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# Wise Counsel: A Trinity of Perspectives on the Business Value of Design

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# Wise counsel: A trinity of perspectives on the business value of design

*Martin Gierke, James G. Hansen, and Raymond Turner are voices of experience, with distinctive backgrounds and insights. On the other hand, three similar themes can be found in the message each offers: design is a thoughtful, rational process; design should be integral to an organization's business strategy; and, in shaping positive perceptions and building customer loyalty, design contributes to the bottom line.*



Martin Gierke,  
Brand Research and  
Education Manager,  
Caterpillar Inc.

## **Product design: Design as strategic exclamation**

by Martin Gierke

*I'm surrounded by objects; like mass-market snow,  
They demand my attention wherever I go.  
A blizzard of products, each unlike the rest—  
Each wants to be special; each wants to be best.*

Pardon the metaphor, but product design often feels like snowflake design. It's one thing to make them all different when they leave the factory, but by the time they hit the ground, it's really quite impossible to tell them apart. If they don't melt on contact, others soon bury them. Given the time, I suppose you could isolate one or two and take a closer look. Maybe even marvel at the intricate detail and symmetry. At best, you will have only a moment to enjoy the experience. Your attention will soon

be diverted when you find you must get rid of all that stuff. It's often way too much of a good thing.

For product designers and the companies that support them, finding ways for new products to be singled out and examined more closely is serious work indeed. It's a delicate combination of timing, communication, and design. Two of these three—timing and communication—get you in the game. Someone has to decide which blizzard to be in, and someone else has to figure out how to tell the world that you're in there. The third thing—design—is ultimately what will ensure that you are singled out and examined more closely.

I cannot begin to develop a formula that combines these three ingredients in the proper measure to guarantee success. But I will go so far as to suggest that companies that weigh in

heavily on the design side of the equation have a good shot at creating products that will be marveled at—if only for a moment. To accomplish that feat requires object obsession throughout every facet of the company: every person, every action, every decision. It must be a collective force that radiates from the very heart of the company. Show me a company that is obsessed with the objects it creates, and I guarantee you will find one with an extraordinary commitment to design.

To be object obsessed is simple. Surround yourself with them. Study them. Talk about them. Take them apart. Drop them. Throw them. Wear them. Destroy them. Listen to them. Smell them. Taste them. Love them. Hate them. Everyone in the company (not just the designers!) should have objects in front of them. On their desks, in their closets, in their cars, in their homes. Carry an object or two into each and every meeting. Not just the product review meetings—every meeting. (How many of you have been in a lengthy meeting and found yourself asking, “Does anyone have a sample of what it is we’ve been talking about?”) Do that, and support for design will grow.

So, okay, now you have the support. Your company is obsessed. Great! Now what? How do you ensure your product design efforts support company strategy? Well—don’t you think that those who create the objects that reflect strategy should be thoroughly obsessed with it themselves? Sounds simple enough. Yet many companies today have strategic plans that are elusive and vague. The designer’s role here is critical: to assist with the development and communication of strategy through a highly participative series of activities. This is the time to allow designers to interpret strategic words and turn them into strategic visions. A designer should dissect the strategic plan the way he or she dissects a competitive product—looking for strengths, weaknesses, opportunities, and threats. Looking for essence.

Once found, essence provides the framework for vision. Now is the time to allow the freedom to “objectify” that vision in as many ways as possible and as quickly as possible. You are not looking for beautiful objects at this time—only those that capture strategic meaning in ways that are expressive and direct. It may be difficult to resist the temptation to critique these early

visions on aesthetic terms, or to whisk them out to research. But remember, these forms are not useful—not yet—for typical product development activities. These are not tactical objects. Their only purpose is to express vision.

Once these objects have been created, the design community should facilitate a meaningful dialogue with company strategists to discuss refinements. A well-facilitated meeting at this point will take the pressure to “throw in my two cents” off everyone. This is not about the best design—it’s about the best reflection of strategic vision. Believe it or not, you can shift minds away from “what I like” and toward “where we’re going.” Again, facilitation by designers is key.

Sounds easy, right? Well—maybe not. How do you know when your design vision truly reflects corporate strategy? And who is in the best position to judge? Beyond the obvious champions that populate the design community—inside or outside the company—someone inside has to own this vision. That someone (or group of someones) should be placed highly enough in the organization to effect the fundamental changes required to move the company forward. They must be equipped to recognize the role of design as it specifically applies to their industry, and be willing to act on a combination of information and instinct.

Information flowing from the design community is key here. Not unlike scouting reports conducted in many sports, information about the competition must be delivered to the corporate “coaching staff” at regular intervals. What are their strengths, their weak points? Who are their best players? Why are they winning? How can we beat them? Another way to view this is like a weather report: What kind of storm is coming our way? Should we be taking that little vacation to the coast, or heading inland? Is the competition likely to bury us in a mountain of new and compelling products, or can we ride this one out and come out on top when the air is clear? Designers play a unique role in their ability to prognosticate. What are the trends? What

*How do you know when  
your design vision truly  
reflects corporate  
strategy?*

are the patterns? Like an almanac of wisdom, designers can help to prepare a company for the weather on the way.

Instincts are more elusive and rely heavily on quality information. For an individual (or leadership team) to develop instincts—good instincts—that person or group must develop a habit of acting on information. Actions lead to results. Results lead to analysis. Analysis leads to understanding. Understanding builds instinct.

It is nearly impossible to compete with someone (or some company) who has outstanding instincts. They seem to know just how far to push the envelope. They make fewer mistakes. They have the best teams. They define consistency. Their designs are strategic exclamations. They are not simply different—they are different and better.

An additional point is worth mentioning here, and I'll go back to the snow metaphor to make it. We all know how nice it is when a fresh blanket of snow rests on the ground and clings to the trees in just the right way. There's a purity of expression that makes us feel good. After a few days however, the freshness is gone, and the snow can take on a sinister gray character that is not particularly attractive anymore. Likewise, strategy can become gray and sinister if not designed to remain fresh. Product designs that anticipate this cycle and allow for periodic refreshing will help to prolong the impact of a strategic direction. It is generally not sufficient to wait until you see gray to decide it is time to put down a clean new layer. Remember, you want to stay on top of the pile. The blizzard never stops, so plan for product design activities that allow a single strategic direction to be sustained in the purest form through the periodic layering of fresh design expressions. Everyone wants to be special. Everyone wants to be best. Yet the avalanche of new products that descend on all of us each year makes the task of differentiating them nearly impossible. The companies that differentiate themselves at the strategic level ultimately have the best chance of being singled out. The ones that allow design to deliver a powerful strategic exclamation demand the most attention.

A blizzard of snow can be beautiful, but it can also be dangerous. A blizzard of products is no different. Strategic planning can reduce the threat of danger. Strategic designing will make the event beautiful.

### **Packaging design:** **Making corporate strategies visible** by James G. Hansen



James G. Hansen,  
Chairman and  
Co-founder, Source/Inc.

There was a time when our clients thought of us simply as designers of things. When they came to us for help with their brand identity programs, they expected ultimately to go away with an armload of “stuff”—packages, logos, signs, point-of-purchase displays, design manuals, and collateral sales pieces. Even more-sophisticated clients persisted in thinking in terms of things, or at least “deliverables”—concept boards, comps, electronic color separations, computer-generated keylines, and the like.

Today, of course, they know that along the way we also provide something more abstract. They know that we supply them with “identities,” or graphic expressions of personalities meant to communicate with a wide variety of audiences—consumers, retail buyers, employees, unions, government, the financial community. They know that these identities serve some very important basic functions—that design is a medium for understanding, evaluating, and translating corporate objectives. They know that these brand identities differentiate the company or product from competitors; that they make an emotional appeal through style or personality; that they communicate benefits; and that they live primarily in package design. And they know that all are important to the success of a company in the marketplace.

While it's true that design provides all those things, this understanding of our service is still limited. It fails to appreciate what may well be our most significant contribution to a client's marketing program. We provide a process, a managerial discipline with its alternate phases of analysis and creative exploration, which in itself is an invaluable guide to the company's strategic future. This process allows management to visualize and test its strategic options. It makes strategies appear real before rollout production decisions are made.

The strategic designer's process, with its built-in volley of rational analysis vs. creative intuition, its left-brain/right-brain approaches to problem solving, is in itself an invaluable



New logos for Home Products International Inc.

organizational tool, one that is truly directed at making a company coherent first to itself and then to its various publics.

*Process as a managerial tool—organization*

If a company is involved in a variety of markets, channels, and manufacturing processes, or has grown by acquisition to the point at which it's beginning to lose focus in the eyes of its own management, not to mention its customers, it needs some kind of shorthand to explain itself. There comes a point at which management must ask certain difficult questions—when it must begin to take a good look at itself.

This isn't easy. Management often suffers from the old forest-for-the-trees syndrome. It needs outside, objective help. How can some kind of shape, some kind of organizational framework, be constructed for this amorphous mass so that it looks and behaves in a coherent and effective way? Enter strategic design and its process.

The process behind a brand identity program concentrates the managerial mind wonderfully. When a complex organization has carried out a proper identity program, management finds it is in possession of new insights and new tools with which to improve its branding strategy. So many issues are raised and dealt with that have previously been obscured to management, and so many really significant matters have to be thrashed out, that the process itself changes the organization and helps immensely to clarify the brand vision. We don't mean to suggest that the

designers have the answers. Many of the organizational problems relative to identity that are exposed in the analysis phase are beyond the scope of the graphic designer to answer. They require management decisions. But the tools for resolving these problems are handled by graphic designers. In short, we have the methodology. The designers' contribution in this phase is merely to guide the client through a series of decisions, to help clarify management's thinking, and then—in design exploration—to show a variety of alternatives by actually designing options for managers to evaluate. It can be enormously useful to help the client actually see the what-ifs.

Once the design process helps to reorganize a company by clarifying divisional relationships, integrating new acquisitions, or creating useful categories or hierarchies of brands, once corporate outlines have been clarified and basic decisions have been made to retain or discard old brand names, to turn the company from a multi-branded, brand-dominant strategy to a corporate-dominant or a mixed-dominant strategy, the process can turn to another task for which it is particularly well suited. It can grace the newly organized structure with—style.

That design can impart style to a company is no news. But what constantly seems to surprise clients is how a variety of styles offered as options can help management to make major decisions regarding strategic objectives. The process shows management that style is not merely a matter of cosmetics, not just a way to boost shelf impact, but rather that it has a way of imparting character and personality to a brand. It becomes a strategic tool when management decides to choose a personality that is “congruent” with its customer base. Many clients are also surprised to learn that the way the company and its products

*Designers provide a process, a managerial discipline with its alternate phases of analysis and creative exploration, which in itself is an invaluable guide to the company's strategic future*

“look” not only influences sales (the consumer), but also, and perhaps even more significant from a strategic point of view, the way in which its own management, sales force, and distributors perceive it.

*“Processing” an acquisitive company*

An excellent example of the strategic power of our process may be seen in a recently completed project for Chicago-based Home Products International Inc., a holding company whose operating units compete in the chaotic retail environment of the housewares industry.

HPI is a consolidator. It grows by acquisition. It is an absorber of brands of products in a wide, but related, variety of categories. When they came to us, their broad portfolio of consumer brands included Tamor, a leading supplier of high-volume storage containers and closet organization products and hangers; Seymour, the dominant US supplier of laundry-care products; Selfix, whose line includes value-priced, high-volume bath accessories; Tenex, providers of home-office storage solutions; the newly acquired Anchor Hocking Plastics operations, which include the manufacture and distribution of food storage products; and several other brands. (Several of the acquired brands were required by contract to lose their old identities in six months.)

We were asked to help the company develop a brand identity consistent with its consolidation strategy, one that would clarify the relationship of its many brands (present and future) to the holding company. This, of course, would mean that in our analysis phase, we would have to help management to undergo serious self-examination. We would ask many questions. For openers: How much equity do the various brands possess? How many different categories does the company operate in? Would a single umbrella brand for all products in all categories make sense? Is it even possible? Or would graphically related brands for each category be a better strategy? How can the company be charted? Can we combine categories? Eliminate some? Reshuffle them? Can each business unit and/or the company as a whole benefit most by developing a coherent corporate branding strategy that links the various product lines? Or should it combine them under one or more brand names? Or retain the old names with a corporate



Before: Neither dealers nor consumers could see any relationship among HPI's many products. This made for a tougher sell-in and a tougher sell-out.



After: Though each new category (now consumer-driven, grouped by destination in the home) has its own color, the new name and logo unites all the products under a single, elegant umbrella identity. The result: more brand power through reiteration, and synergy throughout the retail locations.

endorsement? Will a design platform that speaks to this core business “acquisition” strategy give the company and the brands more longevity, resilience, competitive strength, and elasticity, together with an authority that need never be outgrown?

After much corporate soul-searching, the central issue became clear: There was no single existing brand equity strong enough to be applicable to all categories, and HPI needed to develop a powerful and visually memorable brand identity that would lead the way to a more synergistic and effective brand presence that would serve all the company's categories and products. We undertook the development of an entirely new nomenclature system for the brand's various operating units, with the goal of expressing these new categories in a way that supports the company's strategic objectives. We needed to develop a new, powerful, and evocative umbrella brand, as well as a design platform that would unite all the former brands, yet provide enough flexibility to allow the company to differentiate by category.

This new brand strategy involved developing a new brand name—HOMZ—as well as new positioning and, indeed, a sweeping branding system that would embrace all present and future HPI products. Clearly, the new name and identity stage the brand promise and consolidate the many categories with elegance and simplicity. The result, on a retail level, is the reduction of fragmentation, as well as a new synergy that will greatly increase consumer awareness of the new brand. Since the new brand would live in the packaging, we knew that the real test of its effectiveness would depend on its implementation across all categories, and on the emotional impact it would have on its retailers and its consumers.

The design process was key to facilitating HPI's business objectives. The brand strategy rolled out to a receptive trade audience, and with its strong and memorable landmark, the package design system provided color differentiation among the brand's various product categories, creating a fresh look in the cluttered retail environment.

## Design as interface

by Raymond Turner

It is tempting to rattle off sound bites when asked to consider the role of design as an interface—and, like Oscar Wilde, I can resist anything but temptation!

Three points spring to mind.

- Design management is a commercial imperative.
- Design is a business tool that makes strategy visible.
- Design investment increases brand value and reduces development costs.

These statements sound good, but what do they mean and what significance do they have in helping us understand the value of design to business?

Here are a few thoughts and anecdotes that, I hope, will help clarify the issue.

### *Design management is a commercial imperative*

There is an irrefutable link between the profitability of a company and its reputation in the marketplace. This reputation is largely built up through the experiences customers have of that company. These experiences come through the use of the products or services the company offers, through the way the company explains what it does and how it does it, through the facilities it uses to provide the services or the products, and through the behavior of the people it employs.

Company success depends less and less on how well the company's product works. Customers expect a product to function properly; this is simply the price of entry to the industry or the marketplace. What is much more important to the user is the experience he or she has when using the product or service. Design is an extremely effective resource that can be used to shape these customer experiences. This means design directly affects company reputation and business profitability. Managing design, therefore, is a commercial imperative. The real issue is how well it is done and how effectively it focuses on realizing identifiable business objectives.

This reminds me of an experience I had when joining BAA—an experience that is



Raymond Turner, Group Design Director, BAA

burned indelibly into my mind. It was the first one-to-one meeting I had with my new chief executive. I had been recruited to be BAA's design director; my job was to help the business get the most from its investment in design, so I was keen to find out from the chief executive

what his strategy was for the business.

Knowing this would enable me to direct design work in the most appropriate way.

My way into the discussion was to ask him what he wanted to be remembered for when he left the company. His answer was dismissive. He told me I should know that his role was well described by the mission statement of the business, which was to become the most successful

airport company in the world. This did not help much, since I had taken it for granted that we would be successful, as I took it for granted that my car would start in the morning. My problem was that although the mission was clear, it gave no clue to how we were to attain, and then maintain, the high ground that was implicit in that statement. So I tried asking the question again. After some reflection, my boss said that there was one thing he did want to be remembered for. He wanted to be thought of as the man that brought the fun back into travel.

That was more like it.

We discussed this issue many times, together and with senior managers. Eventually, a vision emerged that would become the springboard by which we would realize our mission. That vision would involve a change of culture at BAA, because it centered on becoming a different sort of business. We wanted to concentrate less on the task of "people-moving" and more on the job of "experience management"—and design would be an important tool in managing the interface between this strategic positioning and how those experiences were delivered. But that is another story for another day. The important point to make is

that it was a commercial imperative for BAA to reinvent itself, and design was a key tool in that process; it was working at the interface of that change.

*Design is a business tool that makes strategy visible*

Design is one of the key business resources that provide a clear and practical link between the strategic discussions of the boardroom and the day-to-day activities of the shop floor. As such, design can make strategy visible.

There are very few resources that tangibly manifest strategy in a way that is unique to a particular business. In fact, as more and more products and services become more and more similar in what they do, it becomes increasingly difficult to differentiate between one business and another. For example, there is only so much you can do with cost reduction as a point of difference. So much so, that once when I was discussing this very point with Rodney Fitch, he said, "Only one company can be the cheapest—the others have to use design."

This too reminds me of a BAA project with which I was involved. We wanted to build a rail link between Heathrow Airport and central London. We knew it could be done, and we knew the resultant journey would take only fifteen minutes. It sounded like a seriously good proposition. The next question BAA had to address was: What sort of experience do we want the passengers to have? Should it be a commuter-like experience—after all, it was only going to last 15 minutes—or should it be more luxurious, with a correspondingly higher price tag?

The market research was unequivocal. Customers wanted a luxury experience and were prepared to pay for it. This strategic positioning became the cornerstone of the design brief, and we developed our response accordingly. And now, on any day, nearly 20,000 people use this service. It is another good example of design acting as an interface—this time between strategic positioning and the visible manifestation of that strategy.

*Design investment increases brand value and reduces development costs*

When design investment is strategically focused and coherently managed, the value of the result-

*Design is one of the key business resources that provide a clear and practical link between the strategic discussions of the boardroom and the day-to-day activities of the shop floor*

ant brand increases. The real trick is to ensure that all the money spent on design works to build the brand. Problems arise when design investment is uncoordinated. This often happens because responsibility for it is so diverse, to the extent that money spent on design is usually the largest single investment that the board knows the least about. As a consequence, huge sums of money are wasted—not only because the effort lacks strategic focus, but also because money is spent on redesigning things that have already been designed—simply because no one knew it had been done before. This means that the strategic management of the design development of products, facilities, and communications can save significant sums of money. And the greater the size and complexity of the projects, and the more multi-disciplinary the team structure, the greater the potential for savings or losses. Every dollar spent on design says something about the company spending it. Some companies spend a lot, which means they say a lot. The real question then is: Are they saying the right thing, and is anyone managing or directing the investment in design?

Design spend is invariably underestimated in business simply because the responsibility for it lies with so many people in different departments and down through the management hierarchy. And if each person commissioning design does so with no reference to how the *rest* of the business is doing so, is it any wonder customers get confused about a company's offer and go somewhere else? On the other hand, if every dollar spent on design responds to the problem at hand, in a way that is coherent with the rest of the company's investment in design, then the consumer's understanding and confidence in the company will increase, and so will the value of the company brand.

This was brought home to me vividly when I was working on the Eurotunnel project. We had 10 construction companies working as a consortium to build this rail shuttle connection between England and France. Each company was responsible for a different part of the project, and there proved to be little design coordination among them all. Consequently, when one part of the project made design decisions, other parts of the project were not informed. For example, the two terminals on either side of the English Channel, and the railway that connected them, were all developing their own passenger information systems. This would have meant that people using the system would be faced with a multitude of ways in which the company was trying to communicate with them. Fortunately, this disconnect was spotted in time, and a much more coherent system was developed. Although we never went to market with the uncoordinated scheme, it was generally recognized that had we done so, the credibility of Eurotunnel and the resulting value of its brand would have suffered significantly. So here we have design acting as an interface again—this time between consumer and brand value.

#### *Summary*

Design is not normally considered to be an interface. Yet, as these few thoughts show, that is exactly what it does. It acts as an interface between company and customer, ensuring that the company delivers what the customer wants in a way that adds value to both. <sup>m</sup>

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