

Convergence: New Management Imperatives and Their Effect on Design Activity

by Naomi Gornick

For clients seeking true partnerships, consultants are increasingly positioning their design expertise as part of a larger strategic vision. In interviews with executives at London-based Seymour Powell and at Portland, Oregon-based Ziba, Naomi Gornick probes how this integration has changed the profile of the consulting firms and added value to the services they provide corporate customers.

Current management theory encourages companies to think more creatively. The continuing value of organizational command and control methods is being widely questioned. Innovation in organizations is now paramount and as a result, new types of personnel are sought to bring fresh insight on innovation strategies into companies. The *Harvard Business Review* noted two years ago¹ that corporate recruiters are now looking favorably on MFAs rather than MBAs—the enhanced conceptual and modeling skills offered by fine-arts graduates can help generate new ideas and find new solutions to problems.



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At the same time, designers and design consultancies have begun to recognize their potential to make a broader contribution to business and society with a more complete understanding of client and consumer aspirations and needs.

These shifts point the way to a new world opening up for the design community to enlarge their range of activity. Whether designers choose to take up new roles or not, the expectations of their contribution to business life and

1. D.H. Pink. "The MFA is the New MBA," *Harvard Business Review*, vol. 82, no. 2, pp. 21-2.

to the bottom line have increased significantly. Their opinions and advice will be sought more than ever before.

In the current period of extreme complexity characterized by economic instability, rapid technological advances, social changes, and volatile international politics, how do designers develop strategies for dealing with client uncertainty and change? What changes do design consultancies have to make?

Innovation is clearly an imperative for industrial and commercial companies. Increasingly, more design consultancies understand the new scenario. The standard questions in innovation management apply equally to both sectors: How should the innovation process be structured in the organization? How should a company clearly define a strategic focus that channels its innovative efforts realistically—in ways that will be profitable? How can a company create and sustain a corporate environment that values better performance above every-

thing else? How can the company encourage new behavioral patterns that will keep the innovation process moving on a continual basis?² We can begin to see complementary goals and processes emerging between companies and their design consultants, giving their collaboration the unique value of being both creative and strategic. Long-term success goes to the designers who can deliver a fusion of strategy with creativity in their client relationships.

Taking these questions as a lead, I looked at two product design consultancies, Seymour Powell in the UK and Ziba in the USA, that are typical of organizations in their field now undertaking strategic analysis for their clients. Both were among the first wave of consultancies to add strategic analysis as a major client service. I asked their principals³ to describe their consultancies' strategic focus, structure, processes, and value culture, and I also asked them to comment on the competitive environment in which their organizations operate.

Seymour Powell, established in 1984 by Richard Seymour and Dick Powell, is a London-based group that designs for worldwide manufacturers of consumer goods. The industry sectors in which they operate include automotive,

mobile communications, computers, and domestic appliances. SeymourPowellForesight (SPF), the strategic arm of the consultancy, was established in 1992 and is a research and strategy unit that calls upon a global network of local research and design specialists. SPF's remit includes forecasting social and technology futures, as well as global and lifestyle trends; SPF also studies market dynamics and offers analysis of the competitive marketplace, consumer behavior, and design strategy. SPF has developed a reputation for expertise in specialist areas and now undertakes strategic research for about 50 percent of Seymour Powell's clients, mostly at the pre-briefing stage of design projects. As principal Richard Seymour points out, "SPF is a research company, and to an extent it encompasses work previously done in client companies by consumer research and management consultants." The group, which is currently 51 people strong, includes Seymour Powell, SeymourPowellForesight, administration, and model-making workshop staff.

Ziba Design was also established in 1984. Based in Portland, Oregon, its mission is to align design experience with its clients' brand position by translating brand attributes into three-dimensional objects, environments, and communication materials. Ziba Design has 60 people on staff. The consultancy has been a multi-cultural, multi-disciplinary firm from the day it started, beginning with engineering and industrial design and now including research, design planning, strategic planning, graphics, and communications services.

Tailored multi-disciplinary teams are created for every project to ensure that multiple perspectives and options are generated for clients. Says principal Sohrab Vossoughi: "In the first stage of a project, we ask more questions. Now we undertake 80 percent design process strategy

2. J. Tidd, J. Bessant, and K. Pavitt, *Managing Innovation: Integrating Technological, Market and Organizational Change* (Chichester, UK: Wiley, 1997), and A. Pearson, *Tough-Minded Ways to Get Innovative: HBR on The Innovative Enterprise* (Boston: HBS Press, 2003), pp. 27-48.

3. Many thanks to Richard Seymour and Dick Powell (principals, Seymour Powell), James Samperi and Paula Zuccotti (research team, SeymourPowellForesight), and Sohrab Vossoughi (principal, Ziba Design) for their insights and time.

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work and 20 percent actual design. We are connecting client to target customer, and the leverage from this knowledge is where client companies find value.”

Strategic Focus

Both Ziba and Seymour Powell were established in the mid 1980s—a time of significant expansion of the design industry, to the extent that a number of leading UK consultancies were listed on the stock market for the first time. Another similarity: The evolution of both consultancies’ strategic directions, in the early ’90s, came about at a time when recession was hitting the design industry hard on both sides of the Atlantic. It was apparent to Ziba and to Seymour Powell that the best way to respond to the new business environment was by taking due regard of their clients’ expanded needs and expectations. In effect, what started as a way of surviving the dark times has since become a key driver of current design activity worldwide.

Structure

Seymour Powell and Ziba Design followed similar paths in the founding of their strategic direction, but they diverge in the way the consultancies are organized.

With the establishment of SeymourPowell Foresight, Seymour Powell has created a collegiate formula in its organization, with a considerable external knowledge facility. As Richard Seymour notes, “The central gravity of our business shifted when SeymourPowellForesight was added. We have moved toward encouraging more clarity at the front of a project, before the physical work starts. SPF researchers’ roles for each project are based on their various specialties, which include consumer demographics, marketing trends, and ethnography. They carry out much of the vital initial research on which the product development process depends. SPF is now a profit center in its own right, and that has benefited our whole consultancy” (see Figure 1).

For its part, Ziba Design has adopted a team paradigm with multi-disciplinary in-house staff. Says Sohrab Vossoughi: “The

strategy structure is similar to that of an ad agency. We have a creative director on each team, and two or three client relation managers.” All the staff members working on a project develop strategy under the creative director.

Staff members have diverse backgrounds, ranging from industrial design and engineering to architecture, anthropology, sociology, social sciences, graphic design, and business specialties. Only 50 percent of them are designers. Multi-disciplinary teams are used on every project; the aim is to ensure that multiple perspectives are reflected in the work (Figure 2).

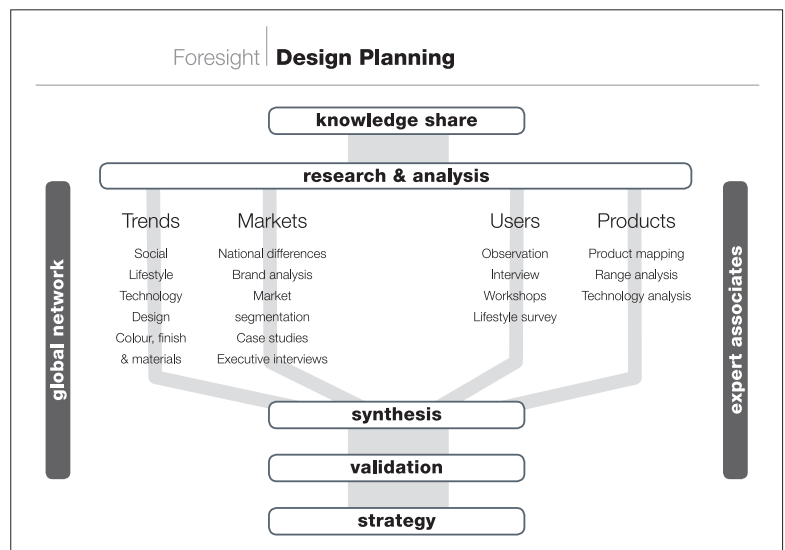


Figure 1. SPF design planning diagram shows elements of a typical project process that combines insight from qualitative user research with analyses of quantitative trend data. SPF strategies are routinely validated using external experts.

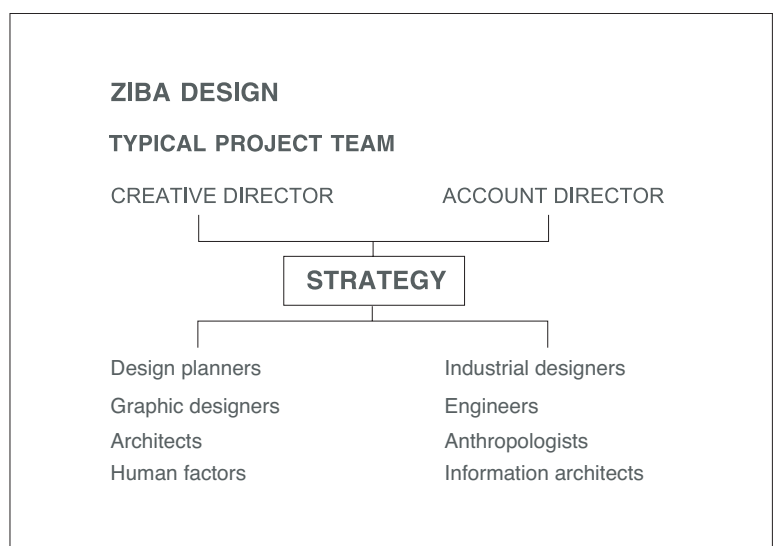


Figure 2. This diagram shows a typical Ziba project team. Note the contribution of both creative and account directors, as well as the specialist staff, to a total design strategy.

Processes

Considerable similarities exist in both consultancies' approach to incorporating new work systems in which emphasis on the design process is being transformed. In many projects, research work stands alone. By undertaking more extensive analysis in projects, the knowledge base of each organization increases over the years. This initial in-depth research activity uses a wide range of knowledge and skills, as we can see in the following case studies.

Case Study: Seymour Powell and the ENV Bike

At Seymour Powell, SPF researchers carry out a client company audit before product development begins. This gives the Seymour Powell designers a foundation on which to base their work. Says SPF research team member James Samperi: "We try to make the product design process more informed, so we need to have a clear idea of the client's needs. The investigations themselves include user research; market dynamic studies; and research into social, business, and technology trends; as well as visual design expectations. Research centers on learning about the client's products and the industry as a whole." It also makes it easier to analyze how the client's brand works with the planned product.

SPF researchers consider that their work sits somewhere between product design and marketing. "Marketing people normally carry out the

sort of work we now do; designers have not done this sort of research in the past," explains SPF team member Paula Zuccotti. "Advertising planning strategies and product planning strategies affect the brand in the same way. The designers at Seymour Powell can focus their work better when they have the results of our work in SPF."

In 1999, as part of its work with the automotive industry, SPF was hired by Yamaha to research motor vehicle futures. This work led directly to a new project—the development of the ENV (emissions neutral vehicle) bike, created jointly by Seymour Powell and its client, Intelligent Energy, a British energy solutions company. Launched in 2005, The ENV is the world's first purpose-built fuel cell motorbike.

The ENV bike was built around Intelligent Energy's CORE fuel cell, which supplies energy derived from hydrogen and is completely detachable from the bike (Figure 3a, Figure 3b, and Figure 3c). As part of the brand strategy, the name CORE is used to represent a new type of engine. The fuel cell is radically compact and capable of powering anything from a motorboat to a small domestic property. In fact, because the fuel cell is detachable, it can be removed from the bike and used to power another vehicle or deliver electricity to a dwelling. It is particularly relevant for the developing world, where fuel cells offer both easy portability and power delivery at the point of consumption. Even better, this technology emits only water vapor (Figure 4 on page 40).



Figures 3a, 3b, 3c. The ENV (emissions neutral vehicle) motorbike runs on a removable fuel cell the size of a small shoebox. The CORE fuel cell technology allows easy removal of the whole "engine"—a practical, integral, and unique aspect of the vehicle system. The vehicle emits only water vapor.

“With all the depressing news about climate change and geopolitical unrest, many people look into the future with a sense of dread,” comments Richard Seymour on the project. “But designers can’t think like that. It’s our job to face the future optimistically, and projects like the ENV bike point the way.”

Case Study: Ziba Design and Lenovo

When Ziba started concentrating on user-centered issues, designers at the company realized they had created a strategic tool. In the first stage of a project, the Ziba team asks lots of questions, Vossoughi says. “We want to create the right experience for the client and the target customer. We connect the client and the customer, and the leverage from this knowledge is where client companies find value,” he explains.

For Chinese client Lenovo, Ziba defined and developed a line of products for the company’s consumer business segment based on its three technology platforms: desktop, mobile, and cellular. The new products were targeted to Chinese consumers.

Chinese society and economy have

changed massively in the last few years, in the face of rapid urbanization and increased personal wealth. It was inevitable that Chinese consumers would seek products with the latest technology. Lenovo realized that to compete successfully, it had to create products that were relevant to this consumer need and had meaning for each section of its varied customer base. The new product-line strategies arose from a comprehensive and rigorous process of internal (company and brand) and external (users, market, and technology)

research. Through analysis of the existing marketplace, Ziba discovered that most of Lenovo’s products had typically been positioned as one-size-fits-all solutions.

Ziba’s research led to the development of a user-centered product opportunity matrix. The matrix defined 12 different product opportunities based on the three technology-



Figure 3b.



Figure 3c.

based business units and four user segments. The new product strategy also addresses environmental issues. To facilitate recycling, product housing uses virgin, injection-molded ABS plastic, which is inexpensive and easy to reuse.

This project has had a profound effect on Lenovo and the way it now approaches product development (Figure 5 on page 41, Figure 6 on page 42, Figure 7 on page 42 and Figure 8 on page 43). The industrial design department, which used to be called in at the last moment to style me-too products, now gets involved at the outset of a project to help define product opportunities and business plans.

Culture and values

In the balance between pure product design and strategic thinking, both design organizations have developed new types of consultancy culture. Their tools and techniques are more

attuned to client companies' brand values. It is apparent that principals in both organizations spend the majority of their time fine-tuning their organizations' strategic innovation processes with a view to the future. In this way, they are demonstrating a kind of organizational resilience.

Seymour Powell, for example, uses a panel of experts whose composition varies depending on the nature of the work. Panels are made up of independent designers and other consultants who validate research studies. This external panel is a particular characteristic of the consultancy, and as Dick Powell maintains, "We like working in this way." There is no question that the arrival of the consultancy's research department, SPF, has done much to change the culture of the consultancy by providing in-house specialist researchers, thus creating a type of think tank for the consultancy as a whole. Consultancy



Figure 4. The fully-integrated 1kW fuel cell generator provides power on demand directly to the drive-train. To enhance performance during peak power demand, the fuel cell is hybridized with a battery pack to provide a 6kW peak load to the motor. The result is a balanced hybrid concept that combines the main advantages of the CORE fuel cell, hydrogen storage, and battery technology. Front view of white ENV bike on left, back view of black bike on right.

outputs are mainly product-driven and as such, it is necessary to determine the future of product trends and ranges. Seymour Powell believes this gives client companies a “bigger picture” and a strong direction for new product development.

Ziba Design, like Seymour Powell, has evolved over the years and continues to reinvent and redesign itself. “As we get larger, we need to make sure the message we give to our clients stays coherent and consistent,” notes Sohrab Vossoughi. “Visual design or engineering services last only as long as the product. But what we do ties back to the whole idea of brand. We preserve, enhance, and build our client’s brand equity so that it continues long after the project.

“We also think we are in the business of innovation management, in that we try to reduce the inherent risks of product development and innovation. We optimize the value of innovation within the context of business and brand.”

Competitive environment

Comments received from principals in both consultancies indicate a high level of agreement as to where the design profession, in general, should be heading, at the same time recognizing the industry’s dilemmas and obstacles to change. As Richard Seymour points out, “All the boundaries we know as designers are dissolving. Designers should take a meta-view of themselves and of the world around them. If design is an industry, it is in peril, because its context is

changing, and designers’ work currently lacks relevance.” Generally, designers’ work does not address the larger picture and urgent issues such as demographic change, climate change, and consumer complexity. Principals in both Seymour Powell and Ziba are also conscious of the fact that in the past five years, not only manufacturing but also design and development have moved to the Far East. Designers in the West no longer have the intellectual high ground, Powell maintains. These trends have serious implications for the future of design consultancies in the UK and the US.

Ziba’s Vossoughi insists that designers would do well to collaborate with management consultants to improve the work of managing organizational creativity. “In many client organizations,” he notes, “brand issues are driven exclusively by marketing personnel. Design and marketing should support each other on an equal basis. More companies are beginning to understand that design can affect decision making on a strategic level.”

Unfortunately, Vossoughi adds, many designers still talk about how design looks, rather than how it builds, preserves, and enhances brand—which has become the language of business today. “Design firms that understand the contri-

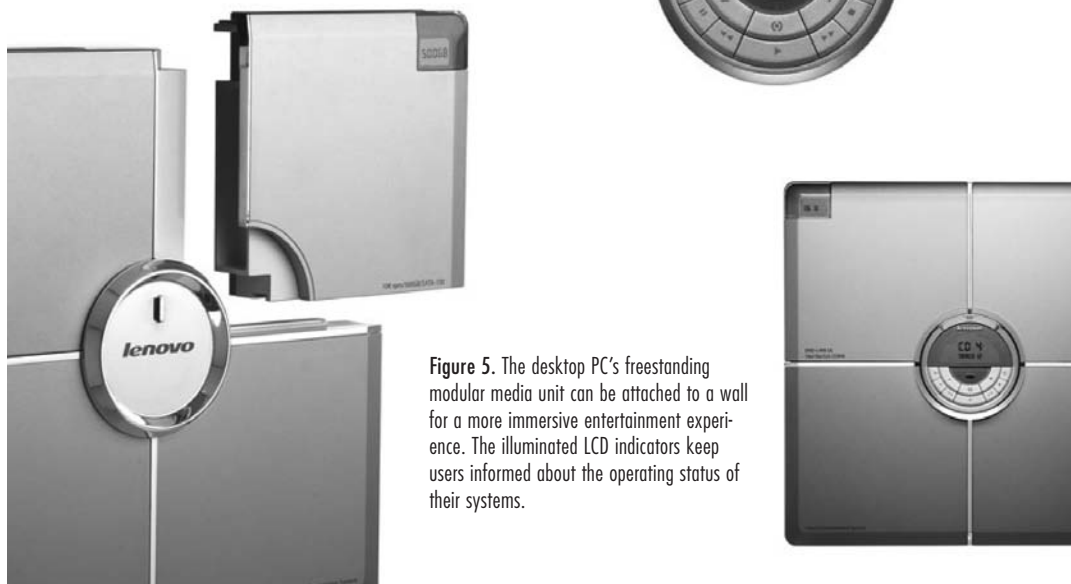


Figure 5. The desktop PC’s freestanding modular media unit can be attached to a wall for a more immersive entertainment experience. The illuminated LCD indicators keep users informed about the operating status of their systems.



Figure 6. The display rotates 90 degrees to reveal an input pad for Chinese character writing. A convenient stylus is stored inside the phone's housing, responding to the Chinese appreciation for complex details. Software detects display rotation and automatically adjusts pictures and words to fit the new format.



Figure 7. Chinese professionals take multitasking seriously. An optional Bluetooth wireless headset allows hands-free use, a critical need on the crowded streets and buses of Beijing and Shanghai.

butions of research and design planning to strategic thinking will be valued," he says. "Design stars will always be there and will flourish... but consultancies have to move up the food chain to change."

The Change Debate

Like their business clients, the design industry is going through significant change. Both consultancies' principals believe the design industry has to adapt to the times. As we have seen, major business theorists think a new type of corporate strategy is emerging. Management and design education norms are being re-examined. Richard Seymour asks, "Is the design industry capable of being fast enough on its feet to understand what is needed from it to fulfill client needs?"

In practice and education, both management and design institutions, with a few admirable exceptions, are finding it a struggle to come to terms with the new environment. Of all disciplines, design is expected to be the most adventurous, flexible, and resilient. That there is still a debate as to its future is mysterious. In Guy Julier's book, *The Culture of Design*,⁴ many designers were asked about the possibility of integrating the design disciplines more closely

with branding, marketing, management, and distribution. They were also asked whether they aspired to orchestrating a complete product in all its aspects so that they might retain a seamless coherence throughout its lifecycle. The suggestion here is that designers assume more responsibility for product lifecycle and client company collaboration. The majority of respondents considered this unviable; indeed, most did not see it as desirable. These findings appear to demonstrate many design professionals' unwillingness to countenance new activity that would remove them from their traditional pathways.

In contrast, we should consider the 2004 interview Larry Keeley, of the Doblin Group, had with G.K. Van Patter, in which Keeley said, "If you look at design practice and compare it to the average change in the world, we are not advancing our field anywhere near the pace of medicine, computing, entertainment, or scientific research. Design is rapidly becoming a technical vocational field. So we end up with design being overwhelmingly used to give us good style and a hyper-abundance of choice.

"We must fundamentally embrace a water-

4. G. Julier, *The Culture of Design* (London: Sage Publications Ltd., 2000).



Figure 8. The laptop PC is modular and flexible, allowing user to configure their systems into “personal technology tools.” Its form was driven by adaptability and function. The product is easily configured to fit in the compact space of a typical Chinese home and is flexible enough to let users explore a range of ergonomic options.

shed change in the nature of the role and the source of value that designers contribute today. So many parts of human life need to be reinvented, made more gracious, and understandable. Corporations can’t and won’t do this in the best ways without being led by people with an acute design sensibility. Thoughtful designers must find one another, and continue to ask the tough questions. So pick an arena and pitch in,” Keeley says. “There’s important work to be done.”⁵

We can begin to see a connected pattern of changes emerging. Management writers exhort their readers to move their enterprises toward more innovative structures and processes and renew their focus on customers, taking a leaf out of designers’ iterative processes and lateral thinking. Design consultancies, understanding that they can contribute more, respond to changes in client companies by developing new knowledge and areas of practice that again feed into corporate behavior and systems.

To watch change processes in organizations as they evolve is absorbing, sometimes painful, always rewarding. The evolution of design

consultancy has proved that design and innovation are profoundly and inextricably linked. We are now living in the age of the innovation consultancy.

Note

This article has been adapted from a paper presented at the Sixth European Academy of Design Conference, Bremen, Germany, March 2005.

Suggested Readings

Cagan, J. and Vogel, C. M. *Creating Breakthrough Products: Innovation from Product Planning to Program Approval* (Princeton, NJ: Prentice Hall, 2002).

Mau, B., and The Institute Without Boundaries, *Massive Change* (London: Phaidon Press Limited, 2004)

Tidd, J., Bessant, J., and Pavitt, K. *Managing Innovation: Integrating Technological, Market and Organizational Change* (Chichester, England: John Wiley and Sons, 1997). ■

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5. L. Keeley, “The Business of New: Interview with G.K. Van Patter,” *NextD Journal*, issue 2 (www.nextd.org).