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A Profession in Transformation

– The paradox of industrial and design in a post-industrial society

By

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Industrial and Design – Industrial design

It is argued that we live in a post-industrial society with a transition from the production of goods to services. It is also said we live in a knowledge economy where creation, distribution, use and manipulation of information are significant activities (Dahlbom, 2003). The word industrial has a connotation of mass-production of products and, logically also industrial design has this connotation. There are two issues related to this that guided our research on the design industry. One, was whether the definition and understanding of industrial design had changed in the transition of the post-industrial society. Another was whether the change of the market and the industrial clients had an impact on the organization and development of the industrial design consultancies (IDC).

The meaning of the term design is much contested. It can be referred to the actual problem-solving activity and the ability to plan, sketch, and model (Jones, 1981; Lawson, 1998). It can also refer to the outcome of the design process that is the product. The lowest common denominator between design and industrial is then the actual product. The two terms would then together imply the activity to plan, sketch and model products. The terms industrial and design would in the change towards a post-industrial society and knowledge economy be paradoxes and the role of the industrial designer would slowly disperse. As we know that the term industrial design is still going strong, both in education and business there could still be a new definition and content of the concept industrial design.

Creativity, by its very nature, creates categories or rearranges established ones (Waymire et al, 1995). The role of designers could in this sense promote strategic thinking or improve the interaction between executives and the future. Industrial designers have always been knowledge workers and consequently would fit perfectly in the knowledge economy. In the industrial paradigm the knowledge was “frozen” in a product and the actual name of the discipline – industrial design – implies a discipline that belongs in the past. At the same time paradoxically the term design has a focus on the future. The competition in the knowledge economy is increasing and borders between disciplines are getting less distinct.

The issue we want to discuss in this paper is the impact the changes of society and industry have had on industrial design consultancies. The discussion is based on a survey of the development of Swedish industrial design consultancies and a parallel study in Finland. The research project investigated how industrial design consultancies in Sweden, Finland and the US view their own development and what opportunity they see to grow their businesses. Our interest is not the change of the industrial design profession as such, but of the development of the industrial design consultancy *firm* although change of the firm is also influenced by the change of the profession. We will therefore relate our analysis of the firm to the development of the profession. This is a working paper and we have chosen to compress the analysis and summarize our findings.

The strategic role of design

The new aspiration of industrial design

Designers are – mostly – known as visionary people; and design thinking is directed towards future visions (Lawson, 1998; Stolterman, 2007). It is therefore natural to link design thinking to strategic thinking. Design could also be viewed upon as a focus to change an existing situation into a preferred one (Simon, 1969) that is towards a situation of how it ought to be (Edeholt 2004). In other words the term design has to do with ideas about the future. The same is argued when it comes to the term strategy. A strategy is a long term plan of action designed to achieve a particular goal (Mintzberg, 1994).

“If managers have to see the big picture and create strategic vision then their perceptions require soft, speculative information which is better suited to synthesis than analysis”.

Researchers and practitioners conclude that the role of the industrial designer has changed (c.f. Valtonen, 2007; Eckersley et al, 2003) due to new demands and changes in the market place. Valtonen (2007) concludes that the role of the industrial designer has changed from a product-development oriented practice to include also strategy work defining themselves strategic designers. The aim of this re-orientation is aligned with an aspiration to move from an operative role towards a work of greater strategic impact (Valtonen, 2007).

Buchanan (2001) describes the change of focus in the design discipline through four orders of design in the twentieth century. Industrial design grew out of a concern for tangible, physical artifacts which where the focus of first- and second-order design. Instead of focusing on symbols and things, designers have turned to reflect on the value of design in our lives. They have turned toward the actual action. The fourth order of design, that is to come, focus on environments and systems. The idea or thought that organizes a system or environment is the focus of fourth-order of design.

In the transition of the industrial economy to a global, and increasingly customer driven economy the role and profession of the industrial designer is changing (Siegel, 2003). The traditional

industrial designer worked in a small consultancy mainly with local, or if it was a larger consultancy with larger international clients. The industrial design profession grew with the industrial society and adapted to the conditions and work methods of the industrial firm. Advancement of technology, for instance the CAD, has changed the tools of the designer. Investment in technology required a larger investment and many very small industrial design consultancies, with handful designers, saw a need to expand in order to afford these investments. But still, the typical industrial design consultancy remained quite small, i.e. less than 5 people and with almost everybody being a designer and part owner of the firm. In the recent years we have, however, seen a change in how industrial designers organize themselves. In UK and the US there have been some large industrial design consultancies for many years. These have grown not only in size but in terms of operations and strategy. Countries like Sweden and Finland with small design consultancies is now seeing a similar development and we can find several industrial design based firms with more than 10 people employed, the largest having more than 50 employees. The employees are not only industrial designers but have other disciplines as well. These consultancies are also working with foreign clients and establishing subsidiaries abroad. This growth is a response both to a need for change to manage a changing market, but also a desire to grow with better business skills. The growth and the transition of the industrial design firm is however not an easy journey. There is generally a lack of business skills and of strategic thinking for their own firm in many of these design consultancies.

Topics of concern for industrial design consultancies

The findings of this study are based on interviews with five Swedish, four Finnish design consultancies, three client companies in Sweden and three in Finland. The interviews aimed at finding out about the strategic thinking in Swedish and Finnish design consultancies and their client firms. The two research projects were later integrated into a shared project building the foundation for discussion at workshops in New York (February 2007) and Stockholm (September 2007). More than 40 designers, facilitators and delegates, attended these workshops. We have used the discussions from workshops as additional data to our research findings. The workshops were initially set up as a result of a series of conversations between the Finnish section of the Finnish Swedish Academy of Industrial Design and The Swedish Industrial Design Foundation (SVID) during the spring of 2006. The analysis of the interviews and discussions resulted in some topics that were condensed to five.

- Vision – what is the vision of the design firms
- Market focus – what market focus have the design firms chosen
- Competence – what competence do the design firms see as important for their growth
- Work methods – what work methods do the design firms develop in order to work more strategically
- Promotion and brand – how do the design firms promote themselves to change their position into a more strategic one.

Vision

IDC:s are both aware and concerned about the increased competition, which has become more international, and intense due to changing borders of the design business. There are many new competitors claiming to offer design services, advertising agencies, engineering and web design firms. Service design is another matter that is not clear what it actually means for an industrial design firm that is primarily focused on physical products. One vision expressed by many IDC:s have been to achieve a strategic role in their client's development processes. In today's global business design is recognized as one important tool for the creation of competitiveness and for sticking out on the marketplace. Many designers still argue that their clients do not see how design and strategies are interconnected. The IDC:s seem to agree that IDC:s need to acquire more business skills, and also skills to act globally.

Market focus

Most IDC:s have a broad horizontal offering but a focus on for instance product design. This means that they work across many different industries with one – or slightly adapted process. This is a common strategy for IDC:s based on industrial design. The claim is that the offerings (processes and methods) are relevant for all industries. One advantage is clearly that through experience from different industries the IDC can act as brokers, i.e transferring (technical) solutions from one industry to another and in that way contribute to innovations. This broad approach could be a disadvantage if the CF needs a specialized knowledge of the conditions and constraints in the operations. Specialization in for instance material or customer contexts could be an advantage in this case. Vertical broadening for an IDC could mean that the IDC focus on one or few industries and broaden their offering i.e. the whole process from idea generation to launch. It could also mean that the IDC offer several different design services like industrial design, packaging design, retail design, interaction design, etc.

The trend among IDC:s seems to be both horizontal and vertical broadening. This means that the IDC:s operates in many different industries and have a broad offer both from a process perspective and with different design fields, for instance concept, packaging and service design. Some of the larger IDC:s have employed different design disciplines and/or engineers and business people.

From the interviews with Swedish and Finnish client firms (CF:s) it is obvious that there is no straight answer if the IDC should be broad horizontally or vertically. Some general conclusions were that large, global companies want a broad horizontal IDC, with experience from different industries to make them more creative. The IDC should understand the strategies of the client but not interfere with it. The large company claim to have resources of their own to cover for developing strategic issues. The SME:s on the other hand are more in a need for a IDC that is vertically broad and sometimes horizontally.

Competence

Besides outstanding design skills, customers require additional competences and practices to ensure smooth co-operation, such as project management. Many IDC grew with friends who got

together and formed a company. In the professionalization of the IDC and with a growing design industry there is a need to have a professional recruiting process, including human resource development. Additionally IDC seems to benefit from having professional managers, marketing functions, etc. A broad range of competences could make the design firm less vulnerable to defections or other disturbances. Integration of these skills emphasizes the need for human resource development competencies. Many designers are in the business because of its creativity, because it is fun. Hence, one reason for growth is because it can lead to more interesting projects and it is easier to attract people. But growth can mean different things. A IDC can grow in terms of more clients and business, but a IDC can also grow in income/sales. Growth in income/sales means that you have to deliver more value. But it could also mean that the IDC can charge for things that are sometimes hard to put on the invoice today, for instance idea generation. To grow definitely means more money, also in terms of costs. Regardless what is meant by growth there is also a demand for new skills which most IDC:s seem to appreciate. The future discussion will therefore focus on what design strategists need to know beyond design skills, for instance regarding: business operations, management practices, economic, social, and cultural conditions/processes And what disciplines IDC will need to support design work, for instance engineering, computer science, psychology, and sociology.

Work methods

Designers are appreciated for visualization skills, innovative viewpoints and skills in communicating ideas. However, the challenge lies in analyzing, interpreting and operating the results from a customer perspective. IDC:s conduct market research, especially user studies and some IDC:s have become very well known for this. In this respect they come close to the marketing department and market research companies, who have – or at least have had – a quantitative approach in market research. The development of market research methods however, has been towards qualitative methods, for instance interviews, focus groups and observations of users and sub-culture groups, based on ethnology inspired methods. Also the use of visual tools like for instance “mood boards” is more common also by market researchers. It is therefore obvious that marketing people are getting closer to the methods used by industrial designers. From the presentation and group discussions one could conclude that designers see a clear difference between their own methods, its contribution and methods and contributions of other disciplines. This is also understood by those who have worked with designers but rarely among others in the client firms’ organization. Some of them influence the purchasing of consultancy services and it would be an advantage to have a better communication of what designers bring to the table and the value of it also to these people. Another view that was expressed during the discussion was that the sense of superiority of the design process. Hence, there is no need to change the process; the challenge is to communicate the value of it.

Promotion and creation of IDC brands

IDC:s are known to those who have worked with them. Although design as a concept is well known in CF:s, few IDC:s are recognized by top management. Design firms tend to promote themselves through their processes, as a supplement to product development, rather than through their outcomes or brands. The most common tool for marketing among IDC:s, regardless if they

are Finnish, Swedish or American, is word-of-mouth. The basic approach of marketing is relationship marketing and the use of previous cases to illustrate what they are doing and the result of it. A design firm who wants to grow need to consider how to build a brand name of the company and hence how it should organize its marketing activities. Whatever these activities are, the participants agreed that there must be a clear message, which brings us back to the previous topics. What is the vision of the company, what is the competence, how does the IDC achieve its result, how does the work methods fit the client firm's method, and what is the value of all these issues for the client's profitability? IDC's competence is based on creativity, analysis and synthesis – these competences are certainly valuable for developing marketing activities and building a brand name for the IDC as well as for creating value for their customers.

Conclusion

It is obvious that there are several changes in the way industrial designers view their own role and how they see their businesses. There is a great interest in growth and to raise the profitability of the IDC:s. There is a high awareness that this would make the IDC as a company less vulnerable and provide better margins for development, to invest in new technologies, to follow the clients, especially if there is a desire to become an international actor. Although design has received more attention and is more recognized as a valuable tool for competitiveness the knowledge about what IDC:s do and the value of their work is mainly restricted to those who have experience working with designers. The strategic role of design is not always clear to the client firms, but the question is also whether designer are clear about what strategy means in a corporate perspective.

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