



Savings Learning Lab



Executive Summary

Human-centered design in international development

A review of what works and what doesn't

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The Mastercard Foundation's Savings Learning Lab

The Mastercard Foundation Savings Learning Lab is a six-year initiative implemented by Itad, in partnership with the SEEP Network, that supports learning among the Foundation's current savings sector portfolio programmes: Scale2Save, implemented by WSBI and Savings at the Frontier, implemented by OPM.

The Savings Learning Lab support learning among the partners and the wider sector through the generation, synthesis, curation and dissemination of knowledge on savings focused financial inclusion.

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Executive summary

Introduction/purpose

Human-centered design (HCD) is a creative problem-solving approach that puts the customer or beneficiary at the center, with the objective of getting beyond the assumptions that prevent effective solutions. It is one of a variety of innovative techniques, methods and mindsets that have emerged in design practices in the private sector, where designing products and services has long been crucial in developing successful and profitable businesses. Collaboration, empathy and co-creation are all key components of this creative process.

Citing the success¹ of these creative problem-solving approaches in the private sector, 'social design' has emerged as a way to fight poverty in international development. The purpose of this paper is to take a critical look at the application of the HCD process in international development, across multiple sectors, to understand what is working and what is not working, and to see under what conditions the application of HCD could lead to better outcomes. Details of our learning questions and approach are outlined in the full document but in this summary we cover four areas: what has worked well in applying HCD to international development; what hasn't worked well in applying HCD to international development; critical success factors and some ideas on what organizations should consider when taking forward HCD.

What has worked well in applying HCD to international development

A literature review and stakeholder interviews identified several important aspects of HCD that have worked well when applied in international development. HCD has been successful in shifting the mindset of practitioners to be more user-focused, creating more empathetic and responsive design teams that are willing to try more and different types of ideas. Methods have worked well in international development programs when the problem or the design challenge is narrow or discrete, like improving marketing tools, removing barriers to usage in the customer journey, optimizing existing products or understanding if there is value in a product or idea. An overview of key findings of what has worked well is below.

When there's a narrow problem or focus

A lot of good examples of HCD being effective have come when it has been used with a relatively narrow focus, to overcome specific problems.

Building understanding of how clients use and talk about products

HCD's focus on empathy-building as a key method in the early design phase has led to deep understanding of how a customer would use and understand specific products and make them more user-centered.

Ideating and co-creating potential solutions for a specific problem

HCD has encouraged ideation/co-creation of products and services with customers to generate innovative ideas. It has also identified existing products and services, combining these in a way that works for users.

Prototyping and early testing

HCD methods such as mapping, prototyping and testing have led to product and design efficiencies.

¹ In 2015, the Design Management Institute created a design value index, an attempt at measuring the value that a good design and innovation process or culture can bring to a business. It found that, 'Over the last 10 years design-led companies have maintained significant stock market advantage, outperforming the S&P by an extraordinary 211%.'

Box 1. AMK's use of HCD

AMK, a large microfinance institute based in Cambodia, mapped in detail its customers' cash flow through HCD methods, which challenged its assumptions around customers' ability to pay. As a result, instead of offering a standard one-year agricultural loan with monthly payments, it offered a flexible credit line that customers were able to draw down from over two years. This meant better management of payments along the seasonality of their income, incurring fees only when the credit was needed – but this had never been done before. Despite concerns about the risk this flexibility would create, the credit line product has proven over more than a decade to perform as well as, if not better than, the other credit products.



What hasn't worked well in applying HCD to international development

While HCD has been good in solving more narrow design challenges, it has not necessarily proven to solve large-scale systemic problems such as poverty, income inequality and restrictive social norms. In addition, current funding/management mechanisms do not promote ongoing investment in iteration; thus, there is limited evidence that design teams can tackle feasibility, viability or scale issues from the beginning. Below, we outline key areas that have not worked well.

In developing feasible, viable and scalable ideas

HCD's application in development has had success in improving product desirability but there is less evidence of success at taking complexity into account from the beginning and ensuring feasibility, viability or scalability of solutions.

When design phases are not followed up appropriately – often because of cost

There are examples of initial concepts being brought to market without continuing their use of an HCD approach in the follow-on stages, such as piloting, and they have not gained traction. Meanwhile, HCD processes are often costly and follow-up iterations may not be included in budgets.

When organizations aren't equipped to use HCD

The literature indicates that, for HCD to be effective, organizations adopting an HCD approach need certain things in place to be able to adopt its findings. These include an adaptive mindset and flexibility in design and management teams to fully embrace recommendations. These characteristics have not always been considered when choosing partners.

The insights HCD processes generate are often not local enough

The implementation of HCD requires highly specialized expertise that is not yet readily available in all countries. Many designers in the projects reviewed are not local or are considered 'outsiders,' and therefore the insights are not local enough.

Box 2. The A360 program

Design teams often have a short time in the country and then they return to their headquarters and support the process remotely. In the A360 program, insight synthesis was conducted separately by country teams and the design partner, who led the process from San Francisco. This led to concerns that important public health and contextual issues were not sufficiently considered when developing the insights. The balance of ownership shifted during the prototyping stage, with decision making primarily driven by country teams in collaboration with the design partner.

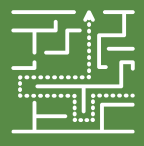








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What should organizations consider when taking forward HCD

Our review looked across the different sectors and found the common successes and challenges laid out in the previous sections. These findings enabled us to identify some of the ‘critical factors’ in establishing successful HCD projects. We present these below, as well as some key considerations for those thinking of implementing or funding HCD programs in the future.

<p>Use HCD for the right kind of problems</p>		<p>As outlined in the previous sections, HCD can play an important role in developing new ideas or concepts, or adapting products and communications to better engage potential users. However, it will not be appropriate in all situations, and the more complex the problem the more consideration of whether and how HCD can play a role will be necessary.</p>
<p>HCD needs to incorporate more criteria for feasibility, viability and scalability earlier in the process</p>		<p>Desirability tends to be the focus of all innovation processes in the earliest stages. However, including feasibility, viability and scalability criteria from the very beginning in the design process can increase the potential for success.</p>

<p>Working with organizations that have a sustained commitment – of both human resources and funding – to iteration & testing is important</p>		<p>Our review has shown the critical importance of working with the right organizations to deliver these projects. Consistent feedback was that the providers who had gained the most from these projects were the ones who had invested a lot of their own staff time and resources in the HCD process, as well as committing at the most senior levels to becoming more customer-centric. The strongest examples of HCD have shown sustained engagement throughout the HCD phases of inspiration, ideation and implementation. Building in multiple engagements with designers over the product lifecycle will improve the chances for success.</p>
<p>To truly design for local needs, HCD must get more local</p>		<p>In the 2014 Stanford Social Innovation Review, ‘When will design get serious about impact,’ the author says that, ‘Design cannot deliver impact without a sustainable base of practice and robust pool of local practitioners in markets with the greatest need.’² While local practitioners are integral to the design process, reliance on ‘outsiders’ to lead, shape, and apply process is still quite heavy.</p>
<p>Ensuring HCD performance metrics are clearly linked to wider program goals and having data collection processes to test links</p>		<p>Programs using HCD approaches to solve problems need to ensure that it is clear that they are collecting data that links the intervention with wider program goals. The focus on short-term performance metrics can lead programs to look to the short-term goals without understanding if these are contributing, or not, to wider program goals.</p>

² https://ssir.org/articles/entry/when_will_design_get_serious_about_impact#



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