Lagos Business School

Customer-Centred Design Toolkit

03 PILOT

LAGOS BUSINESS SCHOOL
PAN-ATLANTIC UNIVERSITY

In collaboration with:

Dalberg

Lagos Business School

Customer-Centred Design Toolkit

The Sustainable and Inclusive Digital Financial Services (SIDFS) initiative of the Lagos Business School, supported by the Bill and Melinda Gates Foundation, engages in research and advocacy projects with the vision to create an inclusive ecosystem for financial services. The initiative seeks to catalyse the financial services landscape by enhancing the evidence base for financial inclusion as well as ecosystem capacity to build sustainable solutions to Nigeria's financial inclusion challenges.

The overwhelming acceptance and acclaim of our annual State of the Market Report (SoMR) has encouraged us to continue to highlight and proffer evidence-based thought leadership to the financial service community. Now we want to move from research to outcomes.The SIDFS team has established a **Prototyping Lab** with the mandate of supporting financial service providers (FSPs) to bring innovative products and services to currently underserved segments. **Through the lab, we hope to expand our role by supporting FSPs to design, test, and launch new solutions to the market for previously untapped customer segments.** This toolkit is part of the lab, and introduces a customer-centered design process that will support FSPs to design innovative and commercially viable products and services that satisfies the needs, motivations, and aspirations of your customers.

We are looking forward to learning from your experience using this toolkit. To share your thoughts and feedback with us, and discuss ways the lab can partner with your team directly, write to sustainabledfs@lbs.edu.ng

Enjoy!

LAGOS BUSINESS SCHOOL
PAN-ATLANTIC UNIVERSITY

In collaboration with:

Dalberg

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Introduction

What is Customer-Centred Design?

Customer-Centred design is a creative problem solving process that starts with your customers, placing their needs at the centre of financial service offerings.

Customer-Centred Design can support financial service providers (FSPs) to develop informed, compelling, and innovative solutions. Customer-Centred Design can be applied to the development of **products, services, processes, messaging, and digital experiences**. It can link each of these elements into a cohesive and meaningful **customer experience**, which is particularly important in the provision of financial services.

Customer-Centred Design is an agile, problem solving process that focuses on **engaging people early and collaboratively testing solutions with them** every step of the way. Design seeks to rapidly move from insights to action by translating learning into concepts that can be tested, adapted, and improved directly with your customers. The goal is to create solutions that satisfy people's needs, motivations, and aspirations and contribute to key business metrics around customer acquisition, engagement, and retention.

LEARN MORE ⇒
Learn how design can improve business performance

"For a banker, it is just a transaction, but [to customers] it is much more than that. The customer context is something that a design process can bring out. We need to move away from the arrogance that we [bankers] know what the market needs"

-Head of Retail Banking, Nigerian Bank

/Introduction

How Customer-Centred Design improves business performance

Design enables FSPs to acquire new customers, retain existing customers, and expand product and service provision.

CHALLENGE

In the last 10 years, new regulations have opened up opportunities for **innovation**, and digital and physical infrastructure developments have led to an increase in **digital financial services and distributed (agent-led) banking systems**. As a result, banks are beginning to create products and services for **new groups of customers** they have not previously served and do not understand well.

BENEFITS

Customer-Centred Design can enable FSPs to understand these new customer groups, providing them with **a competitive advantage** as they bring new products and services to market. This competitive advantage is particularly important in a financial sector such as Nigeria's, where FSPs often reproduce the solutions they see from others in the sector. Developing financial products and services that are deeply grounded in the needs, aspirations, and contextual realities of their customers will support FSPs to **acquire, retain, and expand** product and service provision to new customer groups.

Ways that Customer-Centred Design can improve business performance:

ACQUISITION

Entering new markets
Understanding who to target
Launching new products and services
Acquiring customers or extending base to new segments
Incentivising referrals

RETENTION

Solving customer challenges
Increasing uptake and adoption of products and services
Increasing awareness
Reducing dormancy
Empowering customers

EXPANSION

Increasing up-sell and cross-sell
Increasing engagement
Increasing customer value and loyalty
Reducing cost to serve
Increasing customer lifetime value

/Introduction

How Customer-Centred Design reduces business risk

Through design, FSPs “get it right” faster, reducing overall development time while preserving customer trust.

CHALLENGE

Many FSPs launch products and services to the market after relatively limited customer testing. Teams often make decisions based on their observations of market trends and perceived customer needs, but without directly interacting with their customers. This "launch fast and fix" approach often results in high development (and re-development) costs, low levels of consumer uptake, and may even result in reputational risk as **failed products can irreparably damage consumer trust.**

BENEFITS

Customer-Centred Design **reduces development and long term customer support costs** and wasted development time by bringing customers into the design process early. **Low cost prototyping** is at the heart of the proposed Customer-Centred Design process, helping project teams to continually test and refine their offerings with customers before committing to the full costs of taking a solution to market.

Ways that Customer-Centred Design can reduce business risk:

REDUCE RISK

Reducing overall development time
Reducing wasted development time
Improving the time to getting the product right
Reducing training needed
Reducing customer support costs

/Picture source. *The Human Account Nigeria*

/Introduction

The Customer-Centred Design Process

This process is not linear and will evolve as teams learn more about their customers, the market, and their internal capabilities and priorities. The three design phases that your team should move through to develop informed, compelling, and innovative products are; **Prepare, Prototype, and Pilot.**

Prepare
(3 days)

During this phase, your team will identify the opportunity space and target customer group and gain a preliminary understanding of customers and the market.

OUTPUTS
By the end of this phase, your team will have **defined a target customer group and developed a series of opportunities, concepts, hypotheses, and assumptions** that they will test with customers in the next phase.

⇒ACTIVITIES

Prototype
(28 days)

This is the most dynamic and iterative phase of the design process. During this phase, your team will build a deeper understanding of customers' contexts, needs, behaviours, and motivations. The team will also test concepts and prototypes at increasing levels of fidelity, incorporating feedback and insights for prototype refinement and engagement strategy development.

OUTPUTS
By the end of this phase, your team will have a clear **understanding of their priority customer groups and tested and refined working prototypes, key features, benefits, distribution channels, messaging, and positioning strategies.**

⇒ACTIVITIES

Pilot
(3 -18 months)

During this phase, your team will prioritise features and develop a product roadmap. Your team will launch a minimum viable product (MVP[1]) to high priority customers, measuring and tracking performance indicators and customer feedback, synthesising insights, and course correcting where needed.

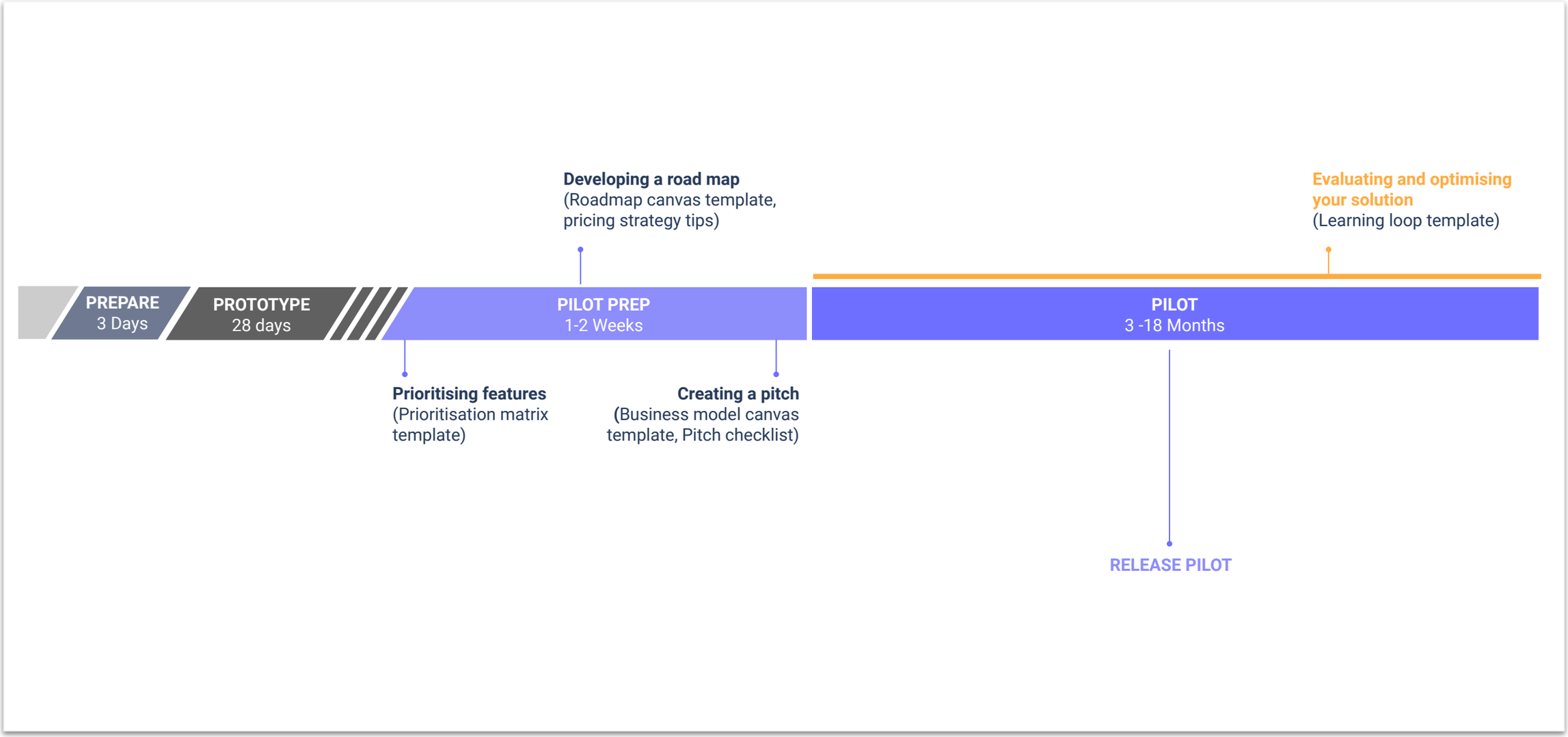
OUTPUTS
By the end of this phase, your team will have **piloted and launched an MVP to market, and aligned on a strategy for gathering customer feedback and evolving their offering** to meet changing needs in the market.

⇒ACTIVITIES

1. *Minimum viable product (MVP): An MVP is a basic version of a product or a service that has the minimum feature set necessary to satisfy early adopters. While an MVP is an actual product, its primary purpose is to gather feedback from customers before investing in developing features or benefits that may not create value in the market.*

/Introduction

The Piloting process



/Introduction

Why focus on prototyping?

Prototyping supports teams to test, learn, and iterate on proposed ideas with customers quickly and cheaply.

Prototyping is a **structured way to check that you have a *desirable, feasible, and viable* product, service, or marketing and messaging strategy before rolling it out or making a significant investment** in its development. Prototypes can take many forms; the only shared characteristic is that **prototypes are all tangible forms of a team's ideas**.

Prototyping helps teams to **learn, iterate, and move forward quickly,** and therefore is an incredibly impactful part of the Customer-Centred Design process, with a high return on investment (ROI).

IBM's adoption of prototyping resulted in:

2x
speed to market

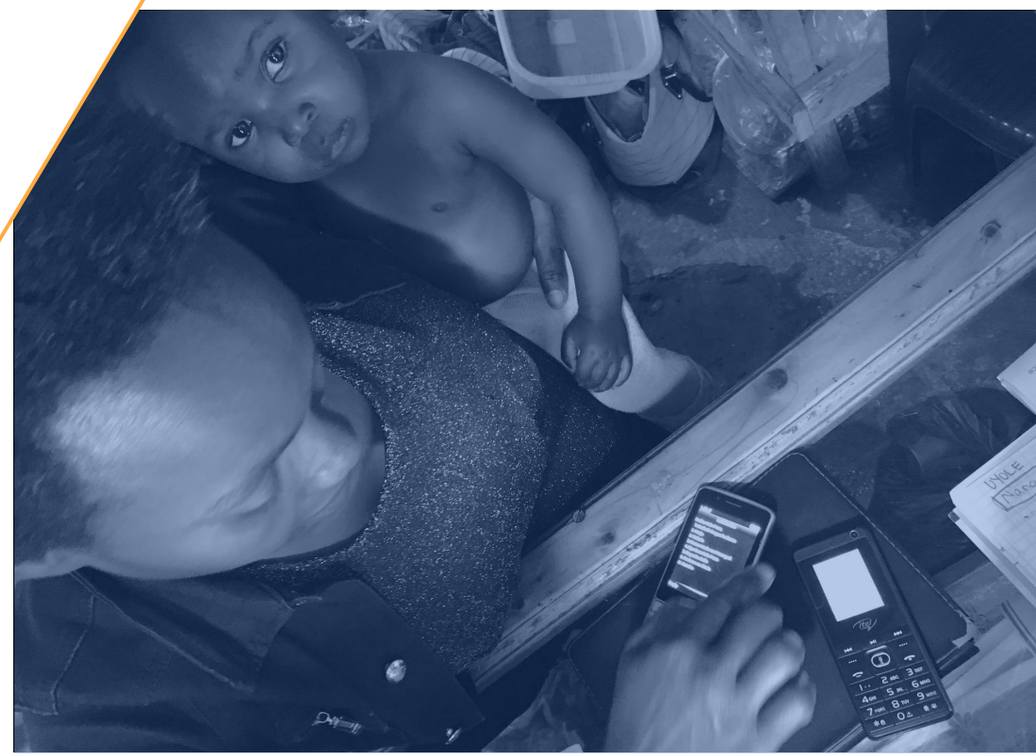
33%
reduction in design time

75%
reduction in development time

300%
increase in return on investment

/Source
2019 Forrester Total Economic Impact Study

LEARN MORE ⇒
Learn more about prototyping and the design process



/Picture source. *The Human Account Nigeria*

/Introduction

How to use this toolkit

This toolkit is a dynamic resource, helping your team to both learn about, and, practice design. Use the following signposts to help you:

Structure. This toolkit is structured in three parts. Each part uses a different color: Dark blue for Phase 1 - Prepare, Cyan for Phase 2 - Prototype, and Purple for Phase 3 - pilot.

Examples. To make sure you understand what each activity should result in, follow the eye icon to read examples of the activities in practice.

Quotes. Learn from people in the sector who have followed a customer-centric approach and hear from customers. Find quotes throughout the toolkit to illuminate other stakeholders' experiences.

LEARN MORE ⇒

Learn more. Throughout this toolkit, you will find highlighted resources that will complement the theoretical content. Follow the learn more buttons to access supplementary content (e.g., market analysis)

ACTIVITIES ⇒

Activities. Throughout this toolkit, you will find a series of activities that will help you put the theory into practice. This icon highlights hyperlinks to activities.

Link

Links. Throughout this toolkit, you will find different resources that will complement and facilitate the understanding of the content and the development of activities. Follow the underscored words in cyan to access these.

/Resource

Resource pages. Throughout this toolkit, you will find special pages for extra resources that will facilitate the development of activities. Read and print the resources when working in teams. Resources are not working files but reading material.

/Download worksheet

Downloadable files. Activities are enhanced by templates that will guide your team through the step by step processes. This button will take you to downloadable, editable and printable resources.

/A note on...

Notes. Special things to keep in mind when developing an activity or using a tool can be found on the far right of the page over a grey background. Read these to enhance your work.

PRO TIP

Tips. Some activities will provide you with tips on how to expand your thinking and reach when engaging with the customer-centricity process.

Customer-Centred Design for emerging segments:
Using designing for Nigerian women as an example

The Customer-Centred design process **can be applied to design for any customer group,** however, to ensure that the activities, tools, and resources are actionable, the toolkit is oriented around a practical example: designing a financial product for Nigerian women. Because **women are not a homogenous group**, and it is impossible to design a product that appeals to all women, the toolkit will take your team through the steps required to identify high priority segments for your products and services. **Teams can use the customer centered design process in this toolkit to design for any segment or market.** The toolkit uses Nigerian women as an example for the following reasons:

1. While **women make up half of the Nigeria population, they continue to be the most financially excluded population sub-group.** 46.6% of women are unbanked and 19.5% of women are underbanked, creating a potentially untapped market of approximately 33 million women over the age of 15[1].

2. Globally women control over US$20 trillion of total consumer spending and **make or influence 80% of buying decisions [2].**

3. Bridging the gender gap in financial inclusion is a **national priority,** and one of the focuses of Nigeria's revised National Financial Inclusion Strategy (NFIS 2.0)[3]

4. This case study draws on The Human Account data (described below). The Human Account is one of the first, nationally representative data sources available that helps FSPs to understand the unique characteristics of women, and **identify opportunities for commercially viable financial products that may suit them.**

The Human Account is a dataset developed by Dalberg in partnership with Lagos Business School (LBS) in 2018. With over 600,000 data points, The Human Account provides a more realistic and actionable understanding of people's financial lives in Nigeria. This toolkit incorporates data, qualitative insights, and human stories from The Human Account.

Picture source. *The Human Account Nigeria*
1. *Lagos Business School and Efina*
2. *Dalberg analysis*
3. *The Central Bank of Nigeria, National Financial Inclusion Strategy report*

LEARN MORE ⇒
Visit The Human Account Nigeria website

"Yes, I am ready as a woman to work hard, and so I am very confident with handling my money..."

-Fatimoh (45), Ebutta Metta, Lagos

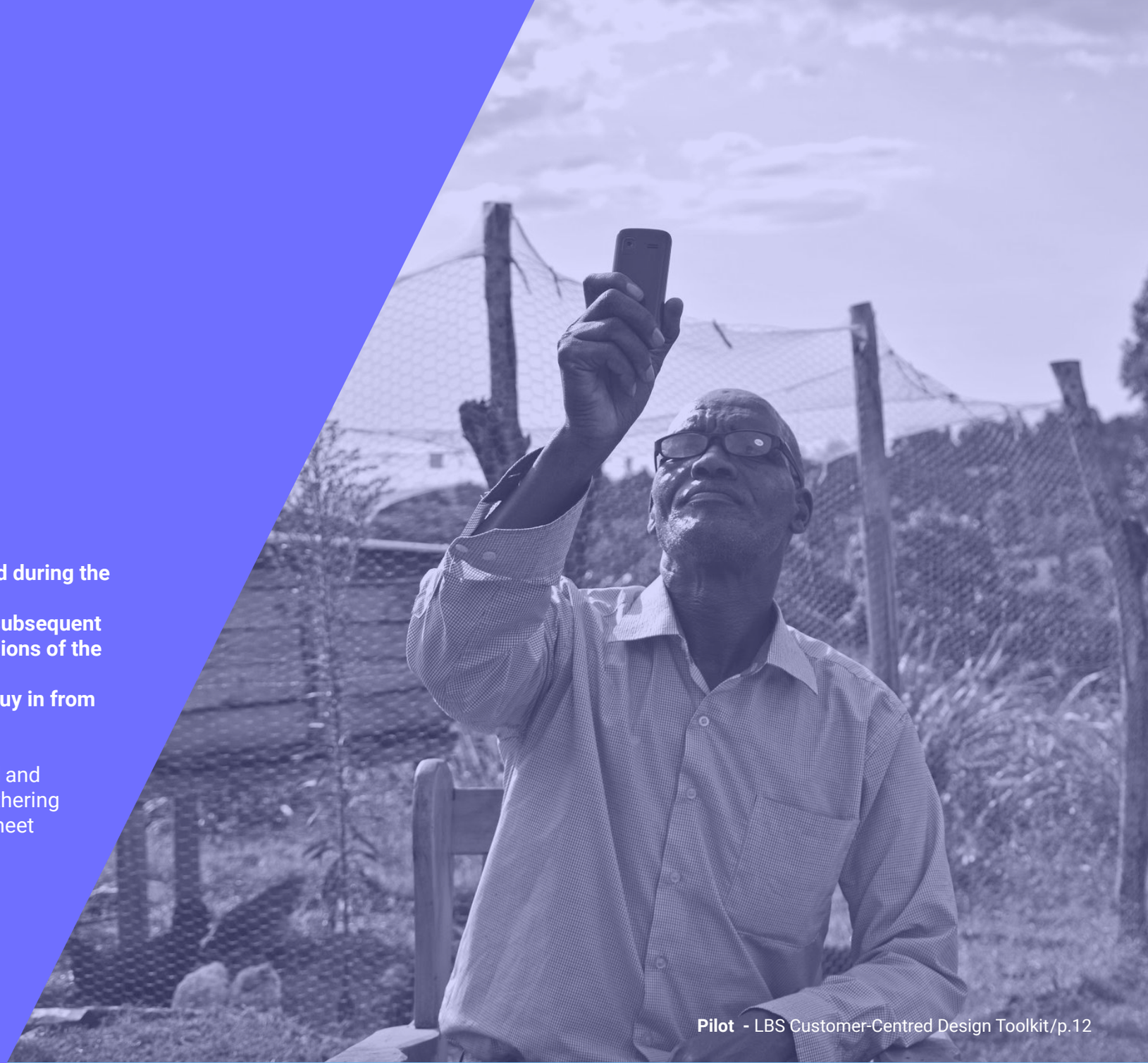
/Phase 3

Pilot

The “Pilot” phase of the process focuses on:

1. **Selecting high priority features to be piloted during the MVP launch**
2. **Developing a clear roadmap showing how subsequent features will be rolled out into the next versions of the product**
3. **Creating a well structured pitch to ensure buy in from internal teams and external partners.**

By the end of this phase, the team will have piloted and launched an MVP, and aligned on a strategy for gathering customer feedback and evolving their offering to meet changing needs in the market.



Intro

Pilot

⇒ACTIVITIES

1. *Prioritising features*
2. *Developing a roadmap*
3. *Creating a pitch*
4. *Evaluating and optimising your solution*

A customer-centric design approach to piloting ensures that your solution can be responsive to the needs, motivations, and aspirations of your customers while satisfying internal business goals & KPI's.

The phase introduces a customer-centric approach to pilot launch and evaluation. The phase begins with a structured **prioritisation** and **roadmapping** process that supports your team to let go of any existing biases or "pet projects" and focus on delivering an MVP that brings together strong customer desirability and implementation feasibility.

Once your team has decided roles, responsibilities and timeframes, you can then move on to generating **internal buy-in**. This stage is critical as this is likely the first opportunity for the development team to share their process and findings with senior management or executive level stakeholders. The guide will walk teams through how to create a robust **business model** and compelling internal **pitch** to secure buy-in and investment in the MVP and eventual full roll-out.

Finally, while FSPs' teams will have internal processes for **monitoring** the success of a solution, a customer-centred approach ensures that **quantitative data** and **customer insights** are collected and acted upon alongside these processes using the following framework:

Prioritising features

Prioritisation matrix worksheet

01

1/ Prioritising features

Decide which parts of your solution you will take to market

Feature prioritisation involves breaking your solution into its component pieces to determine which parts of the solution you will take to market. Feature prioritisation is one of the most important and challenging activities that teams can undertake because they will have become attached to certain features at this point in the design process.

Ensure your team aligns on the overall objective of the solution. Then prioritise features based on a combination of **customer desirability** (which you will have identified through your research) and **feasibility or ease of implementation** (which you can determine based on an internal assessment). This approach will help your team to move forward logically and with limited personal bias.

Participants

Product development team, research team, software development team, educative team, data analytics team, executive team, compliance and risk management team, marketing team

"If the team doesn't agree on the big picture, then they certainly won't agree on a single feature."

Richard Banfield - Author "Product Leadership"

/A note on de-prioritised features

Desirability and feasibility change over time, so keep track of de-prioritised features

As **customers become more comfortable** with an innovative solution, and **improved technology or revised policy and regulation** continue to reduce the barriers to implementation, note that the desirability or feasibility of a feature may change. Continuing to collect customer insights *(see evaluating and optimising your solution)* and staying on top of internal dynamics and market trends will enable your team to take advantage of these changes.

1/ Prioritising features

Step by step: Map features according to customer desirability and feasibility

BEFORE

1. Review *data capture* and prototypes: Your team should review the data capture sheet and all of the assets produced during prototyping.

DURING

2. Break the prototypes and research findings down into standalone components: Break the prototypes and other product or service features apart, separating them out into A) individual product/service features, B) distribution channels, C) marketing and messaging strategies. Note each component on a post-it note, using a different colour post-it for each category.

3. Map components on the *prioritisation matrix*: The facilitator will then select post-its one at a time, reading the component out. The team will discuss where the component should fall on the prioritisation matrix based on:

> **A. Customer desirability:** How interested were customers in this component? What are the clearly defined value propositions or use cases that would support it?
>
> **B. Ease of implementation:** How easily can the FSP launch this component? What are the costs associated with launching this component?

NB: At this stage you may not have any features in the lower quadrants of the map as you have already de-prioritised those features through synthesis.

4. Discuss the four quadrants: Discuss as a team whether you all feel comfortable with the placement of each component in the 1) do now, 2) do next, 3) do last, and 4) do never quadrants. Check that each component is truly standalone. Can all of the components in your low hanging fruit quadrant work without components in other quadrants? Circle components in any quadrant that the team feels are required to make your solution feasible from a technical or customer onboarding perspective.

AFTER

5. Develop a project *roadmap*: Turn your matrix into a structured roadmap using the process found.

/Example

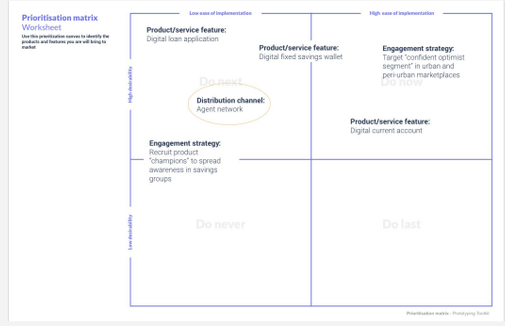
2. Break prototypes into components

A. Product/service feature:
Fixed savings wallet

B. Distribution channel:
Agent network

C. Marketing and messaging strategies:
Target "confident optimist segment" in urban and peri-urban marketplaces focussing efforts on urban and peri-urban marketplaces

3. Map features on the *prioritisation matrix*.



*View **example prioritisation matrix***

Prioritisation matrix
Worksheet

A prioritisation matrix will help you compare choices and understand feature tradeoffs based on specific criteria so that you can figure out which to prioritise. The prioritisation matrix provides your team with a reliable process to create alignment, resolve disagreements, and determine which features and service components to focus on for your MVP.

Difficulty level
Medium

Time
2 hours

Supplies
Prioritisation worksheet, pens and post-it notes

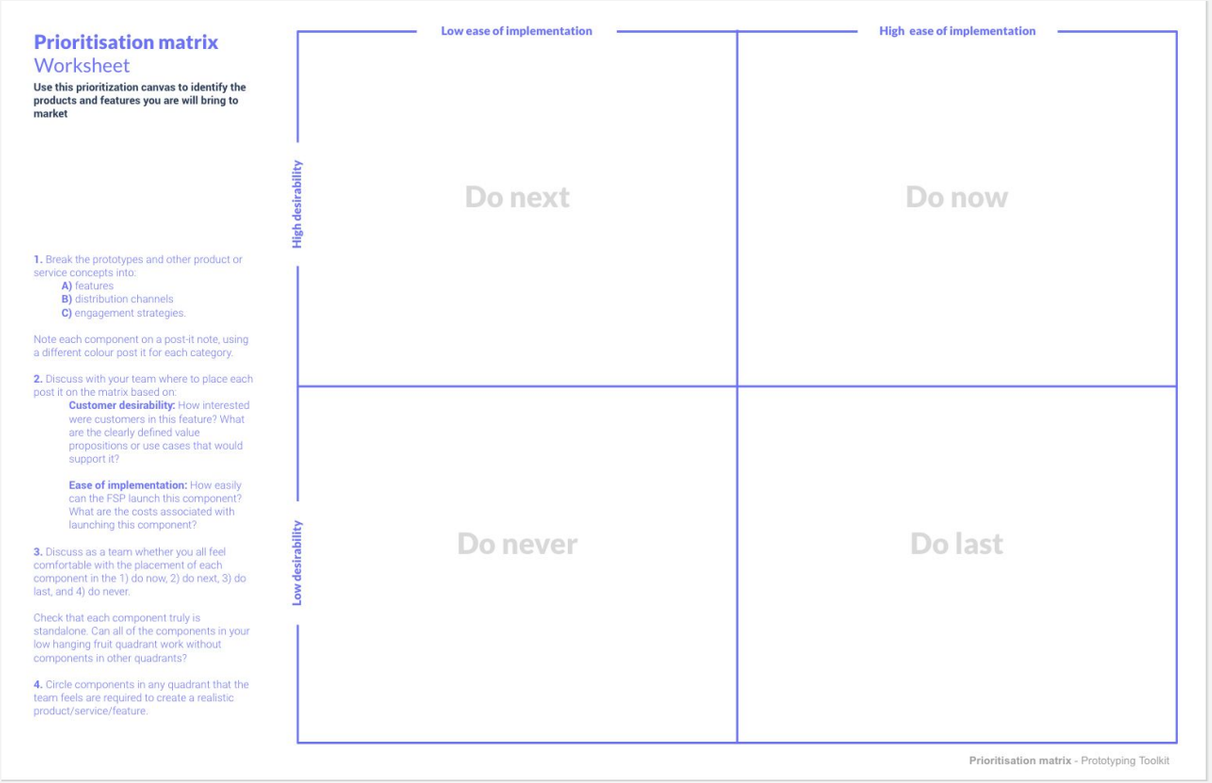
Participants
Product development team, research team, software development team, educative team, data analytics team, executive team, compliance and risk management team, marketing team

/Download worksheet

PRO TIP

Prioritisation criteria

You can modify the prioritisation matrix axes by changing the proposed criteria to the internal priorities defined during the Prepare stage.



Developing a roadmap

Roadmap canvas worksheet
Pricing strategy tips

02

2/ Developing a roadmap

Plan for the MVP and subsequent versions of your solution

Developing a roadmap is the process of **listing the features or solution components that will be part of each version** of the solution you are launching to the market. The return on investment of the design process hinges on reducing unnecessary redevelopment costs. **Releasing features incrementally** ensures that the team keeps redevelopment costs low, ultimately increasing profitability.

The product roadmap also defines the **timeframes, roles and responsibilities** for subsequent versions of the product. These operational plans and feature lists must be flexible. They should be revisited often to ensure the product and plans for scale align with current customer needs, aspirations, and concerns.

Participants

Product development team, research team, software development team, educative team, data analytics team, executive team, compliance and risk management team, marketing team

"When we did the limited launch, we took the product to people to use, and we had a lot of feedback that it was complex; we had a lot of failure issues..."

-Head of Retail Banking, Nigerian Bank

/A note on MVPs

Be strict when determining the "minimum" version your customers need

Building an MVP is a balancing act. MVPs allow you to understand how your solution will perform when you launch it in full. Ensure your MVP has enough features to keep customers interested and to beat the competition, however, **do not invest too much**. Not only might this affect your **solution's profitability**, but it may also affect uptake and adoption. Users may be **overwhelmed by an overly complicated** solution, particularly when you are entering a new market.

2/ Developing a roadmap

Step by step: Create a realistic project roadmap

BEFORE

1. Review the *prioritisation matrix*: Each team member takes 20-30 minutes before the meeting to review the prioritisation matrix and the prototypes and research assets.

DURING

2. Define your MVP: Discuss the components in the four quadrants of the ***prioritisation matrix*,** paying specific attention to the components the team has circled. Agree on which components should be part of the MVP. Remember that the MVP is a basic version of the product or a service that has the minimum feature set necessary to satisfy early adopters. List the components under the MVP category on the product roadmap. Referring back to your customer insights to help resolve any differences of opinion as to what will satisfy users.

3. Map out subsequent versions: Review the remaining components. Start with any remaining "do now" post-its; these should likely be included in the next enhancement of your solution. Look at the "do next" and "do last" quadrants and allocate components under version 1 and version 2 of the product roadmap. Discuss as a team to ensure that everyone is aligned with these decisions.

4. Set timelines and assign responsibilities: Set realistic timelines and key milestones for when you will execute and launch the MVP and each subsequent version. Identify the team leader responsible for tracking the progress of each launch, and the core team members who will be involved at each stage.

AFTER

5. Begin developing the *business model*: Propose a pricing strategy (review the ***pricing strategy tips***). Estimate customer uptake for the MVP and each subsequent version based on the research in the ***data capture*** and the specific features, distribution channels, and marketing and messaging strategies you have prioritised.

6. Get management buy in: ***Create a pitch*** that you can share with your superiors and use for project planning using the process.

Roadmap canvas
Worksheet

The roadmap will help your team map out the features or service components it plans to introduce over time and captures the sequence for launching new versions or introducing new features to the product.

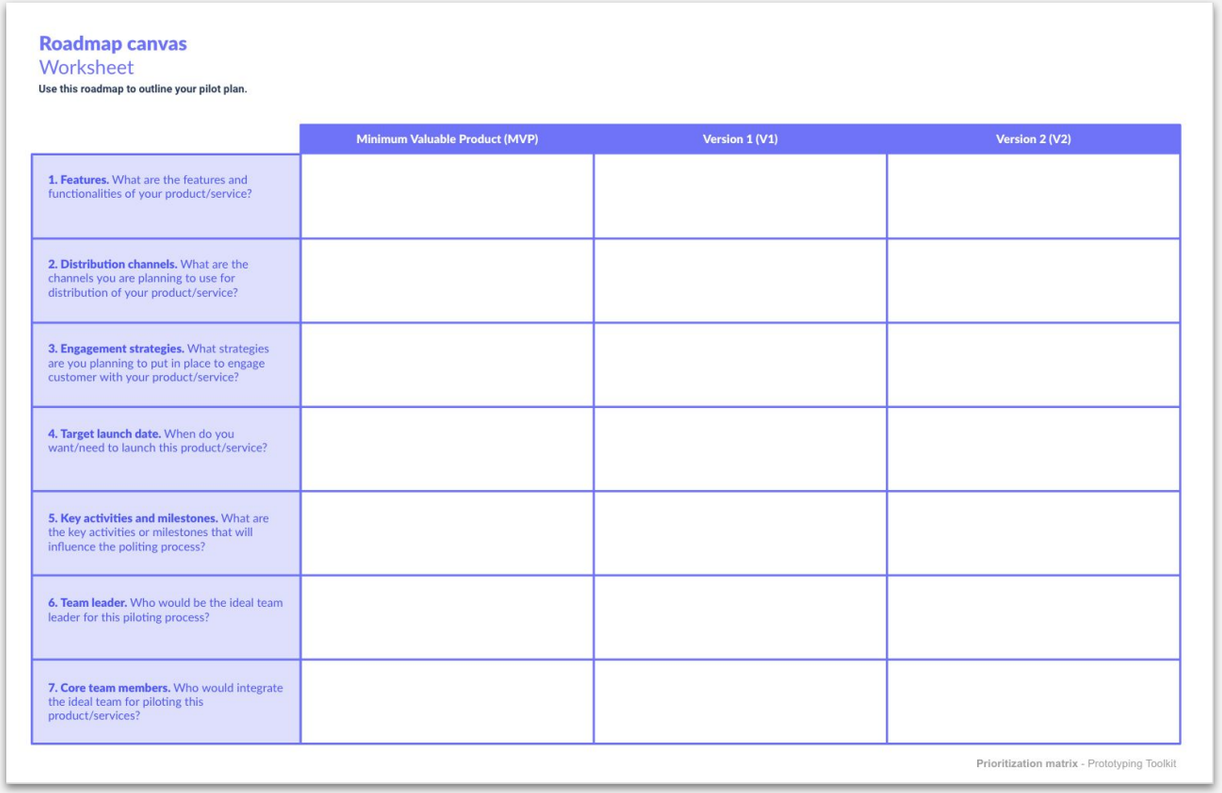
Difficulty level
Medium

Time
2-4 hours

Supplies
Roadmap canvas, pens and post-it notes

Participants
Product development team, research team, software development team, educative team, data analytics team, executive team, compliance and risk management team, marketing team

/Download worksheet



Roadmap canvas
Worksheet
Use this roadmap to outline your pilot plan.

	Minimum Valuable Product (MVP)	Version 1 (V1)	Version 2 (V2)
1. Features. What are the features and functionalities of your product/service?			
2. Distribution channels. What are the channels you are planning to use for distribution of your product/service?			
3. Engagement strategies. What strategies are you planning to put in place to engage customer with your product/service?			
4. Target launch date. When do you want/need to launch this product/service?			
5. Key activities and milestones. What are the key activities or milestones that will influence the politing process?			
6. Team leader. Who would be the ideal team leader for this piloting process?			
7. Core team members. Who would integrate the ideal team for piloting this product/services?			

Prioritization matrix - Prototyping Toolkit

Pricing strategy tips

FSPs should select a pricing strategy in line with their product or service offering and their overall business objectives. Potential pricing strategies include:

1. Regulator recommended pricing: Charge the price recommended by the CBN. To ensure financial inclusion, the CBN offers guidelines on what FSPs should charge customers for certain financial products and services. These are typically not mandatory however, they can be a good starting point. FSPs should also ensure that their offering remains commercially viable when using this strategy.

2. Cost-plus pricing: Calculate the cost to deliver your services and add a margin for a profit. This is a straightforward pricing strategy, but it can cost you money because you may end up setting a lower price than what customers are actually willing to pay.

3. Value-based pricing: Set a price based on the value (benefits) your service provides. This strategy involves understanding what benefits your product or service provides to your customers and, in turn, what they're actually willing to pay for it.

4. Competitive pricing: Charge according to what the competition charges. While competitors can give you a good idea of where to start, remember that your business is unique. Just because someone is charging a specific price doesn't mean you should match or undercut them.

5. Market penetration strategy: Set prices low to grow market share, then increase your rates over time as your customer base grows. This strategy may impact the FSPs ability to cover costs in the short term.

6. Premium pricing: Set a high price and lower it over time. This type of pricing strategy works if you are bringing something new to the market. It allows the FSP to maximise profits before competitors replicate their offering. The big drawback, however, is that if the FSP can't justify the price, they might struggle with market penetration.

7. Tiered pricing: Offer clients the option of choosing between different levels of service or packages. Each package offers incrementally more value, and the difference in price gives the consumer a chance to consider what they are willing to spend.

/Pricing strategies. *Adapted from Jobber academy "PRICING STRATEGIES FOR SERVICE BUSINESSES"*

Creating a pitch

Business model canvas worksheet
Pitch checklist

03

3/ Creating a pitch

Generate senior-level buy-in to unlock the resources required to implement and launch

Decisions are not made unilaterally at most FSPs, particularly if they are focused on customer-facing interactions. These types of decisions generally require input from a wide variety of functions, including sales and compliance. Getting internal buy-in for your solution requires the team to share their findings in a simple and easy to digest format, demonstrating the customer desirability, viability, and feasibility of your proposed solution.

The focus on feasibility will be magnified at this stage, as internal teams will want to understand the **business model** behind your solution and get a sense for the expected revenues and costs associated with implementation and launch. Your team can use the ***business model canvas*** to capture the details that matter most to decision-makers and create the best case for implementation and investment.

Participants

Product development team, software development team, educative team, data analytics team, marketing team

"Your biggest sell is to who owns the balance sheet in the organisation."

-Absa Bank, South Africa

/A note on storytelling

Share your process using photos and customer stories

In an ideal world, you have managed to convince senior members of your team to join you in community research and participate in the prototyping activities. This is, however not always possible in FSP teams.The pitch, therefore, is your opportunity to **share your process and experience with the people who could not attend**. Photos and stories showing the lived experiences of the people you spoke to will support and make the most persuasive case for further investment.

3/ Creating a pitch

Step by step: Tell a story using your evidence

BEFORE

1. Gather all project documents: Review ***data capture***, prototypes, and project ***roadmap***. Ensure all team photos have been collected and shared.

DURING

2. Articulate your value proposition: As a team, populate the ***business model canvas.*** Start in the middle and fill out the value proposition.

3. Clarify your target audience and engagement strategy: Move to the left side of the canvas, completing the target customer, engagement strategy, and distribution channels.

4. Identify your solution requirements: Focus on the right side of the canvas and complete the key partners. These could be external, for example, agents, community advocates, etc, or internal, for example, product development teams, credit scoring services, etc. Complete key activities and key resources.

5. Surface your revenue and cost drivers: Complete the lower part of the canvas, using all previous documentation to list revenue and cost drivers. If possible, create a short term (1 year) or longer term (3-5 year) ***financial projection*** using the template**.**

AFTER

6. Tell the story: In some cases, the team will now have the perfect document to share with senior management and can use the canvas to show the business model at a glance. For a full pitch presentation, create a simple slide presentation including all the categories on the canvas and showing data, quotes, findings, insights, and photos of prototypes in action to persuade senior management to invest in the solution.

PRO TIP

Creating well-informed financial projections

Unlike financial statements, which report actual past performance, financial projections are well-informed estimates of expected future performance. Some tips that will support you as you create your financial model:

Income statement: Review your existing financial statements. Base your revenue projections and major costs on past performance of similar products, services, or marketing and messaging strategies. If you believe your solution is significantly different, investigate new technologies and consumer trends, or try to measure the progress of your competitors. Note down all assumptions and be able to justify the choices you have made to senior management.

Balance sheet and cash flow statement: Work closely with your accounting or finance department. These inputs should be readily available from the general business balance sheet and cash flow statement.

ACTIVITIES ⇒

Use the Business Canvas to document your thinking

Business Model Canvas
Worksheet

The business model canvas is a one-page overview for describing, analysing, and designing business models. It offers the rationale for how your team will create, deliver, and capture value. As such, the business model canvas is a great starting point for thinking through and discussing the business model of your solution.

Difficulty level
High

Time
1 week

Supplies
Business model canvas, research documentation, pens and post-it notes

Participants
Product development team, software development team, educative team, data analytics team, marketing team

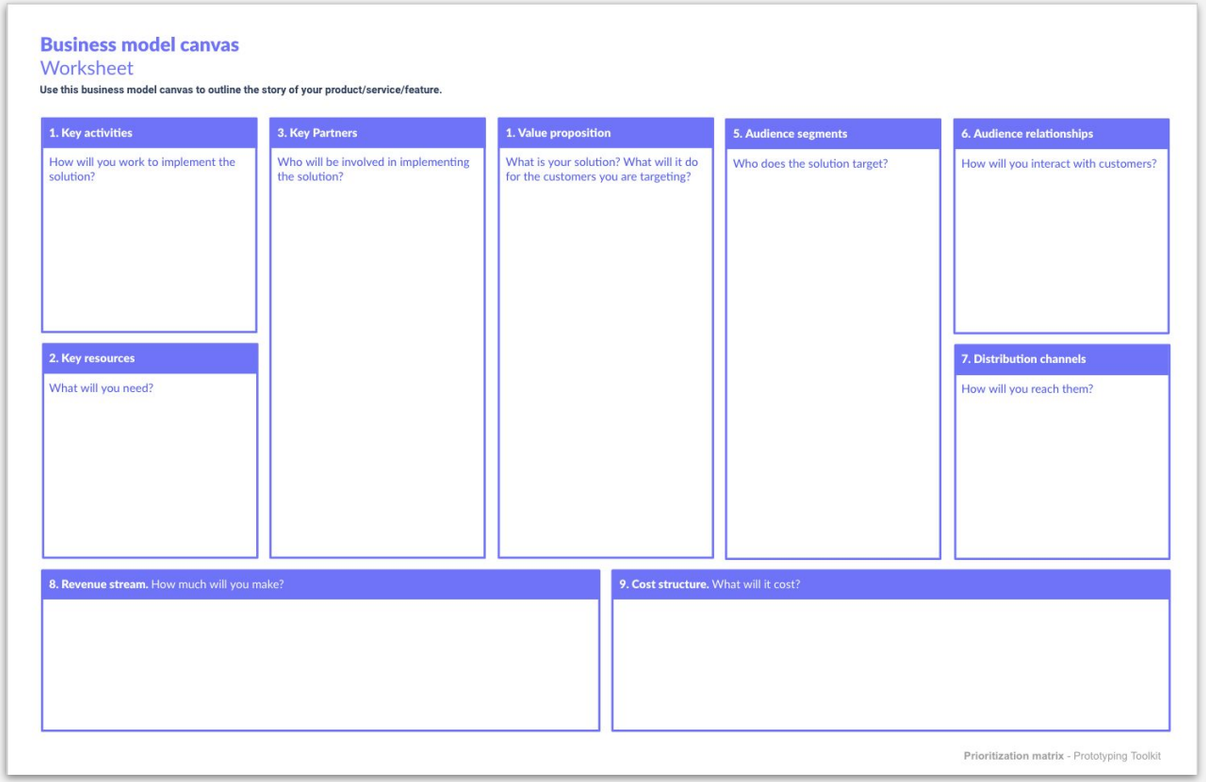
/Download worksheet

/Business Model Canvas. *Adapted from Osterwalder A., Pigneur Y (2010) Business Model Generation.*

PRO TIP

Other digital tools

You can also use digital tools like Mural.co or Canvinazer.com to create your own Business Model Canvas.



Tell the story of your product using your research evidence

Create your own pitch and tell everyone the story behind your product. You can include:

WHY:
- ❑ FSP top priorities
- ❑ Opportunity landscape
- ❑ How might we statement

WHO:
- ❑ Intro to potential user
  - ❑ Challenges
  - ❑ Needs
  - ❑ Desires
  - ❑ product opportunities
- ❑ User personas
- ❑ Customer segment characteristics

WHAT:
- ❑ Product description
- ❑ Intro to product concepts
- ❑ Product value proposition
- ❑ Product features align to user insights
  - ❑ Product screens and prototypes
- ❑ Business case
  - ❑ Positioning
  - ❑ Revenue model/pricing strategy
  - ❑ Economic sustainability plan

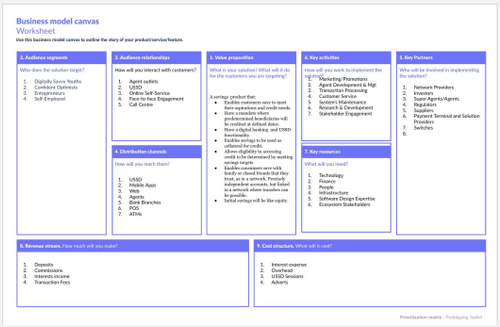
HOW:
- ❑ Customer base
- ❑ Acquisition strategy
- ❑ Evaluation plan
  - ❑ Features
  - ❑ Milestones
- ❑ Piloting roadmap

Bring your story to life by showing your users' perspective upfront. To do so consider adding to your pitch:

- ❑ Customer/user images
- ❑ Customer/user stories
- ❑ Customer/user quotes
- ❑ Graphs and diagrams
- ❑ Product visualisations (prototypes)

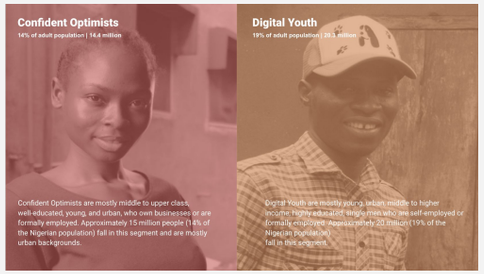
/Example

Business model canvas



View example Business model canvas from customer-centricity training workshop.

Pitch



View example Pitch from customer-centricity training workshop.

Evaluating and optimising your solution

Learning loop worksheet

04

4/ Evaluating and optimising your solution

Use evaluation as a tool to learn, adapt and innovate further

FSPs have experience in using internal data to measure output (number of accounts, number of transactions, etc.) and outcome (return on investment, cross-selling, etc.) metrics. These metrics continue to represent an important component of the solution evaluation process; however, **engaging with customers helps you understand the "why"** behind the numbers.

By using a customer-centred approach to evaluation, your team will be able to understand customer pain points and barriers to uptake, allowing you to evolve your solution and rapidly improve on your performance to achieve key KPI's.

Participants

Product development team, research team, software development team, educative team, data analytics team, finance/accounting team, marketing team

"When it comes to data, we tend to think in dichotomies: quantitative and qualitative, objective and subjective, abstract and sensory, messy and curated, business and user experience, science, and story... Using data for design does not have to be an either/or; instead, it should be 'yes, and.'"

-Pamela Pavliscak, Change Sciences

/A note on

Creating a culture of continuous improvement

Culture reflects what an organisation considers important. Creating a culture of continuous improvement means that staff feel **safe to try new things** in pursuit of improvement, and rely on feedback loops to validate their assumptions and hypotheses. They feel safe to acknowledge when and where problems arise and use what others might deem **"failures" as an opportunity for learning and improvement**.

4/ Evaluating and optimising your solution

Step by step: Use internal data and customer research to understand performance

BEFORE

1. Align on periodic review cycles: Product, service, or marketing and messaging strategy evaluation must be ongoing activity, with teams regularly monitoring key performance indicators to ensure steady progress towards targets.

DURING

2. Ask questions that matter: For each of the different evaluation approaches below, ask the following questions:

- **A)** What was supposed to happen?
- **B)** What actually happened?
- **C)** Why was there a difference?
- **D)** What can we learn from this?

3. Track indicators and progress: Review targets against internal key performance indicators, for example, onboarded customers, active customers, transaction volumes, etc. Complete the bottom of the ***learning loop tool.***

4. Review outputs and impact: Review the financial statements focusing on revenues, net income, and any major deviations in costs. Complete the left side of the learning loop tool.

5. Collect stories and insights: ***Use individual and small group discussions*** , and particularly customer ***journey mapping*** to understand customer experiences and engage with customers. Complete the top of the learning loop tool.

6. Prioritise feedback and solutions: ***Synthesise your findings*** and ***ideate*** possible solutions. Where necessary, prototype new products, services or marketing and messaging strategies features using ***low and high fidelity prototyping***, and conduct another round of feature prioritisation using the ***matrix***. Complete the right side of the learning loop tool.

AFTER

7. Update roadmap and business canvas: Update the ***roadmap*** and ***business model canvas*** to reflect the changes your team has agreed to. Refine the financial projections to reflect actual performance.

ACTIVITIES ⇒

Use the Learning loop worksheet to document your thinking

Learning Loop
Worksheet

The Learning Loop is a tool that will help your team understand how the work you do now is intended to inform what you do next. Using this tool can help your team understand the different phases involved when trying to implement your ideas. By reflecting on the process involved, it can help you to understand what to do next. Learning is an ongoing cyclical process.

Learning loop/. *Adapted from IDEO (2011) Deliver: Create a learning plan, p145. In: IDEO, Human-Centered Design Toolkit. Edition – 2. London: IDEO.*

Difficulty level
High

Time
2 weeks

Supplies
Internal data, customer research data capture tool

Participants
Product development team, research team, software development team, educative team, data analytics team, finance/accounting team, marketing team

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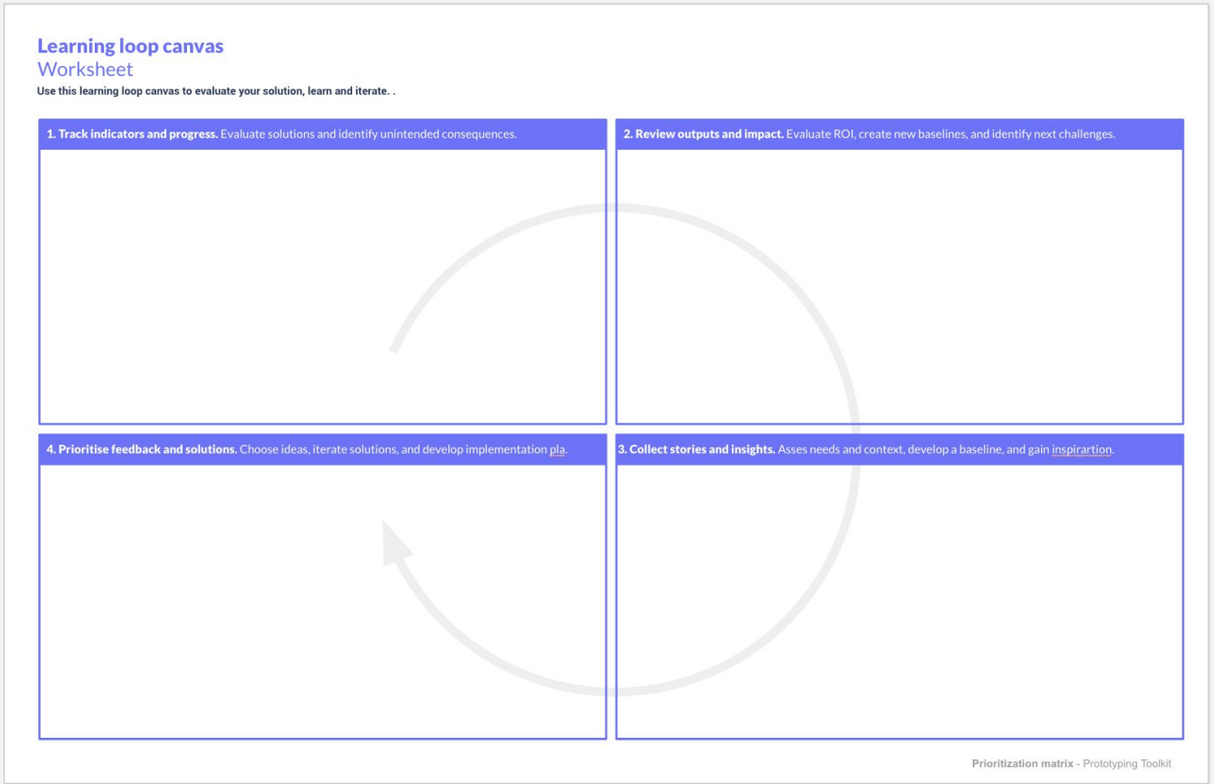

Pilot
Activities checklist

- ❑ **Prioritise features**
  Tool: Prioritisation matrix
- ❑ **Develop a roadmap for MVP development**
  Tool: Road map canvas
- ❑ **Define a pricing strategy**
  Resource: Pricing strategy tips
- ❑ **Create a pitch**
  Tool: Business model canvas
  Resource: Pitch checklist
- ❑ **Evaluate and optimise your solution**
  - ❑ Align on periodic review cycles
  - ❑ Track indicators and progress
    Tool: Learning loop canvas
- ❑ **Collect stories and insights**
  Resource: Research tools
- ❑ **Prioritise feedback and solutions**
  Synthesise your learnings
- ❑ **Update Road Map and Business Canvas**
  Tools: Roadmap canvas and Business model canvas

/Annex

Glossary of terms

/Annex

Glossary of commonly used design terms

B

/Brainstorming: The process of generating, developing, and communicating new ideas. Brainstorming typically builds on a base of research and common understanding of the design challenge.

C

/Challenge/opportunity: Some common examples for financial service providers include (1) challenges with an existing product, service, channel, strategy, etc., or an important question tied to business strategy or KPIs (2) opportunities to enhance an existing product, service, channel, target customer group, etc. (3) greenfield opportunities to build new product, channel, expand to new customer group, etc.

/Customer journey maps: A customer journey map is a framework that can help FSPs explore key moments for different stakeholders as they experience a solution. A journey map can, for example, lay out: how customers first become aware of a solution; their initial interactions and engagement; their repeat use; and the longer term impact of the product and opportunities for cross/up-selling.

/Customer segmentation: A data analysis approach that clusters or groups respondents based on common survey responses. Statistical customer segmentation uses a bottom-up approach that allows the segment boundaries to be delineated based on similarities and differences in responses, rather than assumptions made by the teams analysing the data. However, FSPs often use the term segment to describe population subgroups differentiated by one or two demographic variables, for example, urban people, women, high net worth individuals, youth, etc.

E

/Ecosystem map: A visual representation of the relationships that shape a person's economic and financial life. Ecosystem maps can help FSPs understand the most important stakeholders or channels to influence someone's financial decision-making as well as key gaps that limit their financial well-being.

H

/Hypotheses and Assumptions: A Design Hypothesis is a supposition or proposed explanation based on limited evidence. An assumption is a statement, idea, or understanding taken as true. Hypotheses and assumptions are either proven or disproven using research and experiments.

The results of these experiments tell you whether you are really understanding your user's behaviour and how accurately you understand the potential or the pitfalls of your concept.

Every hypothesis or assumption that is tested has the potential to generate new insights for future rounds of your product's development. This is why we believe forming them based on research and evidence is fundamental to customer-centric design.

/Household financial map: Captures how customers currently manage their finances in response to a range of possible scenarios. This participatory exercise draws out experiences, relationships, and attitudes that drive financial decisions. Household financial maps help FSPs to better understand their customers, their existing financial management practices and tools and may surface opportunities for FSP intervention.

I

/Ideation Session: A creative approach by which individuals or groups generate and share ideas without criticism or judgment in order to promote uninhibited thinking.

/Insights: Learnings or patterns from research expressed as succinct statements. Insights offer a new perspective, even if they are not new discoveries. They are inspiring and relevant to the design challenge.

/Iterative design process: The cycle of learning, creating, prototyping, and measuring to achieve a desired goal. Each repetition of the process is called an iteration. Designers typically go through several rounds of iteration in which they present their ideas and prototypes to customers and then make incremental changes based on their feedback. This process leads to ideas that are more in tune with customers needs.

M

/Minimum viable product (MVP): A basic version of a product or a service that has the minimum feature set necessary to satisfy early adopters. While an MVP is an actual product, its primary purpose is to gather feedback from customers before investing in developing features or benefits that may not create value in the market.

P

/Personas: Archetypal characters that represent how different customers might engage with a product or service in a similar way. Personas can help FSPs better understand specific sub-segments of the population.

/Product concept: A concept is an idea with a rationale that supports how the solution you are designing will overcome a problem or challenge. A concept is more polished and complete than an idea, represent a compelling solution by adding specific details to how that idea can be realised.

/Prototyping: Creating a sketch or proof of concept test with customers in order to learn from them. A prototype helps designers understand, explore, and communicate what it feels like to engage with a solution in real working conditions rather than theoretical conditions.

/ Low-fidelity prototypes (concept posters, paper based activities and sketches, etc.): Using concept posters or simple sketches of customer interfaces so that they can be rapidly designed, simulated, and tested with end customers. Low-fidelity prototypes can be used to communicate ideas and observe human interaction with customer interfaces even before these interfaces are designed and developed.

/ High-fidelity prototypes (wireframes, clickable mockups, etc.): Representations of the product in its closest resemblance to the final design in terms of details and functionality. High-fidelity prototyping is typically done after low fidelity prototyping has produced a good degree of confidence in the appeal of the product concept. Wireframes and clickable design mockups are two commonly used forms of high fidelity prototyping.

S

/Synthesis: Involves combining and interpreting customer research findings into ideas to form insights (ideas or anecdotes expressed as succinct statements that serve to interpret patterns in research findings) that prompt further design.

U

/Use case: The sequence of steps that a customer might take to achieve a goal within a product or service. Each use case is represented as a sequence of simple steps, beginning with a customer's goal, and ending when that goal is fulfilled.