

# Service R&D

## *Prototyping Behaviours Like Features*

ESSAY 4 OF 14

BREAKING THE DIGITAL DOOM LOOP

# The Product You Ship Without a Development Cycle

A peculiar inconsistency runs through most modern organisations. The same companies that subject their digital products to rigorous testing – A/B experiments on interfaces, beta cohorts before launch, performance metrics tracked at the second – deploy thousands of staff into daily customer interactions with neither the equivalent rehearsal nor the equivalent measurement.

**The greeting is improvised. The handoff is improvised. The recovery from a service failure is improvised. The service interaction is the only product the organisation ships without a development cycle.**

If you would not launch a new mobile app without beta testing and user feedback, why would you deploy a workforce into thousands of daily service interactions without systematically testing the scripts, gestures, recovery procedures, and empathy patterns that define your brand experience?

⚠ The honest answer, in most organisations, is that nobody has ever asked the question. Service has been treated as a "soft" capability – something innate, irreducible, dependent on the personalities of the people involved.

## The Proposition: Service R&D

### The Old Assumption

Service has always been treated as a "soft" capability – something scattered randomly across the workforce, dependent on personality, immune to systematic improvement. The organisations stuck here are hoping excellence will emerge.

### The New Methodology

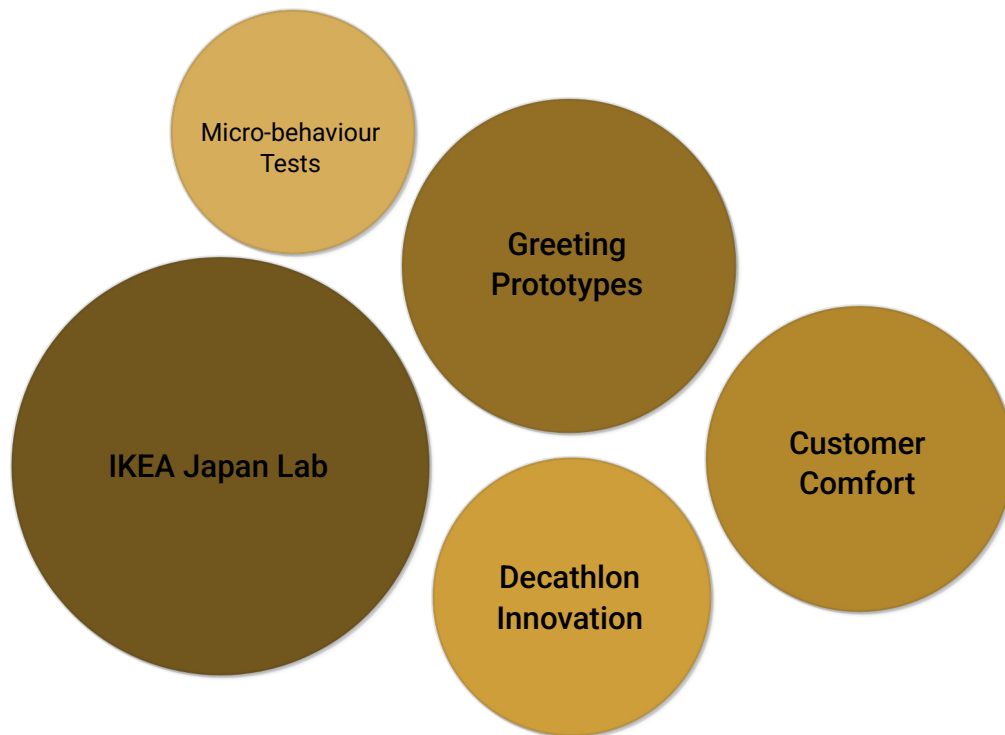
The organisations breaking out of that assumption have discovered, again and again, that the soft is in fact engineerable. Empathy, reliability, responsiveness – these are skills, and skills can be designed for, prototyped, measured, and improved.

**Service R&D** is the deliberate treatment of service excellence as something to be engineered, tested, and refined rather than hoped for.

⊗ This is not a metaphor. It is a methodology – and the organisations that have adopted it are building competitive advantages technology alone cannot replicate.

# Two Examples of the Method

The methodology is not theoretical. Two organisations in different sectors and different cultural contexts have demonstrated what it looks like in practice – and what it yields.



## IKEA Japan's Cultural Localisation Laboratory

When IKEA re-entered the Japanese market in 2017, cross-functional teams prototyped greeting styles, tested approaches to product explanation, and measured customer comfort with different levels of staff assistance. The result was not only a successful market entry but a methodology now applied across emerging markets.

## Decathlon's Service Innovation Network

Operating in more than seventy countries, Decathlon built Service Innovation Labs in each region. Store teams prototype micro-behaviours – how to approach a browsing customer, how to handle returns, how to read silence on the shop floor. Australian stores have contributed innovations now used across the Asia-Pacific operation.

## The Common Proof

Both examples confirm the same insight: even seemingly intuitive human behaviours can be systematically tested and improved. Every customer interaction, on this approach, is an opportunity for learning – not a moment to be left to chance.

# Building a Service R&D Capability

**Five practices. Each one unspectacular in isolation.**

Their power is in the discipline of doing them together, regularly, in service of a real question.


## The discipline is the methodology.

### 1. Observe Before Designing

Map what currently happens in service interactions. Record real conversations with permission. Shadow staff during typical service moments. Document where emotional connection is gained or lost. *The baseline is the foundation. Almost no one starts here.*

### 2. Prototype Micro-Behaviours

Rather than overhauling entire service processes, focus on small, testable changes. Try a different opening greeting. Experiment with response templates that include empathy cues. Test approaches to service recovery. Keep experiments small enough to measure and significant enough to matter.

-  A three-question survey delivered immediately after a service interaction yields more useful data than a comprehensive survey two weeks later. Ask specifically: *Did the interaction feel genuine? Would you be comfortable returning? What made the difference?*

# The Last Three Practices

Observation and prototyping create the raw material. The final three practices turn that material into a compounding organisational capability – one that builds on itself rather than resetting with every leadership change.

## 3. Gather Feedback Rapidly

Implement quick feedback mechanisms for both customers and staff immediately after service interactions. Short, specific, and timed correctly – this is what yields actionable signal rather than general sentiment.

## 4. Iterate Monthly

Treat service capabilities like software releases – regular updates based on testing results. Keep what works. Refine what does not. This rhythm prevents service standards from stagnating and ensures changes are evidence-based rather than assumption-driven.

## 5. Share Learning Systematically

Document and circulate successful service innovations across the organisation as you would product updates. Version your empathy processes. Share best practices through internal platforms. Celebrate the teams that contribute breakthrough insights. The knowledge that does not move stays small.

# Why This Resonates with Leaders

Service R&D works as a conceptual move because it transforms intangible cultural concepts into manageable business processes. It gives leaders something they rarely have when asked to invest in service improvement: evidence, replication, and a clear return pathway.



## Measurable Capability

Service stops being an abstract "culture thing" and becomes a measurable capability with clear performance indicators. Service investments can be justified through evidence rather than intuition.



## Every Team Member a Designer

Every team member becomes a service designer, contributing insights and testing improvements. Successful innovations can be replicated across teams, locations, and markets – as Decathlon and IKEA have demonstrated.



## Humanity Preserved, Not Systematised Away

By deliberately designing for empathy, organisations ensure that efficiency improvements *strengthen* rather than weaken emotional connection – the precise opposite of the unintended consequence that produces a whited sepulchre.

- 📄 Australian organisations including **Aveo Group** and **Transdev Sydney Ferries** have built sophisticated Service R&D capabilities – measuring every innovation for both operational efficiency and emotional impact.

# Australian Organisations Leading the Practice



The methodology is not confined to European retailers or challenger banks. In Australia, organisations operating in high-stakes human contexts have built Service R&D capabilities that demonstrate what the approach looks like when it compounds over time.

Each service innovation builds on previous insights, creating increasingly sophisticated approaches to human connection that competitors cannot purchase or implement quickly.

# The Capability That Compounds



Technology can be copied. Processes can be reverse-engineered. Service culture built through deliberate human-behaviour development becomes embedded in organisational DNA – and it compounds.



## Human Capabilities Are Not Fixed

The core proposition most organisations resist longest: empathy, reliability, and responsiveness are not traits people either possess or lack. They are learnable, scalable, designable.



## If Empathy Can Be Prototyped

Then service excellence becomes a strategic capability – one that organisations build deliberately rather than hope will emerge accidentally. The shift from hoping to engineering is not a small one.



## An Advantage No Competitor Can Purchase

Organisations that master Service R&D find themselves with an advantage that no amount of competitor technology investment can match – because it is not a product. It is a practice.

The secret is not perfection. It is sustained iteration toward increasingly meaningful human connection.

# Take This Further

Service R&D proves, in practice and at scale, that empathy can be engineered and excellence can be scaled without sacrificing authenticity. The organisations that make the shift – treating service delivery with the same innovation rigour they apply to product development – find themselves with an advantage that compounds over time.

## Essay 5 – Coming Next

**Metrics That Matter** – moving beyond CSAT and NPS to the emotional indicators that predict business success better than traditional efficiency measures.

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## Continue the Work

This essay belongs to *Breaking the Digital Doom Loop*, a fourteen-essay examination of why digital transformation so often fails to deliver – and what to do about it.

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