A blueprint for B2B design

by will krispin

DIRECTOR STRATEGIC PARTNERSHIPS

Sketchdeck

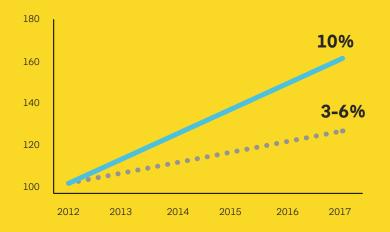
Over the last decade, companies across the globe have recognized the impact of good design.

Industry leaders like Apple, Airbnb and Google have not only raised the bar for consumer goods but have shifted design expectations for products, services and consumer experiences.

Design centric companies outperform their peers

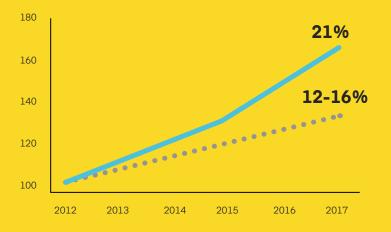
Revenues

Annualized growth rate



Total returns to shareholders

Annualized growth rate



Top-quarterly McKinsey design index performance

Industry Benchmarks¹

Design led companies had 32% more revenue and 56% higher total returns.

According to a 2018 McKinsey study that analyzed two million pieces of financial data and 100,000 design actions over the course of 5 years, design led companies had 32% more revenue and 56% higher total returns compared to companies who put less focus on design. This holds true across industries and company sizes. Design is no longer a nice to have — it is a proven value driver for business growth.

Despite this proven impact, companies often struggle to implement strong design. Rapid marketing and product iterations, growing global competition, instant access to information, and reviews and comparisons are key factors and considerations.

To stay relevant and succeed in today's market, companies need stronger design. In this document we explore how to build a design-centric organization.

BACKGROUND

Since 2014, SketchDeck has worked closely with hundreds of marketing and design teams, from emerging startups to established Enterprise organizations such as: Google, ADP, Colliers Intl. and Okta.

Over the last five years, the SketchDeck team has had an active role in assisting companies transitioning into a more design-centric culture. This has provided unique insights into the challenges, approaches and opportunities across the current design landscape.

SketchDeck has helped transform our brand.

With the platform, I'm able to scale and manage a brand across multiple continents. It removes all the transactional, time-sucking aspects of the creative process and allows me to focus on the strategic.



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THE BRAVE NEW WORLD OF B2B DESIGN

S The brave new world of B2B design

Compared to B2C organizations, there is little hard data or research in terms of how much B2B organizations spend on design. There are several reasons for this lack of data.

Firstly, design teams have mainly existed as part of particular departments or functions — making it difficult to extract exact cost figures.

Getting reliable data is further complicated by the fact that unlike industries such as finance and real estate — who possess long held objective metrics and industry leaders that fund large scale studies and reports — the design sector is fractured. Objective metrics have yet to be widely available and far from standardized. Despite this lack of data, we do have some high-level indicators that reveal broader trends in the B2B design market.

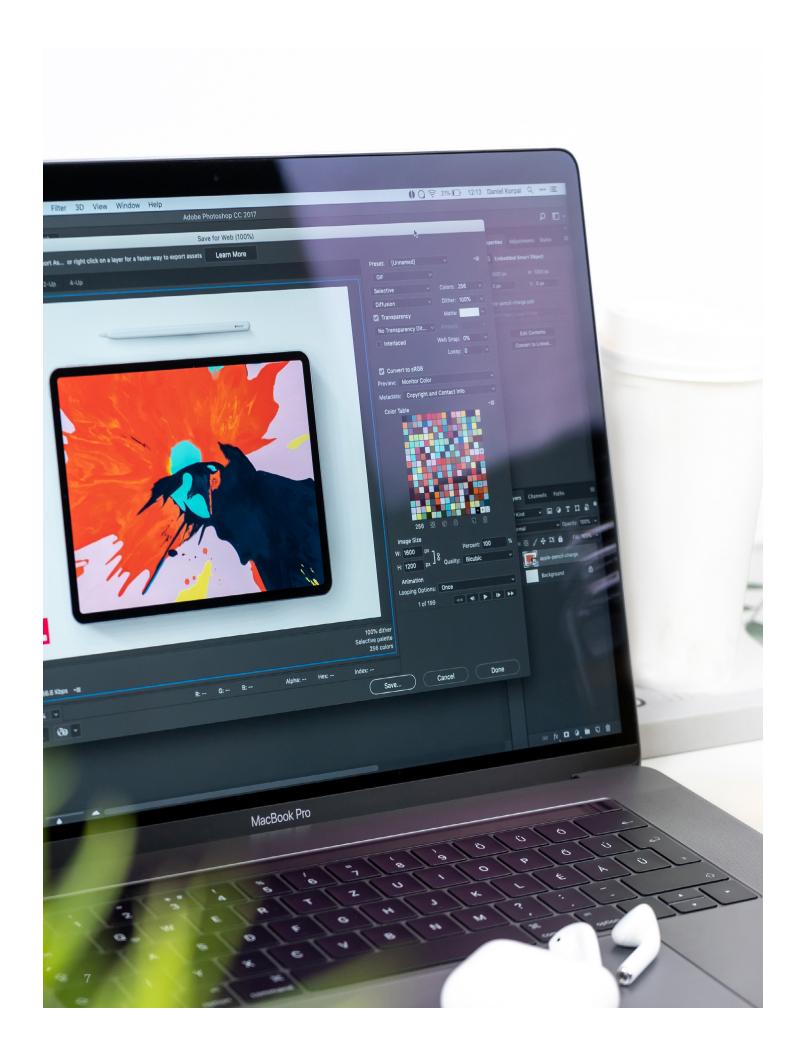
For example, according to <u>federal data</u>, the United States has seen 30% revenue growth in graphic design services over last 4 years, with figures rising from \$7.4B in 2013 to \$9.6B in 2017.

We see a similar trend for in-house design hires in 25 top performing companies in a cross-sector of industries. Over the last 12 months alone, the figures indicate an average of 13% growth in design department headcount.



What's driving this demand for design?

One key factor triggering increased interest is the changing balance in the workplace. Representing 35% of the total workforce, millennials are the largest segment in the workplace. And within the next two years, millennials will make up a full 50% of the U.S. workforce. As digital natives and the first generation to come of age in the Internet era, Millennials prefer visual communication, are visually focused and design-centric, and bring these standards for design into the workplace. Despite the trend toward a growing need and increased investment in design, many executives are not seeing (or don't know how to calculate for) a return on design investment (ROI). This is largely because many company strategies are stuck in the past — failing to look at design holistically and instead focusing the majority of design resources on building and restructuring brands.



The design pyramid

To better understand the key pieces of today's design landscape — and the shortcomings of the current approach to business design — we can visualize a company's design needs as a pyramid. In this model, the height of the pyramid represents the strategic importance of each design project, while the width of the pyramid represents the volume of projects.

The Design Pyramid is broken down into three levels:



Top: The brand guidelines, visual identity, company tone and voice, and mission and values are placed at the top of the pyramid. Everything that is established at the top should provide direction and guidance for the layers below.

Middle: The core assets, along with strategic projects which are typically highly visible initiatives and deliverables such as a website, the core product/service, app, packaging, etc.

Bottom: The greatest number of individual deliverables, which we define as everyday design: presentations, decks, infographics, whitepapers, case studies, ads, events etc. SketchDeck refers to this layer as "Everyday Design" — the 90% of design needs that make a brand come to life on a day-to-day basis.

The design pyramid



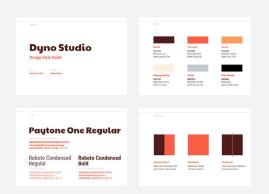
NUMBER OF PROJECTS

Historically, organizations have focused time and budget on the top two layers of the Design Pyramid. However, nimble, design-centric, fast growing companies such as Dropbox, Slack, Atlassian and Gusto have raised the bar for design, causing more established players to make huge investments and improvements on the top of their design pyramid and the results are apparent everywhere.

More than 2/3 of Fortune 500 companies have undergone a major rebrand or visual overhaul in the last 10 years.

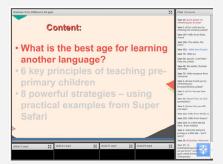
Some of the more prominent and high-profile examples include the Accenture brand, which reportedly cost \$100 million or Pepsi's \$1.2B rebrand in 2008. These figures show that: a) companies are prepared to invest in their brand and b) a brand can be hugely expensive, especially for large enterprises.

While companies are investing in design, they continue to fall short at the bottom of the Design Pyramid. This shortfall isn't due to a lack of strong design vision and guidance from designers or agencies, but rather the struggle for non-designers (i.e. marketing and sales teams) to execute on this vision.



Brandbook

Marketing Asset



The challenge of everyday design

We see three challenges that companies face when trying to execute on everyday design:



New layer of needs: Today's customers expect a well-designed and consistent brand experience. They measure B2B design based on the standard they have come to expect from B2C design. Businesses must meet the customer's expectations by supporting the design for a much broader set of customer facing assets like presentations, whitepapers and case studies.

This set of deliverables — which rarely exist within B2C businesses and was previously ignored by B2B organizations — adds a new and highly visible layer to the design pyramid.



New channels paired with personalization: Many of <u>today's marketing channels</u> such as social media, web ads and Search did not exist a decade ago. They are also constantly evolving and incredibly dynamic.

These channels add an entirely new layer of marketing requirements and complexity, increasing the number of projects, and essentially extending the base of our Design Pyramid. The third layer of the pyramid will continue to broaden in alignment with the potential to personalize these marketing channels.

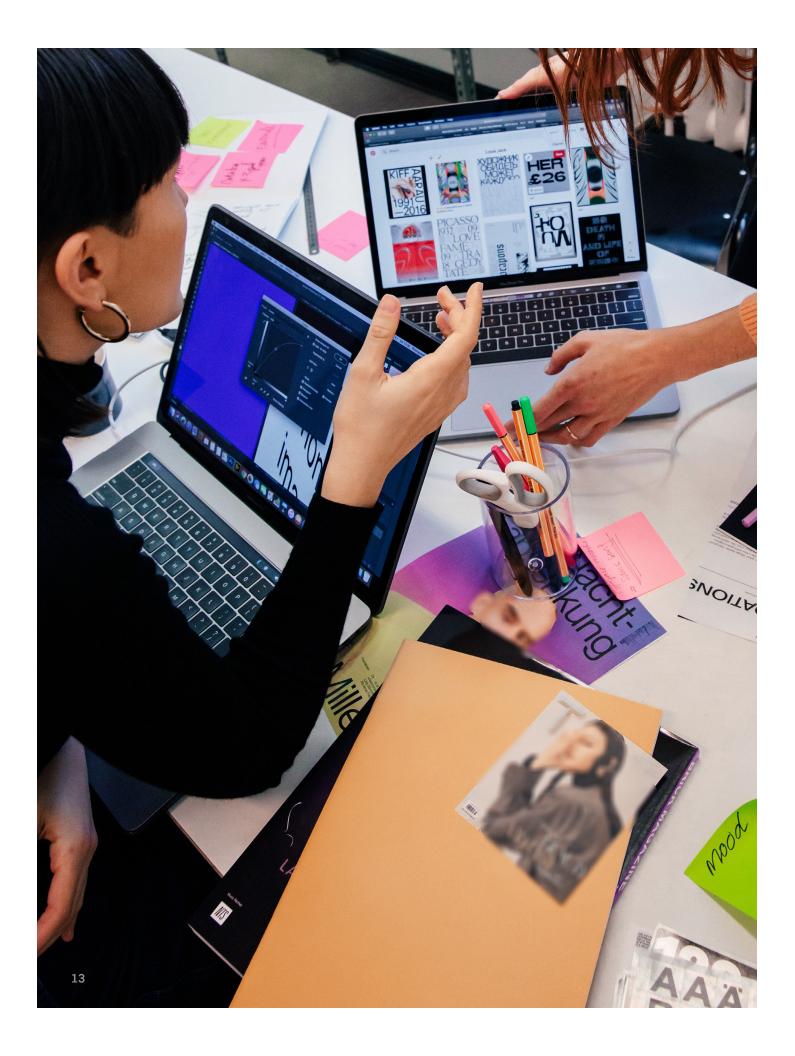


Traditional solutions are broken: Traditional agencies weren't built to provide the consistent daily design support at the volume and scale required by modern teams.

With the accelerated pace of the digital economy, requirements have evolved and expanded, driving up the volume of design needed within an organization and changing the expectations for those kinds of deliverables (e.g. design has to be delivered faster).

These challenges affect a wide range of companies, from long-standing companies trying to keep pace with rapid marketing changes, to multi-billion dollar unicorns like Uber, Instacart and Slack.





A solution for everyday design

Savvy companies realize the importance of everyday design, and that a scalable solution is required. The majority of companies we have worked with have attempted various strategies to deliver design at scale — from hiring small armies of freelancers to increasing internal headcount or the hiring (and firing) of advertising agencies.

Most of those attempts have either failed, substantially increased costs or produced other unintended consequences. Typically, design teams struggle with expanding their reach across the organization, leading to a growth of "shadow design" — design produced without visibility, authorization or approval of the brand team.

Outsourcing design to a costly, disjointed team of agencies and freelancers inevitably results in off-brand deliverables, design inconsistencies and a diluted and weakened brand.

SketchDeck has identified a six-part strategy that reinforces the role of design as an independent, autonomous unit that reinforces the impact and consistency of an organization's brand in everyday design:

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Assess your needs: We recommend starting with frontline assets and an audit in terms of what goes out in front of customers, prospects, partners and employees. Requests are decentralized and many teams manage their own resources. The first step to building a solid design operation is to understand the needs within an organization.

We recommend starting with frontline assets and clearly understanding what goes out in front of customers, prospects, partners and employees. **Having a clear map of design needs explicitly defines the requirements a brand has to fulfill.** It also helps to inform prioritization, templatization and hiring efforts on an ongoing basis.



Flexible brand systems: Rather than building static brands, agencies must ensure that visual identities are set up to be dynamic, living and breathing systems that flexibly scale and can be easily iterated upon for various use cases.

With this flexibility, visual identities can be adjusted across environments and tailored to key messages across all levels of the pyramid, so the top-level design vision remains consistent and cohesive.

In addition to flexibility, brand systems must be able to scale across multiple channels and use cases. Well-designed brands must supply the "business users" with stable yet customizable templates and assets which cover most of their use cases and minimize the need for net new design.



Independent design teams: It's standard for design teams to be nested within marketing and product, making access more difficult and siloed for other departments. Design teams should instead establish themselves as independent, autonomous units within the organization, serving as a central service across the entire company.

This approach ensures design departments can take a more holistic approach to the visual strategy; assuring a consistent brand while functioning as a central force in key business initiatives.

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Clear design metrics and objectives: Unlike other departments, design has failed to take a data-centric approach and has, for the most part had to piggy-backed off of marketing and product metrics. Executives admit that there is a lack of metrics and objectives that make large design investments hard to justify.

To exist independently within an organization, design teams would be wise to adopt a more data centric approach. Data sets should include tracking of internal facing metrics such as: feedback tracking, the development of an internal Net Promoter score (NPS), a centralized record of requests, as well as time and cost analysis. These data points serve as a starting point to begin improving design operations within an organization.

Once these data sets are implemented, teams should focus on external metrics. This should include: building design personas and style guides specific to audiences, industries and campaigns and attributing revenue back to those design efforts.

Improving these metrics will help to develop clear design objectives and help to track the impact of design on business unit goals.



Design: It's everyone's business: To maintain brand integrity and consistency, everyone in the company must be aware of design's importance for the organization. Historically, maintaining brand integrity meant keeping design processes heavily guarded and opaque.

With today's growing need for design across the organization, companies must change their approach to allow for scale, speed and quality work while of course, maintaining integrity.

We've developed the following framework to help assist companies in making this key shift toward design-centricity happen:

Awareness: We've observed brand training initiatives with mixed to negative results. Before any training begins, organizations should first create and build awareness. As many departments don't work directly with either brand or design teams, this step creates an understanding of what brand and design mean for the specific team or individual — tying back to business objectives, metrics — as well as highlighting how this will fix current challenges.

b. Training: It's crucial that employees be trained in understanding their role in both supporting and applying the brand. The goal shouldn't be to make everyone a designer and then outsource design to the business users, but rather train them on the necessary tools, processes and communication channels built around centralized design. This includes how to use assets and templates, when and how to engage a design resource or request a project. Training should also set expectations for project timeframes, costs and general limitations.

Access: In order to build a scalable design-centric organization, team members need to be able to access assets and resources relevant to their role. This should be controlled and monitored, with clear, transparent and scalable communication and request channels, as well as easy access to the latest assets and iterations.

d. Feedback: To stay relevant and competitive, brands must evolve and adapt. This makes rapid feedback an essential step in building a functional and dynamic brand.

Businesses have to enable constant constructive feedback and iterate on the brand and visual identity using "front line experiences." High-level brand and design visions don't always translate to all use cases.

Rather than breaking rules or enforcing a rule or process which doesn't work at the bottom of the design pyramid, design teams should incorporate feedback and refine brand processes and tools.

Feedback is a cyclical loop. As feedback is incorporated or a process changed, everyone must be made aware of the changes, trained and again granted appropriate access.



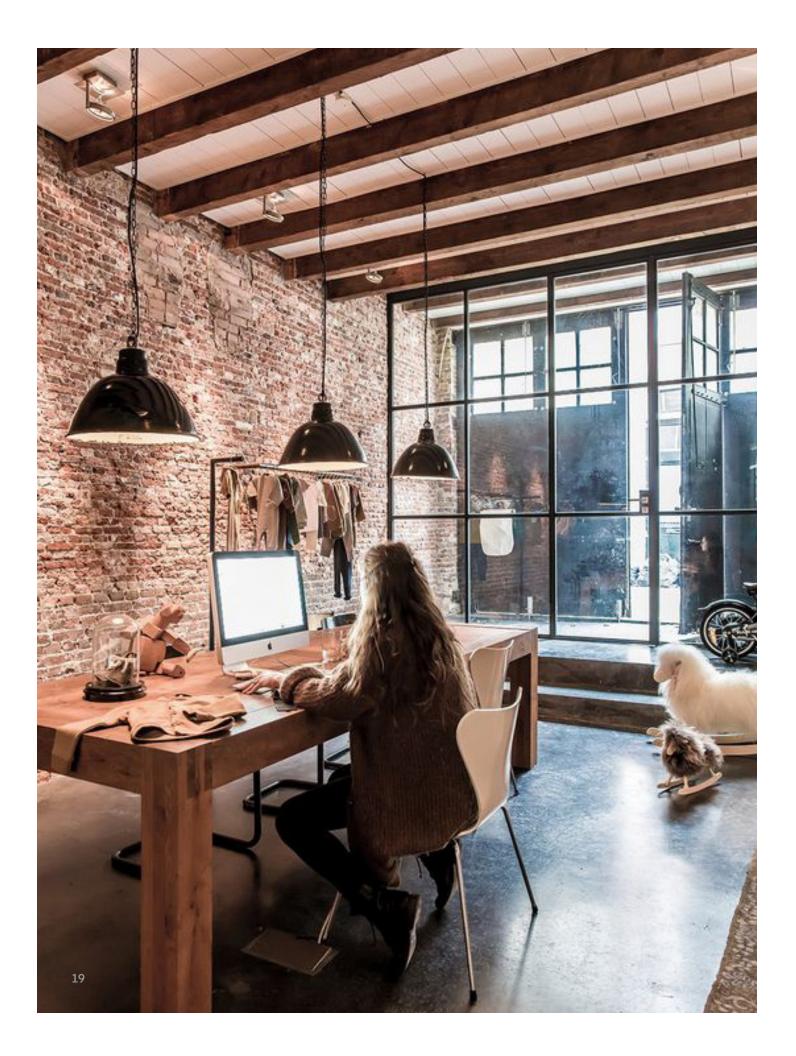
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Partner for scale: Design teams must focus on continuously iterating and developing a brand, working on key projects and pushing business initiatives through design. To supplement design capability, reach and scale, we advise building a strong network of integrated and reliable external partners. These partners can focus their expertise on work outside of in-house teams core competencies.

Agencies that support branding and strategic initiatives under the direction of the design team enable access to specialized talent, without increasing internal headcount.

The same goes for everyday and production design, which should be outsourced to avoid backlogging design operations. Outsourcing everyday design enables teams to focus on high-level strategy and product. Businesses need a partner that can scale across the whole organization, adjust to fluctuating needs and produce on-brand design quickly, reliably and at the scale modern, agile teams require.



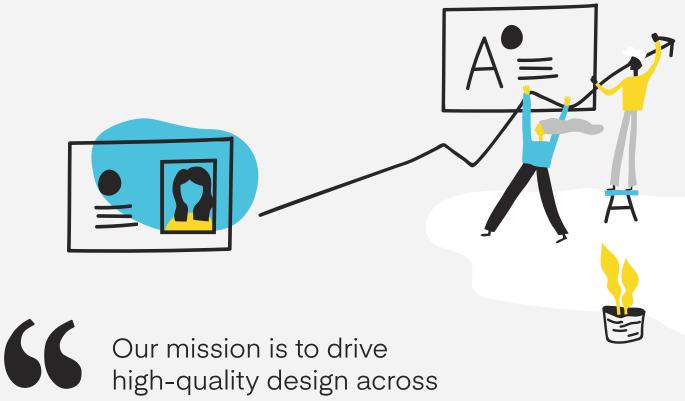


Design for a new world



We are entering a new era of design. Scaling design is a challenging process, requiring adaptation as design teams change how they operate. In tandem, brands must adjust their structure. The entire organization — from Steve in sales to Fiona in finance — must change their way of thinking about and working with design.

Companies that implement scalable design operations can consistently produce well-designed products and services across all levels of the design pyramid — setting them apart from competitive industry laggards. This in turn can lead to growth rates and shareholder returns that are 2x that of the competition.



organizations.

SketchDeck has worked with numerous mid-stage and enterprise organizations, with a platform and methodology that is at once adaptive, flexible and empowers employees to iterate and execute on design.

At SketchDeck, our mission is to drive high-quality design across organizations. If you're ready to make design accessible to everyone in your organization, contact us to learn how we may serve as your team for everyday design needs.

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