

Chapter 14

Mindset of Design as a Tool for Alignment Between the Brands' Business Model and Their Value Delivered: A New Approach in the Business Model Management

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ABSTRACT

Business models are an important basis for defining how companies structure the way they create, deliver, and capture value. It is an important business management activity, but it often does not receive due attention from the executives of the brands. This gap promotes, frequently, incongruities between companies' business models and what they deliver to their consumers. The lack of resources to evaluate business models and a clear understanding of how to do this activity might be as reasons for the lack of the business models' management. Thus, this chapter approaches a study about the use of a management oriented by the design. This approach can be a relevant guide the efforts in the evaluation and rebalancing between business model of the brands and their deliverables (products and services).

INTRODUCTION

In order to build a relevant brand that delivers pleasant experiences to people through products and services, it is natural exist some lack of clarity, by the executives and entrepreneurs, to ensure that this idea be delivered to consumers in the right way. Providing a balance between what the company wants to deliver as value and what consumers perceive in using its products and services, market is a challenge that executives often do not realize the paths they have to take to succeed. Even in brands already

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established in the market, it is not uncommon to verify a certain disparity, greater or lesser extent, of what companies deliver to their consumers and the design established in their business model. This fact is often due to inadequate planning of this model.

Another point that these brands need, day by day, is to perceive the need for changes in their business models due to changes in scenery that, at present time, occur much faster when compared to a recent past. We have important (and painful) experiences of brands that insisted on their business model and, not understanding the changes in the economic scenario, have caused a deterioration of their brands, losing prominence in their segments or ceasing to exist. In this way, conducting constant evaluations of the company's business models is necessary because this is a good practice to evaluate the health of the business, its position in the markets and to seize opportunities to improve this model or even promote deep interventions in order to rebalance its strengths and market position (Osterwalder, Pigneur, 2010).

In an increasingly competitive market, where the profile of consumers changes at all times, ensuring a robust and tangible value delivery to these people is an important factor for the brands' success. Unlike the past, when the industrial revolution established a strong advance in the production of consumer goods, the industry's focus was the production of products with minimally functional requirements. In addition, the overweight factor for the establishment of a brand's success in its market was concentrated in the effort to use resources in order to foster a better relationship between the cost of production and the sale price. In this quest for efficiency and profit, the first assembly lines, the use of new sources of energy and the specialization of work emerge. This period is what history defines as the second industrial revolution. At the moment, these advantages obtained by the second industrial revolution become commodities and, in addition, new entrepreneurs arise and intensify the competition for the attention of their consumers, the need arises that the products will have to offer something beyond what they a functional artifact provides by a restricted way.

Although the purpose of this chapter is not a historical approach to design, it is necessary to briefly contextualize this important knowledge area, mainly because of its different shades and application at present times. Knowledge that shapes our world and often passes imperceptibly to the vast majority of people, regardless of the impact that design has on their daily lives. Impact that often causes these same people to decide for a product motivated by aspects brought through the design. Or even having pleasant experiences when they use services that are the result of a creative effort of designers. This effort demonstrates one of the most valuable purposes of design, which has been following it since its birth and which has gained strength in the present day: a tool to promote the well-being of the human being, building solutions for all humanity in a holistic and empathic way. In addition, design, in its comprehensive approach, seeks to foster a positive relationship by creating mutual value for manufacturers and the people.

Design as practice quickly becomes a major tool of the new consumer society that emerged in the late 19th century. As an example of the application of this tool, we can cite the artistic poster that performs an advertising function of divulging products, entertainment and was "an expression of economic, social and cultural life" (Hollis, 2001, p.11). In this way, the design as practice establishes an inseparable relation of the aesthetic and communicational perspective. Attempts at this separation occur, it is true, especially through the efforts of the German school *Hochschule für Gestaltung Ulm*, which undertook an approach to the training of designers who did not strictly perform their duties in the field of aesthetics. Designers-thinkers who would have interests in diverse areas like social sciences, cognitive sciences and politics, culture and industrial technology, in order not to be just executors of artifacts. Executors who would ignore technological attributes of these artifacts built by themselves and that would be consumed in a society equally unknown by these professionals (Cardoso, 2011). However, this systemic perspective

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