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### Seismic Shift: Rethinking the Design Industry

by Niti Bhan



By now, you've seen the business media talking about design with every second breath—"design thinking" will lead the way to innovation, growth, and new products. Outsourcing and consolidation of design, engineering and R&D will cut costs and increase profit margins. The 21st Century will be a "Conceptual Age"—a society of creators and empathizers, pattern recognizers and meaning makers. Companies must connect with their customers—offer products and services that resonate on an emotional level—to be successful you must evoke the "warm fuzzies".

In these stories, and more, two broad themes emerge. One is that given the technology and communication systems available today, most components of traditional design services will be commoditized to the point where price is the only differentiator. The other is that these very same cost cutting and efficiency measures, while disruptive to the design industry in its current form, will ultimately transform the industry for the better. Tomorrow's clients will seek to apply design skills and methods

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much earlier and more significantly in the product development cycle, while research will focus on the customer, not the marketplace, and strategy will focus on growth and innovation, not the cheapest vendor.

*"While the design industry is gaining awareness of this shift in their business, their roles relative to their clients and their future growth opportunities, the fact remains that the nature of the trend is of an order of magnitude much greater than imagined."*

Bruce Nussbaum, design champion and editorial page editor at BusinessWeek observes that design studios at the forefront of this revolution are evolving their "core competencies from drawing to thinking, from styling to innovating, from shaping things to visualizing new business paradigms." He continues by suggesting that corporations look to the design industry as a "resource to help with the broad array of issues that affect strategy and organization—creating new brands, defining customer experiences, understanding user needs, changing business practices."

A report on the APDF study "State of the Design Industry-2004" states "Beyond the conventional parameters of design, creatives are stepping-up to fuller problem solving roles, offering perspective and innovative thinking—work done away from the Mac." While the design industry is gaining awareness of this shift in their business, their roles relative to their clients and their future growth opportunities, the fact remains that the nature of the trend is of an order of magnitude much greater than imagined. History shows that once industries disappear, they are gone for good, along with the expertise and way of life they entailed.

So how exactly do you evolve and retool your design business? What are designers doing once they have redefined their role? Conversations with practicing professionals revealed quite a few insights.

**Stone Yamashita Partners** is a San Francisco based consulting firm founded in 1994 that embraced this way of thinking from the start. Their philosophy is that an integrated whole-brain approach combining the intuition and empathy of the "creative" side with the logic and analytical ability of the "business" side is an extremely versatile and powerful tool for facilitating growth and change for their clients. According to Greg Parsons, a principal at SY[P] who holds an MBA from the University of Chicago, "if we don't have one person with both sides in their background, we create teams with business oriented thinkers who understand design and designers who think like businesspeople." Another principal, Liz Sutton, adds "Design thinking allows us to observe, deconstruct, understand the problem and then present an elegant solution. Business allows us to put the dollars and the numbers in place."

**Jump Associates** is another West Coast consultancy that has been practicing in this space for the past seven years. Alonzo Canada, an associate with a background in architecture, interaction design and business development, states that their clients are seeking "actionable roadmaps to growth." To provide these, his firm uses social research techniques to unearth unmet needs. Employing proprietary frameworks—one is called an "opportunity map"—they identify opportunities for their clients and then develop compelling solutions that speak to their

customer's needs. The end results are actionable recommendations backed by clear depictions of where the client will be in one year, in three years, or more, supported by the metrics that a business plan requires. Their team members typically have at least two of the three core skills—social research, design and business strategy.

The majority of those reaching out to embrace this trend have their roots in the UI industry rather than industrial design. While traditional product and graphic design practitioners enter the field with a foundation based on design history, emphasis on form, method and process, those in the UI field come from myriad backgrounds such as software engineering, marketing, and brand strategy. Without a common heritage and education, these designers are more comfortable working with disparate client groups and in interdisciplinary teams.

*"I'm already starting to see this now, neophytes getting in the game, who think it's just a matter of getting a videotape recorder and following people around and coming up with cool designs. It's not that easy."*

Furthermore, the interaction design and user experience field is such that a successful end result frequently requires an in-depth study of the client's business strategy, marketing and corporate objectives. Thus, from the very beginning, these design professionals have been closely involved in the tangible manifestation of corporate strategy to a far greater degree than most product designers. Until recently, industrial design teams were typically called in much later in the process, after key decisions—what to make, whom to make it for, and why—have been taken. Design strategy in this context has had implicit reference to either a specific member of a product family or a range of products, integrating with the company's brand, rather than the evolution and definition of the brand and the strategy—the positioning of the company—and then making it tangible through product design.

If this is indeed the dawning of a conceptual era, where the skills and abilities needed to be successful are the very cornerstone of the design profession, then designers cannot afford to continue wearing blinders in the face of the opportunities available. Chris Conley, assistant professor at the Institute of Design, Chicago writes how "the application of this expertise beyond what is normally considered a "design project" is accelerating design professional's relevance to business. Understanding the broad relevance and power of these skills, distinct from traditional business skills, makes it possible to break down the barrier between the designer and the business person." Firms that expect to prosper in this evolving arena cannot wait for outside influences to define their future structure and strategy. They must take an active role in re-inventing themselves and their business. Designers are uniquely positioned to take on an introspective project like this, possessing the very skills needed to transform products, services and businesses, even their own.

This is not an easy proposition, and there will be bumps in the road. Jump's Canada cautions "It's an emerging market and a certain amount of expansion will take place with a number of different firms entering to offer these services. They'll see that it's not as simple as it sounds to get real results. I'm already starting to see this now, neophytes getting in the game, who think it's just a matter of getting a videotape recorder and

following people around and coming up with cool designs. It's not that easy. It's offering clever, compelling solutions combined with business planning so that competition cannot come in and clock you. This needs the multidisciplinary team I mentioned to do it. It's a major opportunity for the design industry to raise its value, to offer compelling solutions that allow differentiation."

*"In essence, the design industry must respond to their customer's needs, retool and reconfigure their offerings, and structure engagements based on value rather than cost."*

For designers, managers, and design firm owners who want to take the initiative and begin moving towards the new model of design teams described above, there are a few specific things you can do to get the ball rolling.

**Engage your client** in your process. They know their business best, and by collaboration you are enhancing the level of discourse and flow of information, rather than accepting the project as a simple design task. Ideally, this leads to an expansion of the range of services you can provide for your client. Their participation will also increase their buy in on your final concepts.

**Understand the context** in which the final product has to reside. Cordy Swope, design strategist and founder of **normal life**, puts it this way; "Understand and respect all other disciplines. Engineering, Marketing, Design, Advertising, Branding, Media, Finance...these are established disciplines with their own terminologies, theories and sets of best practices. It is a big (and arrogant) mistake to declare war on them or their practitioners. You will not win if you do. They are all components of your client's business."

**Develop an understanding** and appreciation for user research and ethnographic studies. If you don't have in-house talent in this area, hire or partner with specialists in this field. Research is a specialized field, and not everyone is suited for this task. Don't try to force someone on staff already into this area if they don't have the inclination.

**Expand your knowledge base** to include business strategy. If you read only design magazines, materials catalogs and general news websites, increase your subscriptions to include multiple business magazines, newspapers, and blogs. An understanding of the market forces shaping your client's decisions and the ability to present in language used by business will go a long way when pitching your solutions.

**Form partnerships** with other firms and professionals to jointly offer integrated solutions that go beyond the traditional product design deliverables. Make sure that these partnerships benefit and are a good fit for both sides. Future turnkey service offerings must go beyond sourcing and manufacturing.

In essence, the design industry must respond to their customer's needs, retool and reconfigure their offerings, and structure engagements based on value rather than cost. Firms that can design compelling solutions to

meet these needs will gain clients and take advantage of emerging business opportunities, growing into the leaders for the next phase of professional design practice.

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