Adding a human-centered approach to business

Accenture Strategy

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In past years, leaders determined where to take their businesses by reviewing best practice case studies, analyzing historical data, and retrofitting old benchmarks to circumstances of the day.

However, businesses now operate in a different world. One where an accelerated pace of disruption and change gives customers and employees more power and more opportunities to make their demands known. Today's businesses can't be guided by yesterday's strategies. Nor can today's business problems be solved with yesterday's solutions. Today's challenges are different. They are human challenges. They require human-centered responses and business strategies grounded not just in past precedent and data, but also in the confidence that comes from establishing human connections.

In the midst of this change, the path to running the business is no longer a straight line. Reliable best practices don't always exist, and patterns are increasingly short-lived. For many organizations, this uncertainty is manifesting in a collective confidence chasm, resulting in missed market opportunities and organizational misalignment.

By putting a more human-centric approach at the heart of their business, companies can remain agile in an unpredictable modern world.

There is no such thing as the 'new normal'

Classic business strategy has always been the path to achieving a company's vision, while staying true to the organization's purpose and values.

Traditional approaches draw on examples of success from the past, which business leaders used to provide organizations with roadmaps that solve challenges and guide them to where they want to be.

Yesterday's approach to developing a business strategy no longer works. Historical trends and quantitative insights that used to guide decision making can no longer be applied in a vacuum, especially in an environment where customer demands and market conditions are fleeting and fast changing. Where nearly 90% of customers only buy from companies they trust, and 80% say they are more likely to buy from companies that listen to—and act on—customer feedback.[1]

The C-suite know what they're up against. Seven in ten CEOs say their traditional growth strategies are now obsolete.[2] Industry disruption is on the rise, with many companies across industries showing declining financial performance.[3] The C-suite also acknowledge that today's customers expect more, with nearly three-quarters of leaders noting that the disruptive impact of shifting customer demands has increased.[4] Yet for these leaders, unshackling themselves from processes that relied solely on data or historical decision-making is difficult. Harder still is letting go of the myth that the best predictors of the future are found in the past.

7 in 10

CEOs believe their traditional growth strategies are obsolete.

The human shift

Fundamental shifts in the business landscape are driving the need for a different approach to today's strategy. The foremost shift is the pace of disruption today.

The impact of new technologies, disruptive new business models and the need to continuously innovate makes it hard for business leaders to determine how to optimize their financial, technology and talent resources and investments. Eighty percent of the C-suite in fact have altered their approach to strategy as a result of disruption.[5]

Secondly, increasingly changing customer expectations have forced businesses to up their game when it comes to how they interact with customers. In the same way that the iPhone became a threat to digital camera makers, a customer's experience with one product now affects their expectations with all others—even in previously unrelated categories.

This means businesses are no longer being compared only to direct competitors but to all other customer-facing businesses, and 85 percent of customers say they buy based on their previous experiences with a company.[6]

Finally, the impact of dwindling trust has emerged as a growing concern as more customers demand increased transparency from businesses.[7] Put another way, while trust is very human, most organizations do not have confidence that they know how to instill trust with the people that matter most—their employees and customers.

These fundamental shifts in business are human-centered at the core—and human-centered disruption requires a human-centered response.

Getting to why

With strategy no longer a straight line, solving for the 'why' becomes key to competitive growth. Steering an organization requires a different approach. To articulate and refine their organization's direction, leaders would be wise to examine "Why are we in business?", "Why should customers believe we will solve their problems?" and "Why does a consumer do X, Y, Z?" Doing so allows them to rethink their role in the lives of their customers and the world beyond them.

The value of a human-centered approach

So, how can business leaders plan for the future?

The answer lies in something new: combining a design-led approach, which is naturally rooted in human-centricity, with their strategy—deeply rooted in data and analytics. This blend of human and business is a powerful combination, with 89% of leaders acknowledging the value of this balanced approach.[8]

To create a vision and strategy that is confident in today's rapidly changing world, leaders need to add a crucial empathetic lens to strategy to help understand the wants and needs of individuals—i.e. those humans experiencing the service or product, and involved in making it happen.

Leaders need to look beyond customers' and employees' actions to unearth their motivations and attitudes. Studying what people did is outdated; understanding why people do what they do is the future. And those insights can provide an organization with a compass for the future.

Take the example of one US-based insurance company. This new entity was spun out of a larger, established insurance industry provider with a simple mission: to create a new, millennial-focused insurance offering that could compete with emerging, innovative players and create new value streams in the ever-evolving insurance space. Seizing on the total creative freedom they were granted, the new entrant was able to build a renter's insurance product with human insight at its core—and disrupt before they were disrupted.

This approach demonstrates that empirical data is not antithetical to human-centric strategy, but rather an integral part of it. Injecting human insight into the strategic journey rather than only broad hypotheses reduces variables and increases business confidence because it helps to uncover the 'why'. As a result, the company was able to solve this specific business problem and to set up its team with the right culture and framework to remain agile in the future.

One of the world's leading automotive technology companies Faurecia also effectively incorporates a human-centered approach to its product design and development. Faurecia strategists asked car occupants what they would do if freed from the task of piloting vehicles. The solution provider will launch a smart vehicle cockpit and cabin interior of a completely new category, designed with an end consumer in mind, but sold to carmakers for inclusion in the vehicles they assemble.[9]

At the heart of their business, leaders need to look beyond customers' and employees' actions to unearth their motivations and attitudes. Studying what people did is outdated. Understanding why people do what they do is the future. Those insights can provide an organization with a compass for the future.
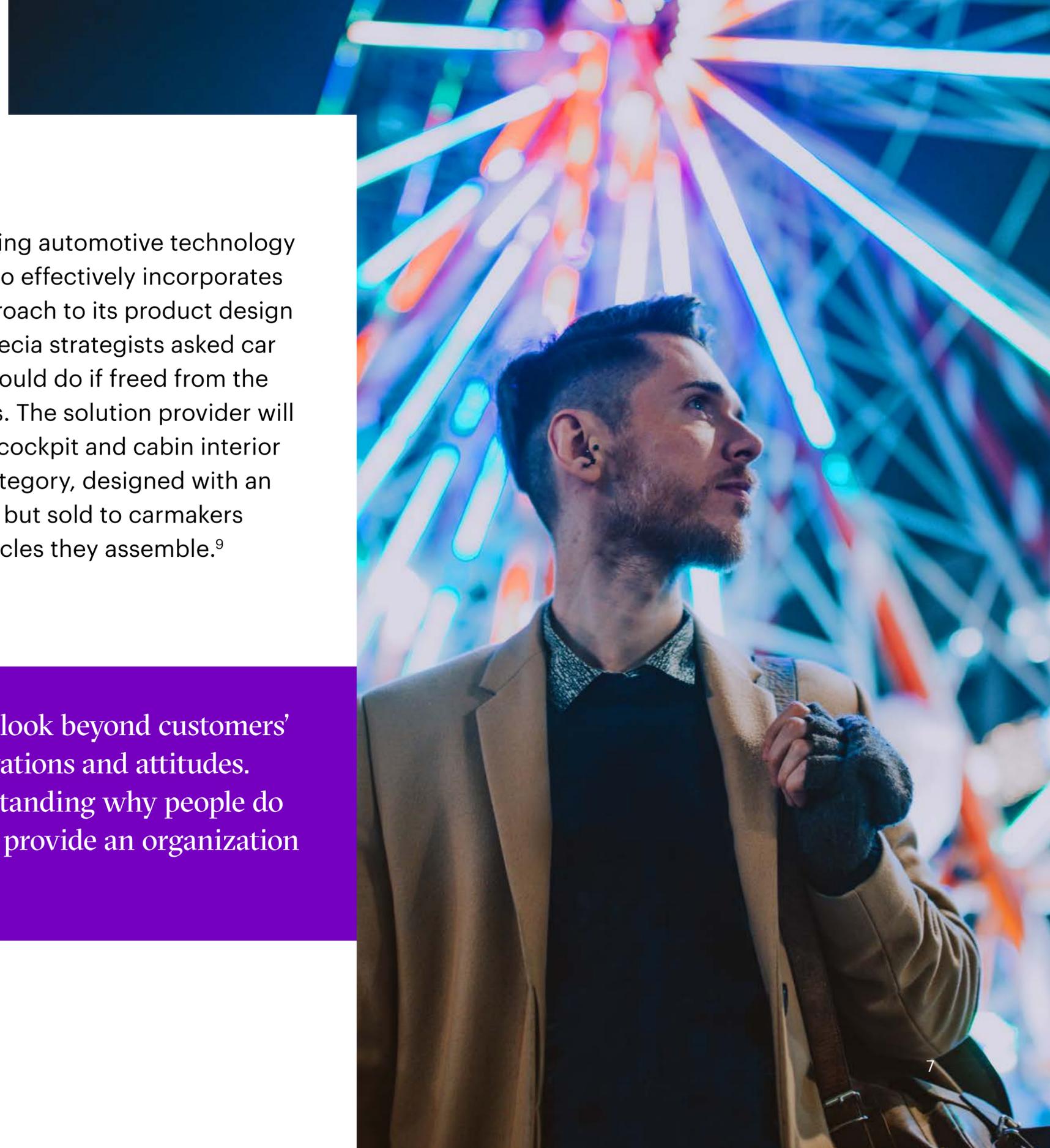
Chart a new course

To build the human dimension into their decision-making and strategy, leaders can do three things:

Recalibrate the compass

In a fast-changing environment, fluid strategy development and decision-making processes are critical. So is the willingness to try new things, embrace new sources of information, and take risky detours. Qualitative insights, design thinking practices, and a test-and-learn environment will keep you on course—even if you don't know precisely where you are going.

Ask the right questions

Set your business' course by pairing the use of data and analytics with a simple question to customers asking how you can help them—and building observation into this process which can also inform the answer to this question. Augment historical data and analyses with new forms of ethnographic, attitudinal and qualitative metrics, and insights that reveal what's most important to customers—as well as what motivates and inspires them. A humancentered culture continually regenerates the confidence needed to drive better customer experiences—and business growth.

Use your head—your whole head

Companies have traditionally refined customer experiences based on historical business performance and quantitative metrics. In new markets, with new business models, more disruption and less stable environments, a data- and analytics-based customer strategy is one part of the equation. Augmenting the traditional, analytical approach with a new way of thinking —a whole-brain approach—is the response needed to win and retain customers today.

The starting point for an organization's strategy development can no longer be set in the past. Its genesis must be in the present with an eye to the future, and focusing on people's wants, needs and expectations. Strategy development still means putting facts and knowledge at the center of decision making, but understanding what people will do and, crucially, why they do it is the bedrock on which these facts and knowledge bases need to be built.

Contact the authors to explore ways to drive value with your customers and stakeholders with the addition of human-centered, analytics-led strategies.

Get in touch

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