ve read that addresses Digital Transformation with Design Thinking, Artificial Intelligence, and Analytics is: <a href="#">Digital Business 2020: Getting from Here to There.</a></li> <li>• <b>New Growth for Clients:</b> Cognizant’s focus has been on enabling companies to define new growth opportunities – with examples in healthcare, insurance, telecom, and other industries. It has strategic foresight methodology and capabilities, popular with clients, which provide assessment of changing market and competitive dynamics.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Business Case:</b> HfS heard from clients that Cognizant Digital Business has a great way of working with clients to shape ideas and move through prototyping, but doesn’t routinely bring in a more practical business case for Cognizant’s broader capability—the transition into execution. With Cognizant’s strength in business and technology delivery, there is an opportunity here to better develop business cases that combine creative ways of defining and enabling a business case with corporate strategy.</li> <li>• <b>Infuse Design Thinking into Cognizant More Broadly:</b> While there are examples and stories of Design Thinking, it’s all within Cognizant Digital Business. Cognizant is just starting to roll it out to the rest of the organization. Cognizant faces the challenges of bringing the most appreciated strengths of what is in Cognizant Digital Business to more of the company, not just to sell design-led services but to use the principles themselves.</li> <li>• <b>Bring Design Thinking into Business Operations / BPS:</b> Cognizant and clients shared a number of examples of how Design Thinking is a part of successful initiatives, but little within on-going business operations that Cognizant manages with clients. Cognizant refers to Design Thinking for “the front end” and Lean Six Sigma for “the back end.” It’s missing an opportunity to help clients create one integrated business focused on end-users and stakeholders, and shared outcomes.</li> </ul>

Acquisitions and Partnerships	Representative Clients	Service Delivery Operations	Frameworks / Tools
<p><b>Acquisitions:</b></p> <ul style="list-style-type: none"> <li>• Idea Couture (2016)</li> <li>• Mirabeau BV (November 2016)</li> </ul> <p><b>Partnerships include:</b> Invested 49% stake in ReD Associates – A social science strategy consultancy</p>	<ul style="list-style-type: none"> <li>• Global Appliance Manufacturer</li> <li>• Global CPG Company</li> <li>• Global International Shipping</li> <li>• Individual Life Insurance</li> <li>• Multi-National Bio-Pharma Company</li> <li>• Oil &amp; Gas Company</li> <li>• Financial Services Company</li> <li>• Healthcare Service Provider</li> </ul>	<ul style="list-style-type: none"> <li>• In the 1,200 Cognizant Digital team, 20% have 10+ years of experience as practitioners in Design Thinking</li> <li>• 15,000 with “primer” training on Design Thinking</li> <li>• More than 70 Innovation trainers across Service Delivery</li> </ul> <p><b>Innovation / Design Centers:</b></p> <ul style="list-style-type: none"> <li>• Collaboratories: Co creation labs in New York, London, Amsterdam, Toronto, San Francisco, Mexico City, Copenhagen ,Sao Paolo</li> <li>• A dedicated Innovation Lab in Hyderabad with over 1,000 engineers and designers</li> </ul>	<ul style="list-style-type: none"> <li>• Rethink/Reframe – Reimagine – Rset – Realize</li> <li>• Strategic Foresight: method of ‘weak-signal’ scanning</li> <li>• “Toybox,” a rapid prototyping that includes IoT, and cloud components</li> </ul>

*Bringing Design Thinking into the Lean Digital Framework to combine with Genpact heritage strengths in analytics and lean, and use agile methods to execute*

Blueprint Leading Highlights	Strengths	Challenges
<ul style="list-style-type: none"> <li>• Creating Awareness and Positioning with Clients</li> <li>• Adoption of Design Thinking Mindset and Methods in Operations</li> <li>• Vision for Design Thinking in the As-a-Service Economy</li> <li>• Actual Solutions Derived Using Design Thinking</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Design Thinking In the Core:</b> Genpact has integrated Design Thinking principles into Lean Digital, which is the core framework for how the company operates: “With Lean Six Sigma you have process tools, and with Design Thinking you create a human connection.” Design Thinking is sponsored and talked about by CEO Tiger Tyagarajan and supported from a fledgling Center of Excellence that acts as a catalyst. The first design-oriented Innovation Center opened in 2016, and Genpact is expanding the network; it’s also using a hub and spoke model to network its various locations into real-time and on-going collaboration.</li> <li>• <b>Design Thinking for Lean Practitioners:</b> Genpact is training its Six Sigma black belts in Design Thinking. The point is not to make designers out of everyone, but to enable collaboration and seamless transition. “We are changing the method by which we can get to a solution,” is the way Genpact describes it.</li> <li>• <b>Led by Passion and Curiosity:</b> The approach to Design Thinking is to find and develop the Genpact professionals who have a passion for it, and do that through experience. It’s an approach that takes time, but is to ensure that people are really engaged in it and want to work this way. It is taking more of a “coaching” than “training” approach, and expects people who really want to be Design Thinking leaders to pursue a certification.</li> <li>• <b>Proven Results in Operations:</b> Genpact and clients shared stories of using Design Thinking workshops and principles effectively in core operations areas – order management, finance, business intelligence – that are Genpact’s traditional areas of strength. It has a lot of F&amp;A and industry subject matter expertise to leverage hereand is using the Lean Digital approach on its own F&amp;A with results.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Toolset:</b> Genpact is still in the earlier stages of developing its own tools and IP in support of Design Thinking, and we heard some feedback that the tools are lower fidelity for prototyping than is expected these days.</li> <li>• <b>Breadth of Capability:</b> Genpact taps into third parties to provide facilitation for workshops. Clients provided mixed feedback on the partnership approach, and Genpact needs to keep developing rigor around this network to have scalable support with complementary companies, or acquire a boutique.</li> <li>• <b>Very Action Oriented:</b> True to its roots, the approach to Design Thinking comes across very well planned, structured, and executed -- almost too much so. The team needs to keep in mind the iterative, flexible, emotional aspects of Design Thinking.</li> <li>• <b>Build Awareness on the Value of Design Thinking:</b> Genpact is more quietly easing into the use of Design Thinking methods, integrating it into the way it works very selectively. While it’s fine to not actively promote or “push” it, HfS believes Genpact could do more to build awareness and education on the value of this human-centered, iterative design approach.</li> </ul>

Use of Design Thinking in:

Internal Operations
Client – Digital Transformation
Client – Business Operations

Acquisitions and Partnerships	Representative Clients	Service Delivery Operations	Frameworks / Tools
<p><b>Acquisitions:</b> Not Applicable</p> <p><b>Partnerships include:</b></p> <ul style="list-style-type: none"> <li>• LUMA Institute</li> <li>• Elixirr</li> </ul>	<ul style="list-style-type: none"> <li>• A global consumer goods company</li> <li>• A multinational pharma company</li> <li>• A media and advertising company</li> </ul>	<ul style="list-style-type: none"> <li>• 100% C-Suite and 950 other professionals including Solution and Domain Practice Groups, Digital and Analytics Teams, Lean Practitioners</li> </ul> <p><b>Innovation / Design Centers:</b></p> <ul style="list-style-type: none"> <li>• Palo Alto, Bucharest, Bangalore, Hyderabad</li> </ul>	<ul style="list-style-type: none"> <li>• “innovation by design”</li> <li>• Lean Digital</li> <li>• HERE (Highly Engaging Remote Experience): framework for remote collaboration</li> <li>• Tools portfolio by LUMA</li> </ul>

Blueprint Leading Highlights	Strengths	Challenges
<ul style="list-style-type: none"> <li>Design Thinking Sponsorship and Commitment</li> <li>Adoption of Design Thinking Mindset and Methods</li> <li>Actual Solutions Derived Using Design Thinking – for Customers and Internal</li> <li>Vision for Design Thinking in the As-a-Service Economy</li> <li>Use of Partners</li> </ul>	<ul style="list-style-type: none"> <li><b>Human-Centered Sutherland:</b> Design Thinking is at the core of how the company is re-imagining itself for the future of service delivery – to work on the problems to be solved for end-users and stakeholders, rather than solutions to offer. It was one of the first service providers to bring Design Thinking to BPO clients to change the approach to innovation and the way it engages. It’s gaining momentum, particularly where it has industry depth in healthcare, retail, and high tech.</li> <li><b>Sutherland Digital Hub and Spoke Model:</b> The hub is Sutherland Labs with design experts (e.g., designers, social scientists, media experts), and the spokes are Analytics, Platform Solutioning, Consulting, and IT Services. From Sutherland Digital to each vertical unit in Sutherland, there is a liaison specializing in a mix of Design Thinking and their market. The network extends outside the company with the <a href="#">UXAlliance</a>, partners for local support in 19 countries – design support clients wouldn’t normally get from a smaller service provider.</li> <li><b>Changing BPO to Be About Why Along with What:</b> All new logo bids include a workshop or journey mapping activity at early stages, hosted by the labs, and more QBRs are taking place there too. Sutherland is refreshing the QBR by dividing the agenda between traditional (e.g., KPI) and introducing Design Thinking. It used Design Thinking to re-invent its image, recruiting, and on-boarding this past year.</li> <li><b>Immersive Training:</b> Sutherland is rolling out Design Thinking training across 100% of client engagement and solutioning teams in FY17. Staff is rotating among different Digital capabilities to cross-train. A Design Thinking module is also being added to the Operational Excellence program. Sutherland has also introduced method cards for sales and account teams to give them triggers for client discussions that can get to the why and help frame questions. The Sutherland Labs <a href="#">blog</a> is a nice primer for the uninitiated who want a lens into Design Thinking methods and examples.</li> </ul>	<ul style="list-style-type: none"> <li><b>Communications with Clients:</b> As the Design Thinking approach is being rolled out, it is not consistently used across client accounts. We heard from clients that they were “not aware” of design-led activity that must be going on “behind the scenes.” However, they still expressed interest.</li> <li><b>Seen as Process Executor:</b> HfS has heard from clients that Sutherland sometimes “overarchitects” and needs to take a step back to look at the big picture, the relevance, and be more interactive with the client more often to be considered innovative. This feedback seems in line with the more traditional way a BPO operates and is a sign that Sutherland is still in transition to a new way to work.</li> <li><b>Ready Access to Technology Expertise:</b> Sutherland is not as well known for having technology depth and breadth and needs to continue to develop and showcase its access to the latest technology and thought leadership. A number of its competitors have partnerships with leading-edge IT companies that give them ready access to expertise in emerging IT areas.</li> <li><b>Scale versus Competitors:</b> Sutherland is building and hiring in a targeted and selective manner – it has applied Design Thinking to redesign recruitment and onboarding – so may be on a slow path to infusing Design Thinking into the organization.</li> </ul>

Use of Design Thinking in:

Internal Operations

Client – Digital Transformation

Client – Business Operations

Acquisitions and Partnerships	Representative Clients	Service Delivery Operations	Frameworks / Tools
<p><b>Acquisitions:</b> Not Applicable</p> <p><b>Partnerships include:</b></p> <ul style="list-style-type: none"> <li>UX Alliance</li> <li>Design Museum Foundation</li> <li>Massachusetts College of Art &amp; Design</li> </ul>	<ul style="list-style-type: none"> <li>Retailer</li> <li>International technology company</li> <li>Computer hard drive manufacturer</li> <li>Technology company building financial management software</li> <li>Games entertainment company</li> </ul>	<ul style="list-style-type: none"> <li>100% C-Suite already trained</li> <li>Next: 100% of client engagement / solutions teams and each new employee</li> </ul> <p><b>Innovation / Design Centers:</b></p> <ul style="list-style-type: none"> <li>Studios in UK and US, with plan of more in the US &amp; Asia</li> </ul>	<ul style="list-style-type: none"> <li>Embedded into Operational Excellence methodologies</li> <li>Journey Map tools to create vision maps</li> </ul>

*Incubated Design Thinking in Wipro Digital with Designit and now scaling out through Wipro with co-location, co-creation, and leadership by business unit*



Blueprint Leading Highlights	Strengths	Challenges
<ul style="list-style-type: none"> <li>Design Thinking Sponsorship and Commitment</li> <li>Vision for Design Thinking in the As-a-Service Economy</li> <li>Actual Solutions Derived Using Design Thinking – Clients</li> <li>Formal Methods and Tools</li> <li>Cultural Shift Underway</li> <li>Use of Partnerships &amp; Acquisitions</li> </ul>	<ul style="list-style-type: none"> <li><b>Digital and Design as a Way to Work:</b> Wipro acquired Designit and has been incubating a design-led approach to services that it is just starting to move outside of Wipro Digital under CEO sponsorship. Now, Wipro is on a path to change its own DNA and incorporate Design Thinking principles into the way it works – a more human-centric approach to service design and delivery. It’s starting with a focus on Digital Transformation and new market opportunities with clients, and has yet to reach business services and operations with scale.</li> <li><b>Integral from Strategy to Execution:</b> Designit has become “part of the team” at clients where they start at the strategy phase and continue to participate in on-going initiatives that are design-led, and see them through and bring them to life. HfS heard from clients that Designit has multi-year engagements because they become so integral to a project or initiative. Clients give them kudos for stakeholder management.</li> <li><b>Co-Locating Designit and Wipro:</b> Designit is part of Wipro Digital and the joint focus is on the clients they have identified as “ready” for this combined approach, so that they can all be successful by working in the right culture. It also gives them an opportunity to hire and manage within a culture that is different from the traditional Wipro. Wipro and Designit have intentionally co-located designers and engineers to learn from each other and work together.</li> <li><b>Storytelling to Bring Simplicity to the Complex:</b> HfS heard that clients appreciate the way Designit uses grids, visuals, and storytelling to simplify and address complexities, help articulate business direction, and take initiatives forward. Designit receives positive feedback on understanding the client and context, and Wipro on development.</li> </ul>	<ul style="list-style-type: none"> <li><b>Integration:</b> Two points here: (1) Wipro has the opportunity to work with Designit on standardizing and speeding up the move from the design thinking into the design execution; (2) Clients have remarked that the collaboration between Designit designers and Wipro Digital engineers is appreciated, but seems to be “a work in progress.”</li> <li><b>Use of Social Sciences and Analytics:</b> Wipro Digital and Designit lack the breadth of their competitors in the area of social science for research (e.g., ethnographers). They have also not yet brought analytics to the table during design sessions, to add a quantitative perspective, though Wipro has this capability that could be leveraged.</li> <li><b>Infusing Design Thinking into Business Process Services:</b> Wipro brought Designit into Wipro Digital, co-located designers and engineers, and worked with a vetted list of clients to bring together Wipro and Designit. Now it needs to build on these early successes and bring it to business process services, which it is just starting to do.</li> <li><b>Outcomes Orientation:</b> In general, HfS still hears more about technology, solution, and process, and not as much as we would expect about what business outcomes need to be / will be addressed and why. Wipro needs to continue to pivot off the “how” and onto the “why” as a starting point. This seems to be more about the broader Wipro than Wipro Digital/Designit.</li> </ul>

Use of Design Thinking in:

Internal Operations
Client – Digital Transformation
Client – Business Operations

Acquisitions and Partnerships	Representative Clients	Service Delivery Operations	Frameworks / Tools
<p><b>Acquisitions:</b></p> <ul style="list-style-type: none"> <li>Designit (2015)</li> </ul> <p><b>Partnerships include:</b></p> <ul style="list-style-type: none"> <li>National Institute of Design, India</li> <li>h2i institute, Madrid</li> </ul>	<ul style="list-style-type: none"> <li>Multinational Bank</li> <li>European Telecom Provider</li> <li>Pharmaceuticals Company</li> <li>Large Utility</li> </ul>	<ul style="list-style-type: none"> <li>Trained 2,800 professionals on Design Thinking</li> <li>Digital Squads of Client Accounts leads and Practice/Domain teams by industry</li> </ul> <p><b>Innovation / Design Centers:</b></p> <ul style="list-style-type: none"> <li>Digital Lighthouse (i.e., Business-IT co-creation hubs)</li> <li>Design Thinking PODs across US and India</li> </ul>	<ul style="list-style-type: none"> <li>Alpha Beta 5-step Methodology</li> <li>The Wipro HOLMES™ artificial intelligence platform</li> <li>Digital Council: external industry for advisory</li> </ul>

# Tech Mahindra / The BIO Agency

High Performer

*BIO Agency brings a strong design-for-execution creative capability and credential into Tech Mahindra*



Blueprint Leading Highlights	Strengths	Challenges
<ul style="list-style-type: none"> <li>Formal Method and Tools</li> <li>Actual Solutions Derived Using Design Thinking – Clients</li> <li>Trained / Experienced Personnel</li> <li>Transition from Thinking to Executing</li> <li>Use of Acquisitions</li> </ul> <p>Use of Design Thinking in:</p>	<ul style="list-style-type: none"> <li><b>Digital Transformation Strategy:</b> In 2016, Tech Mahindra changed its approach to a hub and spoke model: every business unit is to focus on delivering “digital solutions” to customers and the central hub is the enablement. To build out capability for digital transformation, Tech Mahindra acquired Pininfarina, a 70-year-old design firm, and The Bio Agency, Digital Change Agents®, specialists in customer digital transformation.</li> <li><b>Framework for Change:</b> BIO Agency is the spearhead for incorporating a more customer-centric, human-oriented, and innovative approach to working with clients at Tech Mahindra. Tech Mahindra has started training its associates on Design Thinking and has created “Maker Labs” at its major locations to foster an internal environment of creativity and innovation. It’s also hosting internal discussion groups with industry client speakers who have experience with service design, or to address robotics, AI, or the future of an industry. It is also hosting cross company groups.</li> <li><b>Design Execution:</b> BIO Agency has been commended especially for being technically creative, but also for leading design from research to implementation. We heard an example of how BIO has helped clients articulate the vision and execution plan with proof points to executive committees and stakeholders. This is a “design to do” approach that BIO – with Tech Mahindra – can scale across more clients.</li> <li><b>Depth in Research Capability:</b> Clients referred to BIO’s research capability (and network) as particularly effective for “active listening” and observing as input to journey mapping, clearly articulating the opportunities for change, the pain points, and the priorities. BIO is applying this approach internally as well.</li> </ul>	<ul style="list-style-type: none"> <li><b>Business Case and Outcomes:</b> HfS heard conflicting reports on how BIO Agency can help clients with business case support or outcome measurement. It may be a matter of having enough resources with this expertise. This area is one that Tech Mahindra, with its experience with industrializing proven methods and building business cases, should be able to add value to the Design Thinking-led innovation process.</li> <li><b>Coordination:</b> BIO leads Design Thinking in engagements, and Tech Mahindra leads transformation and delivery. It’s not exactly clear how the two work collaboratively there may be some transition underway to clarify.</li> <li><b>Simple and Straightforward:</b> Clients and stakeholders that are not used to Design Thinking are finding some of the constant use of “jargon” frustrating. As part of creating an innovation experience for clients, BIO Agency and Tech Mahindra need to also understand the clients’ culture and how to best work with them – pace, terminology, etc. – in their own context.</li> <li><b>IT versus Business Operations:</b> The focus right now is on digital transformation for the front end, customer interaction such as websites and a logistics platform. BIO Agency is in the process of shaping a service design practice with ethnographic research that includes customers and front and back office staff to understand experience from multiple angles of operations and map into a service blueprint.</li> </ul>

Internal Operations
Client – Digital Transformation
Client – Business Operations

Acquisitions and Partnerships	Representative Clients	Service Delivery Operations	Frameworks / Tools
<p><b>Acquisitions:</b></p> <ul style="list-style-type: none"> <li>BIO Agency (2016)</li> <li>Pininfarina (2015)</li> </ul> <p><b>Partnerships include:</b></p> <ul style="list-style-type: none"> <li>Service Design course at Central Saint Martins</li> </ul>	<ul style="list-style-type: none"> <li>UK airline</li> <li>North American transportation company</li> <li>Global supplier of products, services and solutions to industrial and commercial users of electronic components</li> <li>Global logistics company</li> </ul>	<p>Trained Personnel: (all classroom)</p> <ul style="list-style-type: none"> <li>All BIO employees</li> <li>All Tech-M Leadership</li> <li>Over 3,000 associates</li> </ul> <p>Innovation / Design Centers:</p> <ul style="list-style-type: none"> <li>Maker Labs for experimentation</li> <li>Open Labs in Bangalore and London</li> </ul>	<ul style="list-style-type: none"> <li>BIO Hive™: workshops</li> <li>BIO: The Customer Experience Framework (CXF)</li> </ul>



#### Blueprint Leading Highlights

- Creating Awareness and Positioning with Clients
- Identifying and Articulating Business Problems
- Actual Solutions Derived Using Design Thinking – Internal and Clients
- Formal Methods and Tools
- Vision for Design Thinking in the As-a-Service Economy

Use of Design Thinking in:

#### Internal Operations

#### Client – Digital Transformation

#### Client – Business Operations

Strengths	Challenges
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- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• <b>Complementary to Customer Contact Core:</b> Design Thinking is core to an effort at Concentrix to bring a thoughtful, human- and experience-oriented approach to increasing collaboration, forward thinking and analytical capability on engagements as well as in its own approach to the market. Because of its service delivery roots in customer contact and BPO, the empathetic approach of Design Thinking for innovation is a good fit for Concentrix. We’ve seen it bringing more visibility and focus on the consumer or stakeholder and its role relative to business outcomes.</li> <li>• <b>Changing the Way They Work:</b> Concentrix is building competency first among its leadership for Consulting, Solution/Sales, and Internal Programs (e.g., employee engagement and client interactions). Additionally, Concentrix is rolling out a thoughtful, geo-based, experiential training approach to its delivery teams to incorporate the principles into the way they work.</li> <li>• <b>Business Context for Innovation:</b> Client references appreciate the quality and relevance of its work and the more recent addition of innovation councils that helps them look forward in addition to continuing current operations. Participants in the AHIP Innovation Labs where Concentrix is a partner have expressed appreciation for the service provider’s use of Design Thinking in the labs to give them an “outside in” perspective they hadn’t considered previously. In another example, Concentrix helped two third parties with conflicting views come together more collaboratively by considering a third point of view – their shared stakeholder.</li> <li>• <b>Simple and Straightforward:</b> Concentrix is incorporating Design Thinking principles into its EDGE methodology to make it more empathetic and more proof of concept and prototype oriented. The toolbox features “Outside-In Customer Experience Assessments” and Journey Mapping. With a focus on a couple of tools, Concentrix makes sure that people are comfortable with using them, and it is consistent.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Cultural Shift:</b> Compared to other business process service providers in our study, Concentrix is one of the more recent ones to bring Design Thinking to services and business operations. It faces the challenges of cultural shift and scale, and the hurdle of legacy clients being used to working with Concentrix in a certain way. However, there is a clear effort to bring the “right” tools with the “right” people to opportunities where Design Thinking is a fit with the client.</li> <li>• <b>Corporate Commitment:</b> The leadership for Design Thinking is in the consulting and EDGE method teams. At this point, it may feel more like a consulting engagement than a way of working, but EDGE is embedded in transformation and delivery, so it is a matter of time to adapt. Design Thinking doesn’t yet have the same level of executive sponsorship and commitment as many of its competitors, but it is highly visible in the company.</li> <li>• <b>Innovation Center of its Own:</b> Concentrix does not yet have a dedicated Innovation Center or Lab to host its workshops, which can be effective to engage clients in thinking “outside” usual day to day work. But it has effectively used partner facilities, like AHIP, and local facilities to enable client participation to achieve this result, and we do anticipate this to change in the coming year.</li> </ul> |
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Acquisitions and Partnerships	Representative Clients	Service Delivery Operations	Frameworks / Tools
<p><b>Acquisitions:</b> Not Applicable</p> <p><b>Partnerships include:</b></p> <ul style="list-style-type: none"> <li>• AHIP (American Health Insurance Providers) Innovation Lab</li> </ul>	<ul style="list-style-type: none"> <li>• A Global Social Media Company</li> <li>• Multi-National Electronic Commerce and Cloud Computing Company</li> <li>• A Healthcare Company</li> </ul>	<ul style="list-style-type: none"> <li>• Client-facing leadership has experiential training in Design Thinking</li> <li>• Initiating formal, experiential training more broadly</li> </ul> <p><b>Innovation / Design Centers:</b></p> <ul style="list-style-type: none"> <li>• Partner and Shared space</li> </ul>	<ul style="list-style-type: none"> <li>• EDGE (Engineered Design for Global Excellence) methodology</li> <li>• “Outside-In Customer Experience Assessments” and Journey Mapping</li> <li>• Industry &amp; Client Innovation Councils &amp; Collaboration Communities</li> </ul>



Blueprint Leading Highlights	Strengths	Challenges
<ul style="list-style-type: none"> <li>Design Thinking Sponsorship and Commitment</li> <li>Formal Method and Tools</li> <li>Actual Solutions Derived Using Design Thinking – Internal and Clients</li> <li>Use of Insights and Analytics with Design Thinking</li> </ul>	<ul style="list-style-type: none"> <li><b>Embracing the Key Principles:</b> EXL’s Design Thinking methodology is based on three main pillars: Re-imagining operations from the end user perspective, Solutioning to focus on enhancing end-user experience and Collaborating with clients to facilitate testing of solutions in real world scenarios. EXL has spent the past year infusing Design Thinking principles and support into its overall value delivery framework, EXLerator.</li> <li><b>Talent Development Underway:</b> EXL is now conducting classroom trainings on Design Thinking in 2017 and also providing ongoing coaching. The principles of Design Thinking will also be addressed in online elearning with the broader EXL organization to reinforce the approach. They are interviewing and identifying associates who can be further trained as “problem solvers.”</li> <li><b>Complementary Analytics Strength:</b> EXL has invested in developing a client-recognized capability in analytics, which it has enhanced with the Blue Slate consulting, RPM data set, and DataSource Consulting data management capability. Having access to and being able to analyze relevant data sets is a useful component for innovation and highly relevant to Design Thinking.</li> <li><b>Client Experience in Business Operations:</b> EXL executives walked HfS through a “customer experience journey” that involved starting with understanding the challenges of the people involved in the end-to-end work processes, at the client and at EXL. It ended up changing the scope and nature of the client engagement to be more trusting and collaborative, and identifying the need for different resources for service delivery. As they move to operationalize it, the team has used cuts of data to analyze user acceptance and performance targets.</li> <li><b>Business Outcome Orientation:</b> EXL is already working with a focus on helping clients define and deliver against business outcomes (e.g., reduction in cycle time for insurer) as well as process outcomes (e.g., reduction in overall suspense amount for the insurer). The process enables the results, and they are looking to measure both instead of one or the other. Defining what business outcomes to impact helps define the destination and ways to know the client and EXL are on the right path, giving a framework for design-led innovation.</li> </ul>	<ul style="list-style-type: none"> <li><b>From Tools and Methods to Cultural Shift:</b> EXL has done the work to bring Design Thinking tools into its methods and is implementing a training program for account leaders. Now it is in the process of truly making Design Thinking principles a part of the way it operates.</li> <li><b>Building Greater Awareness with Clients:</b> While EXL executives shared client stories, clients were not available to share the story themselves. EXL is on a path to building greater awareness within its client base and its own organization of the value of a design-led approach to innovation and the changes to governance.</li> <li><b>Relatively Early in Adoption:</b> EXL recently engaged a third party to provide a training program for leadership as it starts down the path of incorporating Design Thinking into its work. To move forward, it is focusing on: (1) product development (e.g., CareRadius) with the new CTO, (2) consulting-led / transformation, and (3) clients where the operations (BPM) relationship and engagement is in a shift.</li> </ul>

Use of Design Thinking in:

Internal Operations
Client – Digital Transformation
Client – Business Operations

Acquisitions and Partnerships	Representative Clients	Service Delivery Operations	Frameworks / Tools
<p><b>Acquisitions:</b> Not Applicable</p> <p><b>Partnerships include:</b></p> <ul style="list-style-type: none"> <li>Midas Learning</li> </ul>	<ul style="list-style-type: none"> <li>Pharmaceuticals company</li> <li>Insurance company</li> </ul>	<ul style="list-style-type: none"> <li>100% of C-Suite trained in Design Thinking via the EXLerator™ framework; new leaders are experienced Design Thinkers (e.g., CTO)</li> <li>60% of Top and Middle Management and 5% of delivery staff has had training</li> </ul> <p>Innovation / Design Centers:</p> <ul style="list-style-type: none"> <li>Studios in India, Philippines, U.S.</li> </ul>	<ul style="list-style-type: none"> <li>5-point value delivery framework</li> <li>Business EXLerator Framework®</li> </ul>

Blueprint Leading Highlights	Strengths	Challenges	
<ul style="list-style-type: none"> <li>Design Thinking Sponsorship and Awareness</li> <li>Creating Awareness and Positioning with Clients</li> <li>Actual Solutions Derived Using Design Thinking – for Customers and Internal</li> <li>Cultural Shift Underway</li> <li>Use of Insights and Analytics with Design Thinking</li> </ul>	<ul style="list-style-type: none"> <li><b>Yin / Yang Balance of New / Renew for Infosys:</b> Overall, Infosys is infusing Design Thinking into its business to support a New / Renew strategy it calls Ying and Yang. On the one hand, it must define and launch new business addressing digital disruption, and on the other hand, renew its legacy business with innovation. It wants to bring Design Thinking and technology platforms into the core traditional business and move into the digital age with a Design Led approach. It's the reason there is such a focus on Design Thinking being in the culture of Infosys going forward. Infosys has a strong foundation in IT and a competitive analytics platform in Mana that clients appreciate.</li> <li><b>Part of the "Everyday":</b> Infosys is taking the approach that there is an opportunity for each individual to re-think the way they work and actively participate in designing it. The service provider is training all 200,000 employees in Design Thinking principles and tools from the Stanford d.School and promoting real-time collaboration. It has defined a "zero distance" initiative to encourage employees to use Design Thinking principles to better understand their clients and how to help them.</li> <li><b>Design Thinking Is Changing Infosys:</b> Clients commended the Infosys leadership for its commitment to driving innovation and change, internally ("Process++" for HR, Procure to Pay) and with clients. One client said, Infosys is changing its image of "just providing solutions." Another appreciated the combination of data-driven analytics and context with design-led thinking. This is reflected in rising CSAT scores.</li> <li><b>Generating Enthusiasm and Ideas:</b> Clients shared with HfS that Design Thinking workshops are sparking creativity and energy among participants that they take back to their business units.</li> </ul>	<ul style="list-style-type: none"> <li><b>Business Context:</b> HfS hears inconsistent feedback on how Infosys is using Design Thinking with clients and it appears to be associated with Design Thinking workshops versus using Design Thinking within the AI KI DO methodology and Zero Distance initiative. The latter is a more established approach, incorporated into client work, and gets good feedback for helping drive business results. The former is a newer offering sometimes offered outside of current work and scope. Infosys needs to ensure its Design Thinking workshops are grounded in checkpoints on business context and associated with business outcomes.</li> <li><b>Project Management:</b> HfS is hearing some feedback from clients that workshops are not always well managed. Creative leadership and facilitators are generally effective, but the preparation before and activities during sessions are sometimes lacking relevance.</li> <li><b>Pace of Change:</b> Although the Design Thinking concept was popularized by Infosys, other service providers have been moving quickly to infuse Design Thinking into their work by way of partnerships, acquisitions, proprietary tools/methodologies and design labs. HfS believes Infosys has an opportunity to better leverage its strengths in traditional service delivery to move workshop ideas into solution and service delivery (e.g., use AI KI DO and Mana). Also, HfS believes an acquisition of a Design Thinking consultancy could also be of benefit here.</li> </ul>	
Use of Design Thinking in:			
Internal Operations			
Client – Digital Transformation			
Client – Business Operations			
Acquisitions and Partnerships	Representative Clients	Service Delivery Operations	Frameworks / Tools
<p><b>Acquisitions:</b> Not Applicable</p> <p><b>Partnerships include:</b> Stanford University (d.school), Infosys Foundation, Experience Point, Applied Minds, Adobe, bluekai</p>	<ul style="list-style-type: none"> <li>Fudan University School of Management</li> <li>Telecom service provider</li> <li>Leading APAC telecom provider</li> <li>Leading retail chain</li> <li>Global automotive manufacturer</li> </ul>	<p>Trained ~130,000 Infosys employees with 100% of leadership teams covered</p> <p><b>Innovation / Design Centers:</b></p> <ul style="list-style-type: none"> <li>16 XD Studios</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Mana</a>, a platform on machine learning with analytics</li> <li>Zero Distance (ZD)</li> <li>AI KI DO: Design Thinking, Data and Analytics, and Technology Methodology</li> </ul>

# Recommendations



# Making Change Happen

- Service buyers today have increasing choices, less time to make decisions, and higher expectations for results. To get them, they will need to be more open and strategic with select partners. Service providers will need to be increasingly nimble and proactive.
- HfS believes that fostering a Design Thinking culture, which has an empathetic, user-centric approach and encourages trial and error through iterative solution design processes, enables organizations to reinvent themselves and stay relevant under competitive circumstances. It also provides an opportunity to increase employee engagement and figure out how to best use evolving technologies in business operations.
- Design Thinking must be within the context of the business strategy and objectives, and accompanied by a transition to action, business case, or something that continues to move change forward. Put the focus on a desired business result, and share the definition of a business problem or opportunity.
- Collaboration is the critical lever for increasing the value of outsourcing engagements. Buyers and service providers need to be equally willing to invest, take risks and course correct as needed for partnerships that will last a long time.

“Design thinking doesn’t end when the product or service is launched; it can and should be incorporated into the experience itself, and used to continuously refine and enhance the experience. While the human element is critical to design thinking, intelligent devices and sensors can provide additional eyes and ears to what happens when the individual is actually engaged with the product or service, in a way that would otherwise be impractical, intrusive, and unwelcome.”

-- Theo Forbath and Kipp Lynch, Designers [link](#)

# Recommendations for Enterprise Buyers

- **Rethink How You Are Working with Your Service Provider and Business Partners.** If you haven't already, you will meet thresholds for cost saving that come from labor arbitrage and automation. To use RPA, cognitive computing, and analytics, you have to work in a different way, and Design Thinking can help determine a flexible solution. But it also requires that your service provider is investing to change and develop its executives and staff to think and work in a way that balances industrialization and flexibility. Who's your cultural match?
- **Just Try It.** Every company that wants to engage employees is looking for ways to do so, and Design Thinking is one way to generate focus and energy around problems and trouble spots – big and small. "This is not just an exercise; we've seen real benefits with more to come," shared a services executive.
- **Define Deliverable Expectations.** When you do engage with a service provider, be sure you are clear on expectations regarding deliverables, whether it's a work in progress or a "transition to execution" deliverable. Have an action plan, prototype, or wireframe -- something that enables you to get buy in for the idea you want to move forward.

## *How do you bring Design Thinking into your work?*

We ask questions to uncover and discover the true needs of our customers as it relates to their business and their customers.

What that means is that we often dig deeper to better understand the "why" behind their needs, their motivation.

We ask questions about how the work they do impacts stakeholders and customers, such as: Why do they need this? Why do they care? What's missing?

These questions can be applied to any situation to get focused on how to solve problems with a human-centered, customer first approach, versus a business-centric, solution first approach.

- Charlotte Bui, Global Lead,  
Design Thinking, SAP

[Blog: How to Bring Design Thinking Into Shared Services and Outsourcing](#)

# Recommendations for Enterprise Buyers, continued

- **Educate Procurement on the Value of Your New Approach:** As a service buyer or operations executive, you may often find thinking outside the box and trying something new is quickly put to a stop when you get to procurement. Try involving your procurement or sourcing or contract management lead in a Design Thinking workshop; make them part of the process.
- **“Wild Cards”:** When you do a workshop or a project internally, consider a broad range of people to be involved. For example: Who are the high potential people from your organization or your partners (software vendors, service providers, even industry analysts)? Who are the most vocal or noticed external stakeholders – your clients or customers? Consider the people who are upstream, downstream, and even outside the stream of your current work effort. Intermountain Healthcare involves patients and physicians; IBM brought in their own employees who were customers of a client for one of that client’s workshops. People will be energized and involved and take ideas, feedback, and simply “connections” back into their own business units, organizations, and everyday life as a client or customer.

“We pre-picked process areas and put teams together around them – expertise in those areas as well as from upstream and downstream and people who are not directly related to those areas. We felt we needed a relook at how we put the process together or managed parts of the process that we think will have a greater impact on the end-to-end process or the customer related impact.”

-- Director of Finance

# Recommendations for Service Providers

- **Treat Design Thinking as a Capability, Not an Offering:** Don't make Design Thinking a stand-alone offering or sales tool or pitch for service design and delivery to Global Business Services or for outsourcing ... the value of Design Thinking in this industry is as an integral part of the way you work, operate, and partner with clients.
- **Integrate Design Thinking with Execution:** This is what makes the use of Design Thinking in the outsourcing industry unique: the opportunity to bring together the generation of ideas that are focused on end-user experience and business context together with existing methods for execution.
- **Tap into Your Global Delivery Network:** Tap into that global delivery network of resources. As people are looking for new opportunities, what can they do to support design thinking research, prototyping, project management, etc.? The global capability of outsourcing service providers is unique and different from creative firms that are not as globally located.
- **Avoid the Jargon:** Clients and stakeholders that are not used to Design Thinking are finding some of the constant use of “jargon” frustrating. Keep it simple and straightforward.
- **Cultural Fit:** Service providers need to understand how “ready” the client is for the empathetic and “human orientation” of Design Thinking. We heard from some clients that some methods were “silly” and “uncomfortable.” It's a tricky balance that needs to be well managed to ensure people feel it is a worthwhile exercise. Match the clients' culture, and learn how to best work with them – pace, terminology, readiness for change, etc.
- **Revisit Talent Development:** What skills and capabilities do people who are looking for and solving problems versus executing transactions need to have, and do you have them or are you developing them in your staff? “Traditional BPO is defined by layers; we have to re-interview people to see if they can take on a problem-solver hat,” shared one service provider.

# Additional Research and Information

## “Quick Read” Soundbites and Blogs:

- [How to Get Started with Design Thinking in Shared Services and Outsourcing](#)
- [From Design Thinking to Design Doing: Enabling Design Thinking into Results](#)
- [Don't Blame Middle Management for Change Inertia](#)
- [Petco Makes Plans to Unleash the Promise of Customer Digital Experience](#)
- [How to Get Started with Design Thinking in Shared Services and Outsourcing](#)
- [Why An Outcome-Based Approach Can Shatter the Watermelon Effect of Outsourcing Contracts](#)
- [Time To Call Out Design Studios Papering Over Legacy Cracks](#)
- [Is the Services Industry Ready for a Detour with Design Thinking?](#)
- [Why Design Thinking can save the outsourcing industry](#)
- [Understanding Consumers In Design Thinking Brings Providers, Clients Closer](#)
- [Fostering A Design Thinking Culture](#)

## PoVs:

- [Design Thinking Can Save the Industry from Obsolescence](#)
- [The Rise Of Design Thinking](#)
- [Design Thinking: An Imperative For Successful Analytics](#)

## Blueprint:

- [HfS Blueprint for Design Thinking in the As-a-Service Economy \(2016\)](#)

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# About the Authors



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Barbra earned a Bachelor of Arts degree in English with Honors and was recognized for outstanding leadership in Volunteerism with the Chet Pagni Service Award, from the University of San Diego. She's also completed post-graduate executive leadership work at Northwestern University and Smith College.

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# About HfS Research

HfS Research is The Services Research Company™—the leading analyst authority and global community for business operations and IT services. The firm helps organizations validate and improve their global operations with world-class research, benchmarking and peer networking. HfS Research was named "[Independent Analyst Firm of the Year for 2016](#)" by the Institute of Industry Analyst Relations which voted on 170 other leading analysts. HfS Chief Analyst, Phil Fersht, was named Analyst of the Year in 2016 for the third time.

HfS coined the terms "[The As-a-Service Economy](#)" and "[OneOffice™](#)", which describe HfS Research's vision for the future of global operations and the impact of cognitive automation and digital technologies. HfS' vision is centered on creating the digital customer experience and an intelligent, single office to enable and support it. HfS' core mission is about helping clients achieve an integrated support operation that has the digital prowess to enable its organization to meet customer demand - as and when that demand happens. With specific practice areas focused on the Digitization of business processes and Design Thinking, Intelligent Automation and Outsourcing, HfS analysts apply industry knowledge in healthcare, life sciences, retail, manufacturing, energy, utilities, telecommunications and financial services to form a real viewpoint of the future of business operations.

HfS facilitates a thriving and dynamic global community which contributes to its research and stages several [OneOffice™ Summits](#) each year, bringing together senior service buyers, advisors, providers and technology suppliers in an intimate forum to develop collective recommendations for the industry and add depth to the firm's research publications and analyst offerings.

Now in its tenth year of publication, HfS Research's acclaimed blog [Horses for Sources](#) is the most widely read and trusted destination for unfettered collective insight, research and open debate about sourcing industry issues and developments.

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