Master's Thesis by Elisabet Fluff Kärrberg

Selling

Design

Services

Selling Design Services

Master's Thesis by Elisabet Fluff Kärrberg

Abstract

The purpose of this project has been to create an understanding of how a design consultant can identify opportunities for design within SMEs, and communicate the value of design in the context of organisational objectives. The project has been focusing on three areas: (1) understanding what best represents business value in relation to design, what kind of value design can contribute with, and how the need of it can be identified within an organisation; (2) what factors need to be considered within client communication in order to foster good client relationships; and finally (3) how to deal with complex sales mainly in relation to selling design services and commissioning design projects.

The first two areas became a model, *The Design Sales Threshold*, which contributed to the third area in which I used its content to develop *The Design Sales Dialogue* meant to function in selling design services. Both models were then put into the book *Selling Design Services*, aiming to improve skills in selling design services for the moment, while at the same time building long-term client relationships where design is a strategic resource in the client's business development.

Acknowledgements

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The
Project
Introduction

1.1 Background

There are many conflicting needs in the interface between business and design. Understanding what best represents business value in relation to design from a client's perspective is crucial in selling design services effectively. Design value is something design sellers with a creative (design) background may have difficulties in communicating with design buyers with a limited understanding of the field, while design sellers without a background in design may lack a skill in the choice of design competences, methods and tools needed to create high-perceived value for the end customer.

By creating an understanding of the interface between business and design, a design consultant can communicate how design can add value to the client and help achieve organisational objectives. A design consultant's ability to guide and communicate effectively with an organisation's key decision-makers can also empower a prospective client to promote design within their own organisation and raise awareness of the value of design.

For this reason I have chosen to deepen my skills in how the interface between business and design can go from complicated to a mutual exchange by improving skills in selling design services at several levels and build customer trust by offering the right mix of design services depending on the client's needs. By creating an understanding of the value design can bring to an organisation, and how to effectively communicate this with a prospective client I want to be able to sell design services for the moment, while at the same time building long-term client relationships where design is a strategic resource in the client's business development.

1.1.1 Purpose

The purpose of the project is to create an understanding of how a design consultant can identify opportunities for design within small to medium-sized enterprises (SMEs), and communicate the value of design in the context of organisational objectives.

1.1.2 Question

How can a design consultant identify and communicate client needs in relation to achieving organisational objectives by using design in product development?

1.1.3 Vision

Develop a tool aiming to assist a design consultant in creating an understanding of the value design can bring to an organisation, and how to effectively communicate this with a client.

1.1.4 Thesis Overview

The
Project
Introduction

Chapter 1
Introduces the
background and
purpose of the project

The
Issue
Discussion

Chapter 2
Discusses the underlying
issue and difficulties
justifying the project

The
Design
Process
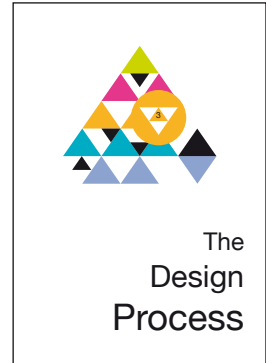
Chapter 3
Describes the method
used in conducting the
project

The
Project
Results

Chapter 4
Presents the results and
outcome of the project

Some
Reflective
Conclusions

Chapter 5
Shares some thoughts
regarding the project

Some
Valuable
References

Chapter 6
Lists references used in
the project

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2
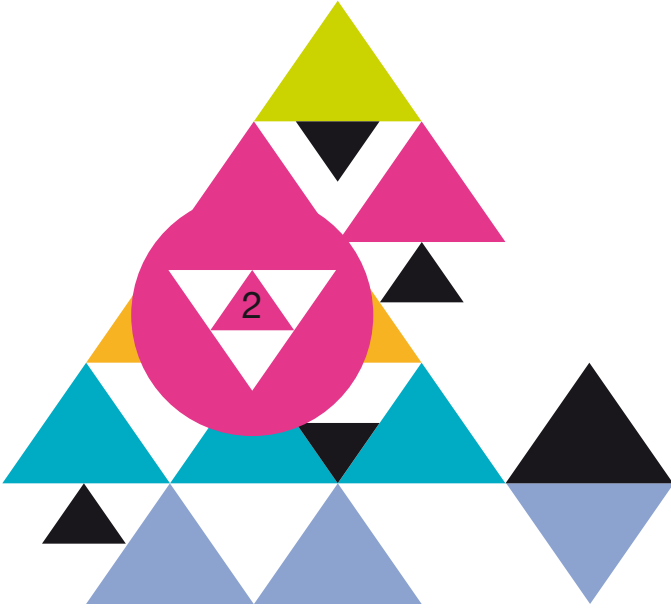
The
Issue
Discussion

2.1 Low Profitability in Design Consultancy

There is a growing awareness that design is a valuable means to achieve strategic objectives (Borja de Mozota, 2003; Best, 2010; Johansson, 2006; Johansson & Svengren Holm, 2008; Niélsen, 2008). However, if looking at Sweden, design is not being used to the extent it could be used within organisations (Niélsen, 2008), even though public investments in design is high in comparison to other countries (Livesey & Moultrie, 2009).

There are several business support programmes aiming to mentor business managers through the process of commissioning design, for example Designing Demand, developed by the Design Council in United Kingdom, and Lean Design Analysis, developed by the Swedish Industrial Design Foundation (SVID).

The International Design Scoreboard: Initial indicators of international design capabilities (Livesey & Moultrie, 2009) provides an indication of the number of design firms in different countries. The USA was attributed 30485 design consultancies and the UK 12450, and third was Canada with 12411 firms. Sweden came fourth having 8459 design firms, and as number five on the list was Singapore with 3657 firms.

A study (Howells & Tether, 2004) for the European Commission revealed that some 70 per cent of all design companies across 27 member states are between one and five people in size, with only 6 per cent of companies employing more than 50 people. Of that 70 per cent, a total of 38 per cent are businesses of only one or two people.

The International Design Scoreboard also lists the amount of design firms per million inhabitants. This is where the numbers make more sense than just showing how many design firms a country has. Sweden is first on the list having 947.8 per million. Second is Singapore 888.9 per million. In comparison, USA has 105.7 per million. However, data of turnover (3,52 per cent of GDP) and employment (4238 in total, 475 per million) suggest there are fewer employees than there are design firms in Sweden.[1]

In another study (Feldt, Johansson & Westerlund, 2004) regarding the Swedish industrial design capacity, Sweden had 337 industrial design consultancies. Out of these 17 per cent had an alarmingly low solidity which was below 13 per cent, and as many as 28 per cent of the design firms had a solidity below 30 per cent. This study also states design consultancies have a lower turnover per employee than related industries. About 80 per cent of these design consultancies were businesses of only one person. The writers suggest further analyses regarding the relationship between design sellers and buyers, and a deepening of designers' skills within economics in order to improve interaction with clients.

1 The Swedish numbers are from 2002 and include various kinds of design firms within the design sector.

2.1.1 Complexities in Selling Design Services

2.1.1.1 Building Trust in Consultancy Work

Ambiguity and uncertainty is built into working with various kinds of consulting firms, and the consulting business is not protected by any educational or professional standards (Armbrüster & Glückler, 2003; Rylander, 2009). The market entry barriers for a consulting firm are low, which means clients can find difficulties in distinguishing qualified from non-qualified consulting providers (Armbrüster & Glückler, 2003). Consulting firms sell experience goods that are often co-created to some extent with the client organisation, which can imply getting access to confidential information within client organisations, knowledge that renders the client potentially vulnerable to opportunistic behaviour by the consultant (Armbrüster & Glückler, 2003).

The interactive nature of consulting in the generation of a project result carries uncertainty for both parties – for consultants because they depend on a collaborative and consent based client attitude; and for clients because they depend on the consultant's capabilities, commitment, and integrity in the project (Armbrüster & Glückler, 2003; Ravasi, 2011).

When choosing a consultant, the client could consider three modes in order to gain as much certainty about a consultant as possible: public reputation (a consulting firm's past performance perceived from a general, anonymous source circulating freely), experience based trust (personal experience), and networked reputation (judgement from a trusted party) (Armbrüster & Glückler, 2003).

2.1.1.2 Designers' Approach to Prospective Clients

Designers proceed from a different epistemological tradition than business managers (Johansson & Svengren Holm, 2008), which can be a contributing factor in the difficulties in communicating the value of design compared to services offered by other kinds of knowledge intensive firms, such as management consultants (Rylander, 2009). The languages differ in the sense that designers tend to use a more "illogical" and emotional approach in communication (Johansson & Svengren Holm, 2008; Lawson, 2005; Neumeier, 2006). Designers' creative thinking depends more on skills of intuition and insight, i.e. tacit knowledge, which makes it hard to control. Innovation requires creativity, and creativity can make business people uncomfortable. Anything new, by definition, is untried, and therefore unsafe, but still many executives say innovation is where they expect to find their most competitive advantage (Neumeier, 2006).

In search of the right means of communicating the value of design to clients, much time has been spent trying to outsmart the MBAs and designers have increasingly lost focus on their own profession. Design has due to this become emptied of its meaning through over-use (McCullagh, 2010). Within design, each task has its own unique conditions and character. Design is a complex interface between creative and mechanical operations. The designer operates between the private and the public, between specific and general needs, between the material and the cultural, and between the unimaginative and the irrational. This makes the professional structure loose, arguments vague, and ideas hard to sell (Eksell, 1964). Design can be difficult to deliver and the design process is not a general-purpose methodology, but a specialist one that must be executed by experienced and talented designers (McCullagh, 2010). In communicating with clients, there is still need for very basic explaining of words such as *design*, *designer* and *industrial design*. And on the other hand, explaining what role design can play in fulfilling organisational objectives (Bielski, 2010).

Designers tend to be too willing to talk about their own value (Preddy, 2004). A common critique against design consultants is that they can be reluctant to ask adequate questions and thereby damaging their chances by showing an apparent lack of interest, and also that they create their work based on loose grounds. Another critique is raised because design consultants overestimate the appetite for change within the client (McCullagh, 2008; Preddy, 2004). Designers do not engage enough with the commercial realities of organisations and risk losing credibility due to lacking an ability to back up their assertions with a base of evidence data (Lockwood & Walton, 2008:1; Preddy, 2004).

To the client, the design industry can appear bewildering. If the client is unfamiliar with design, the immeasurable value of using it might be seen as a risk. It is difficult to measure and evaluate the value of design since, for example, product development cycles are long and it is hard to claim what was done four years ago led to this or that independent of other aspects. Barriers in using design are either an aversion towards costs, a belief of not having the time or energy of conducting a project, or internal contradictions towards the involvement of designers (expandera.org). A design consultant should also consider the potential risk the client contact takes in initiating a project, since the project's outcome might affect this person's career negatively (Preddy, 2004).

3

The
Design
Process

3.1 Method

I have used the design process as a method in conducting this study. The design process is characterised by an experimental and iterative approach to both solving and finding problems. The way designers approach problems is somehow different from other professions and these problems are sometimes being referred to as "wicked" problems, meaning open-ended in the sense that they are ill defined and characterized by incomplete, contradictory, and changing requirements and complex interdependencies – that "the information needed to *understand* the problem depends upon one's idea for *solving it*" (Ritter & Webber, 1973: p. 161).

When addressing a complex and strategic issue as I have done in this study, using the design process implies targeting the specific issue at hand from many angles, since it does not have an obvious starting point due to a lack of previous research within the area of selling design services. I have therefore focused on gaining as much material as possible by embedding the research question within practice, since effective sales is based on practical experimentation and development of skills in selling. Research in this sense should not be interpreted as research within social sciences. Research by design is concerned with undertaking research into the design process and/or could also refer to undertaking research within the process of design. By doing this, the ambition is to better understand and improve a situation, rather than just building a case of evidence data for the validity of the outcome. Hence, there are no right or wrong solutions, only better or worse depending on the context in which the solutions are made to function.

This kind of experimental approach is sometimes referred to as reflection-in-action. Donald Schön (1983) writes about the reflective practitioner and describes reflection-in-action as our thinking is helping us to reshape what we are doing while we are doing it. Our reflections do not have to have a direct connection with our present actions. Reflection-on-action on the other hand can shape our future actions, which can help practitioners improve their skills. This can also allow reflection-in-action by recalling known past consequences of our actions and thereby reformulate problems. This kind of accumulated knowledge leads to real intuition in future actions, which as a result can sometimes be difficult to articulate.

This approach has been useful for me since the most extensive part of my design process has been a continuous focus on spending as much time in business environments and with people not familiar with the value design can bring to organisations, in

order to practice my rhetoric and skills in selling design services. However, time has also been spent among professional design practitioners and professionals in related fields in order to collect material to this study. Nine interviews or more structured conversations have taken place with the latter and a list of these can be found on page 91.

The first parts of the interviews regarded design audit processes. I was looking for ways of understanding organisational needs by asking questions about how design audit processes function, what factors are being considered, how to create an understanding of brand identity and how to interpret a brand and transfer the brand into products, services, etc. I also asked questions about how these audits are being initiated, how comprehensive they are, how to understand what represents value to a client and how to communicate design value with clients. The purpose of my approach was to get a better understanding of the subject and a broader view to consider in order to better understand and validate the information I was getting from my literature studies. The second parts of the interviews were used to get a deeper understanding of parts within the project and to see if my interpretations of the outcome of these were accurate. I wanted to get ongoing input and force myself to reflect and challenge the assumptions that were continuously being made in the project in order to avoid the risk of ending up with something unusable for practitioners.

Two workshops were held in order to broaden the notion of what a tool is and to put that tool in the context of communication in a sales meeting between consultant and client. The participants were mainly people from other areas than design, yet again to practice communicating design value with people unfamiliar with design.

During the project I have attended about 45 occasions such as various business network events, seminars, workshops, meetings, etc. In this number I have also included various occasions I have been invited to in order to contribute the knowledge gained within the project and occasions in which I have been asked to consult in both selling and buying design services as well as consult in design issues regarding development of business and academic projects. As examples of business network events are break-fast meetings with various BNI (Business Network International) groups in Göteborg. BNI is the world's largest member organisation for creating business through personal contacts. These meetings gather representatives from various industries (not more than one from the same industry within one group). In short, the meetings follow a certain structure, in which a member presents an issue of importance to him or her; each member, and guest, presents him- or herself to the group as well as requests and/or offers various competences and specific contacts; and the aim is to build as strong busi-

ness relationships as possible. Following a similar structure do also breakfast meetings with Business in Heart in Göteborg. This is a Swedish network organisation for women entrepreneurs. Another similar event is Breakfast Club at House of Win-Win in Göteborg, mainly gathering junior professionals from the creative industries.

Building and nurturing business relationships has also been done at various lunches, dinners, business seminars and similar events organised by various organisations or between myself and specific business associates. As an example of a workshop I have been invited to is LABS Remix, a workshop held by GU Holding, the University of Gothenburg's own holding company aiming to develop new companies based on research results from and leading edge competency of the university. This workshop had the aim of mixing representatives from the creative industries with researchers from the university to see how other ways of thinking creatively could spur new ideas.

Within my design process I have used sketching and prototyping as the most significant elements. Prototyping allows designers to show and test a solution, for example, through an active participation of others. If this method is being used early in a development process, it can reduce the development cycle time of products and services since it reveals strengths and weaknesses of a solution and thereby increases the chances of ending up with a better solution with a high-perceived value for both users and the client organisation. In my case, prototyping can be seen as a simulation of an experience that foresees some of its performances through the use of the specific touch points involved. Some claim (Battarbee, Koskinen & Kurvinen, 2008) that a prototype is not only a representation of a product, but that it consists of both the representation and the social interaction created around it, which can be referred to as "prototyping social interaction".

As examples of how I have used sketching and prototyping as design methods are (1) text prototyping, (2) rhetoric prototyping, and (3) mock-up prototyping. Text prototyping refers to how I have been sketching with the material gained from literature studies, interviews and conversations in text and then had various texts read by different people in order to get a better understanding of the content and how well it communicated the ambitions I had for each text. This approach also incorporates rhetoric prototyping, since it is a crucial part in communication. However, by rhetoric prototyping I do not only refer to the language used in texts, but also to how I have experimented with and developed my verbal skills in communicating the value of design in business.

Text prototyping and rhetoric prototyping has to do with semiotics, semantics and pragmatism within languages. These are used in making tangible the intangible. Semi-

otics and semantics are usually taught at design schools in a more visual context, such as how to use images, signs, shapes and colours in order to communicate various messages. There are many examples (Karjalainen, 2004; Karjalainen, 2007:1; Karjalainen, 2007:2; Karjalainen, 2008; Karjalainen and Snelders, 2010; Monö, 1997; Person & Snelders, 2010; Warell, 2002; Österlin, 2010) of how semiotics and semantics are used in product design, and in addition to that both Lindstrom (2005) and Gobé (2010) write about developing communication through all five senses. Since the choice of characteristics in a message will be subjective, the challenge lies in identifying the most effective characteristics and communicate these in a trustworthy manner. How intangible phenomena and notions, or even contexts for that matter, are interpreted and transformed from words into physical implications – and the other way around – can therefore be an ambiguous task.

The previous two ways of prototyping is also used in various mock-up prototyping I have done, such as the various models, sketches, books and guides I have made during the process in order to visualise and communicate the content at various stages.

I have chosen to position the project in the interface between business and design to bridge their disparities, and in order to do so mainly focused on understanding the business parameters of design value (image 1). The project has been focusing on three areas: (1) understanding what best represents business value in relation to design, what kind of value design can contribute with, and how the need of it can be identified within an organisation; (2) what factors need to be considered within client communication in order to foster good client relationships; and finally (3) how to deal with complex sales mainly in relation to selling design services and commissioning design projects.

These areas were not initially defined, but have become the main focus areas within the project. The first two were to some extent studied in parallel, whereas the third came into the process in order to bring forth the elements I had found valuable within the first two areas. The main insight from this process is the order of things: Business Value – Client Relationship – Sales. Identified business value is a prerequisite and the client relationship has to be defined and valued before dealing with complex sales.

Image 1: The project has focused on understanding the business parameters of design value

3.2 Design Process

The design process I have used as my approach in conducting this study contains four phases: Preparation, Incubation, Illumination, and Verification. This is seen as a general model of the creative process of problem-solving and this view was incorporated by Graham Wallas in his work *The Art of Thought* (1926).[1]

These stages can be interpreted in many ways. In this project *Preparation* has to do with the preparatory work on the problem that focuses the mind on the problem and explores the problem's dimensions. *Incubation* is where the problem is internalised into the unconscious mind and where synergies begin to occur in rather unpredictable ways during the process of working with the material. *Illumination* is where creative ideas burst forth from its preconscious processing into conscious awareness. This is where the knowledge gained begins to appear in more explicit and tangible ways as well as being elaborated with. *Verification* in this project is mainly focused on reflecting upon the outcome.

These phases are presented below as a linear flow of activities, but since the design process is an iterative process some events have taken place in parallel between the different phases. This is mainly an overview of the most significant parts of the process and does not contain each detail within each phase.

A first vision was to design a tool meant to function within a sales meeting between design consultant and client, however it was not outspoken in the vision statement.

3.2.1 PHASE 1: PREPARATION – PROJECT FORMULATION

3.2.1.1 Inventory of Subject & Research

The first part of the preparation phase contained two parts. The first of these consisted of literature studies, mainly literature focusing on/or relating to design management and design strategy. My previous studies have shown the literature generally has an absence of a practitioner's perspective and I therefore aimed to embed the research question within practice, which was the second part.

I was looking at how various design consultancies approach clients in the early phase of a project and how they create an understanding of organisational needs in relation to design strategy and design management. A decision was made to deepen my under-standing of design audits and how they can be used to better identify opportunities for

1 Although he has a fifth stage in between Incubation and Illumination, which is Intimation meaning a creative person gets a "feeling" that a solution is on its way.

design as well as create an understanding of client needs and relationships.

I interviewed a couple of design professionals from various design consultancies in Stockholm. These were chosen from an index at the Swedish Industrial Design Foundation's (SVID) website and the reason for choosing them was because they claimed to work with design management, design strategy and/or design thinking. Interviews were made with Malin Orebäck; Director of Design Strategy at Ergonomidesign, and Martin Sjöman; Design Planner at Review Design. I also met with Kaj Abbestam; Director of Projects and Regions at SVID in Göteborg. Stefan Ytterborn; CEO at POC Sports, was also contacted due to his experience within the area of design management and strategy and a telephone interview took place.

These interviews regarded design audit processes. I was looking for ways of understanding organisational needs by asking questions about how design audit processes function, what factors are being considered, how to create an understanding of brand identity and how to interpret a brand and transfer the brand into products, services, etc. I also asked questions about how these audits are being initiated, how comprehensive they are, how to understand what represents value to a client and how to communicate design value with clients and so forth. The purpose of my approach was to get a better understanding of the subject and a broader view to consider in order to better understand and validate the information I was getting from my literature studies.

3.2.1.2 Research & Problem Definition

The collected material from both the literature and the interviews was put together into a text. By using the text material as a base for sketching with the content I was able to analyse, interpret and generate ideas upon how to reach the project vision. Extensive information had been gathered on how to discover opportunities for design, i.e. design audit processes, as well as client relationships. My critique regarded the disparities between the information found in the literature and in practice.

In order to improve the capacity in overlapping business objectives with design I decided I needed to focus on creating a tool that neither focused on the very broad strategic design projects described in the literature nor the very basic design projects described in practice. This was because few broader strategic design projects seemed to be initiated without being subsidised or part of a study by various foundations or institutions, and would not coincide "in reality" as part of the daily activities for a design consultancy not being very reputable. The smaller design projects seemed to be more of identity strengthening projects, i.e. relating to corporate identity, but still lacking the

strategic edge, which design could actually bring to an organisation. I needed to embed the research further into practice in order to gain a realistic view on what could actually constitute a design audit with a strategic purpose that would be economically viable for a design consultant, since profitability for the design consultant was something I wanted to accomplish within the tool being created.

The text was given to various people, both familiar and not familiar with design, in order to get their feedback on the content and force myself into taking different readers' perspectives. I wanted to test how well my writing could explain design management and strategy to someone not familiar with design, but familiar with the client's perspective. The text was also read by and discussed with two researchers, Ingo Rauth and Toni-Matti Karjalainen, within the field of design, innovation and management. This helped me clarify my own position in relation to the information in it. Prototyping the text made me practice my way of communicating the subject, which has been the main priority within all activities in the process. From this I began narrowing the focus and in close collaboration with my supervisors eventually identified a specific area to focus on.

3.2.1.3 Project Description & Formulation of Goals

The research had shown it is not likely to find a client demanding and paying for conducting a design audit aiming to establish a strategic design management function within an organisation, and that it might be more realistic for a design consultant to begin with a smaller design project, likely to succeed, which might eventually lead to the possibility of conducting a broader strategic design project. Difficulties for the design consultant in identifying who owns the issue of how the brand strategy should be made tangible, and has the authority and budget to initiate such broad projects aiming to support an organisation's business development, was another obstacle identified in my research, especially if a collaborative climate between different departments, with different budgets, is missing. Trying to sell a project to someone who does not show any interest or understanding of the value design can bring as well as free pitching to clients was dissuaded by various sources.

However, I still wanted to focus on design as a strategic resource within business development, but limited the area to improve business development by focusing on design as a strategic resource in product development. One reason for this limitation was because I did not regard myself competing with business consultants with an MBA background, and therefore needed to position myself within business development consultancy with design as my unique selling proposition. Though, the tool should not just sell product development projects, but also aim to raise the strategic discussion

earlier in the client relationship and make the client see the strategic value of design.

The focus of the study was now on developing a tool to be used with new, potential clients, aiming to identify needs related to design with the purpose of creating an understanding of how a client can achieve organisational objectives by using design in product development. Another reason for choosing the use of design in product development was because a need of niche in the market among SMEs had been identified.[1]
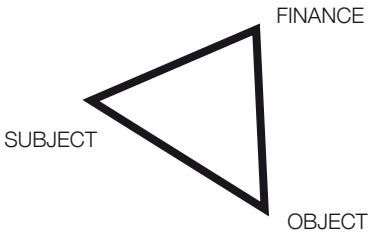
3.2.1.4 Function Analysis

To be able to conduct the designing of the tool I made some additional research on how to identify client needs in order to better understand a client's inducements for starting something, how clients view design after having had an experience of using it in product development processes, and how to communicate the commercial value of using design. As a complement to literature studies and interviews I analysed a couple of videos (expandera.org) describing projects conducted during the Expandera project, in which business managers and designers described their collaborations, as well as difficulties and benefits within them. The Expandera projects were aiming to instil growth within SMEs with the help of design as well as develop and strengthen the creative capital in the south of Sweden.

From this research I began defining areas of obstacles and benefits in using design as well as factors to consider in order to facilitate client communication, which I called "threshold values", i.e. factors to take into account in order to decrease aversion towards design and make clients feel comfortable in investing in it. I made a threshold (image 2) with obstacles on one side and benefits on the other, and the "threshold values" were put in between. When compiling the areas I used the triangular model by Thomas Polesie (2006). This model has three cornerstones; subject, object and finance. Here I mainly regarded *subject* as the people within the client organisations and *object* as design related activities and outcomes. This gave me a visualisation of priorities in the mindset of prospective clients on each side of the threshold and a view of how the mindset on the benefit side could be used to get rid of the mindset at the obstacle side.

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1 According to a study by SVID (Nielsén, 2008) of Swedish companies' use of design, a certain difference between service companies and producing companies had been noticed. Service companies were to a larger extent using design than producing companies, 89 per cent compared to 79 per cent, and they generally also found a connection between design and profitability. Out of all companies in the study, four in five claimed to compete with added value. Among the producing companies, more were competing with price as well as innovation, but fewer with added value. Four in ten companies (39 per cent) were competing with design in product development. With product development the study referred to industrial design, service design and design management. Companies working strategically with design were to a larger extent using design as a competitive advantage (65 per cent competing with design in product development and 77 per cent with design in communication).

Obstacles

FINANCE

SUBJECT

OBJECT

FINANCE:
Cost
• cost aversion
• immeasurable value – product develop-
  ment cycles are long

OBJECT:
Trust:
Consulting in general
• ambiguity in consulting work
• low market entry barriers for consultancies
• access to confidential information
• uncertainty & risk carried by client
Design consultancy
• new, untried, unsafe
• design industry can appear bewildering
• difficulties in distinguishing qualified
  from non-qualified design consultants –
  dependence on consultant's capabilities,
  commitment, and integrity in the project

SUBJECT:
Involvement
• takes time and energy
• internal contradictions towards involving
  consultants or design
• afraid of not being involved, listened to,
  etc – unspoken aversion!

Threshold Values

FINANCE

SUBJECT

OBJECT

• understanding client's motivations &
  aspirations
• understanding what represents design
  value to the client, such as cost, quality,
  customer satisfaction

FINANCE:
Using language spoken by client
• economic terms
• commercial value in design
• producing symbols signalling rationality
Support
• economic

OBJECT:
Mentoring & Commissioning
• explain – in longhand
• humble, hands-on approach
• impress & influence through a supportive,
  professional approach
• use talent for visualisation & storytelling-
  "languages"
• explain what the organisation can achieve
  by using design
    • new ways to generate ideas and
      create value
    • new business opportunities

SUBJECT:
Common platform
• process of mutual learning
• creating a feeling of being involved in the
  design process
• get the client to talk about their current
  challenges and then show how design
  can be the solution to known challenges
• support in planning design projects
Build trust
• references
• public & networked reputation
Support client's value creation
• understanding client's inducements for
  starting something

Benefits

OBJECT

SUBJECT

FINANCE

SUBJECT:

Investments strengthening the company in the long run

- involvement of the companies' expertise – being able to influence the design process by contributing expertise and having an ability to discuss concepts with designers
- new ways to generate ideas and create value
- new work processes – importance of an integrated innovation effort
- influence companies' ROI by building brand equity
- rationalisation of processes
- reduces the product development cycle time of future design challenges by stream-lining & focusing product development

FINANCE:

Increased revenue

- increased sales
- saves costs

Competitive advantage

- not having to compete as much with price
- higher priced products

Conditions for growth

- increased market shares
- increased exports

OBJECT:

New ideas

- new ways of thinking
- an outside perspective on the companies' products
- input from other business areas – valuable since it's easy to become home-blinded or a copycat in relation to competitors
- new products & services
- better communication
- differentiated offers
- new business opportunities

THRESHOLD VALUES

understanding the client

mentoring approach

use client language

common platform

build trust

new ideas

involvement

new perspective

increased growth

increased revenue

long-term investment

competitive advantage

cost

time

trust

energy

OBSTACLES

BENEFITS
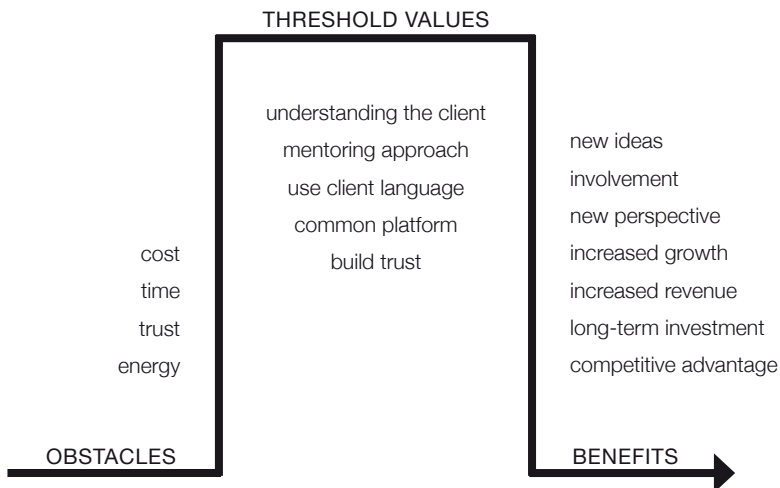
Image 2: Model of factors to consider in facilitating client communication

From this a function analysis (image 3) was developed in order to define the main priorities within the tool. A function analysis is a method used to rank functions based on their importance, but also to show functions that are not desirable in the final outcome.

Function		Rank	Comments
identify	client need	MF	inducements for starting something, motivations & aspirations – what represents value to the client
illuminate	business benefits	MF	in using design in relation to client's need of design in product development
build	trust	NF	references, examples to relate to, use client's language, be humble
reduce	energy-wastage	NF	fear of time-consuming and demanding operations
allow	involvement	NF	show the company's expertise will be taken care of and that they won't lose control
speak	client's language	NF	
– reduce	cost aversion	NF	reduce fear of the immeasurable
– communicate	increased revenue	NF	increased sales, cost savings
– communicate	competitive advantages	NF	not competing with price, higher priced products & services, differentiated offers, business opportunities
– communicate	growth	NF	increased market shares, increased exports
– communicate	rationalisation	NF	work processes, future development processes, more effecient collaborations
illuminate	innovative thinking	NF	new ideas, work processes, outside perspectives, experiences from other industries, etc.
build	relationship	DF	through collaborative identification of needs – shared experience, common platform, new client
communicate	visually	DF	
allow	internal sales	DF	by making it easy to re-tell the value of design in relation to the identified needs
bring	revenue	DF	to design consultant
tickle	strategic design nerv	DF	show how design used in product development can be a strategic resource within business development
sell	design services	DF/MF	design as a strategic resource through product development

Image 3: Function analysis: Sales Meeting Communication
MF = main function, NF = necessary function, DF = desirable function

In Malmö I met with Marie Loft; Project Manager and Head of SVID South Region to talk about the project Expandera, which she was responsible for, to get a deeper understanding of the projects and to see if my interpretations of the outcomes were accurate.

An interview was made with Iréne Stewart Claesson; CEO at LOTS, a strategic design consultancy in Göteborg I chose based on the same criteria as the ones in Stockholm. The reason for interviewing her in this part of the project was because I wanted to embed the practical work in practice and her experience of working as a design practitioner and close relationship to the academy gave valuable input in bridging the disparities between the literature studies and practice.

A "sales meeting case" was also developed based on my previous experience of a product development project within my bachelor's thesis project, and from this I drew conclusions of how I would have approached the client today, with my newly gained knowledge, in comparison to how I did approach them. By doing this I got a clearer view on how using design in product development could have helped the client achieve organisational objectives rather than just getting a new product to market.

3.2.2 PHASE 2: INCUBATION – PRODUCT DEVELOPMENT

3.2.2.1 Idea Generation

Based on the function analysis the process of generating ideas on what a tool could be began. Two workshops were held in order to broaden the notion of what a tool is and to put that tool in the context of communication in a sales meeting between consultant and client. The participants were mainly people from other areas than design, yet again to practice communicating the subject with people unfamiliar with design. This turned out to be difficult, but was nevertheless good practice. The ideas generated within these workshops were refined and from a selected amount of ideas the idea generation continued.

During the idea generation aesthetic considerations were also taken into account, such as what feelings the tool should perceive, as well as colours and shapes appropriate to use in order to strengthen the requirements in the function analysis. These were put into a Shape & Colour (image 4), which is a method for describing visual elements to be used in a development process. In this, colours as well as distinctive shapes are presented. I also made a Condition (image 5), which is a method often used together with Shape & Colour to further describe how the outcome should be perceived.

Image 4: Shape & Colour
- •   basic shapes as a base
- •   can be put together as a "puzzle"
- •   direction
- •   geometrical
- •   basic colours, yet with more black, white and chromaticness in them
— familiar to client, but something new

Green (yellowish?): growth, new thinking
Blue (whiteish?): stability, trustworthiness
Yellow (redish?): risk, curiousity
Red (yellow-/bluish?): triggering

Image 5: Condition
- •   trustworthiness
- •   spirit of the future
- •   safety
- •   involvement
- •   new thinking
- •   simplicity
- •   growth
- •   curiosity

Another function analysis (image 6) was made, focusing on more specific functions the tool should have, although I did not rank them.

Function		Rank	Comments
direct	dialog		focus on the right questions, lead to a logic conclusion that can be brought from the meeting
allow	follow-up		reason to come back
manage	time limit		usable within a meeting no longer than an hour, not intimidate due to comprehensiveness
create	evidence		client should get something to bring with him/her from the meeting
allow	interactivity		client should be part of identifying his/her needs
be	clear		simple to use
define	needs		using a model
visualise	relations		

Image 6: Function analysis: The Tool
MF = main function, NF = necessary function, DF = desirable function

In parallel I made a "crash course introduction" to the project, i.e. a visual guide in ten pages, in order to visualise the different areas I had studied and better communicate the content of the project. I let various people unfamiliar with design read it in order to make it comprehensible and functional. The reason for doing this was because I considered it to be important for me to develop my selling skills by communicating a complex context in a clear manner. These skills were being developed during the whole project by taking every opportunity to meet new people, especially from the business environment, to continuously practice my way of talking about the value of design in business and see how the counterpart reacted towards my approach. The "crash course introduction" became a model I later named *The Design Sales Threshold* (image 16, p. 65).
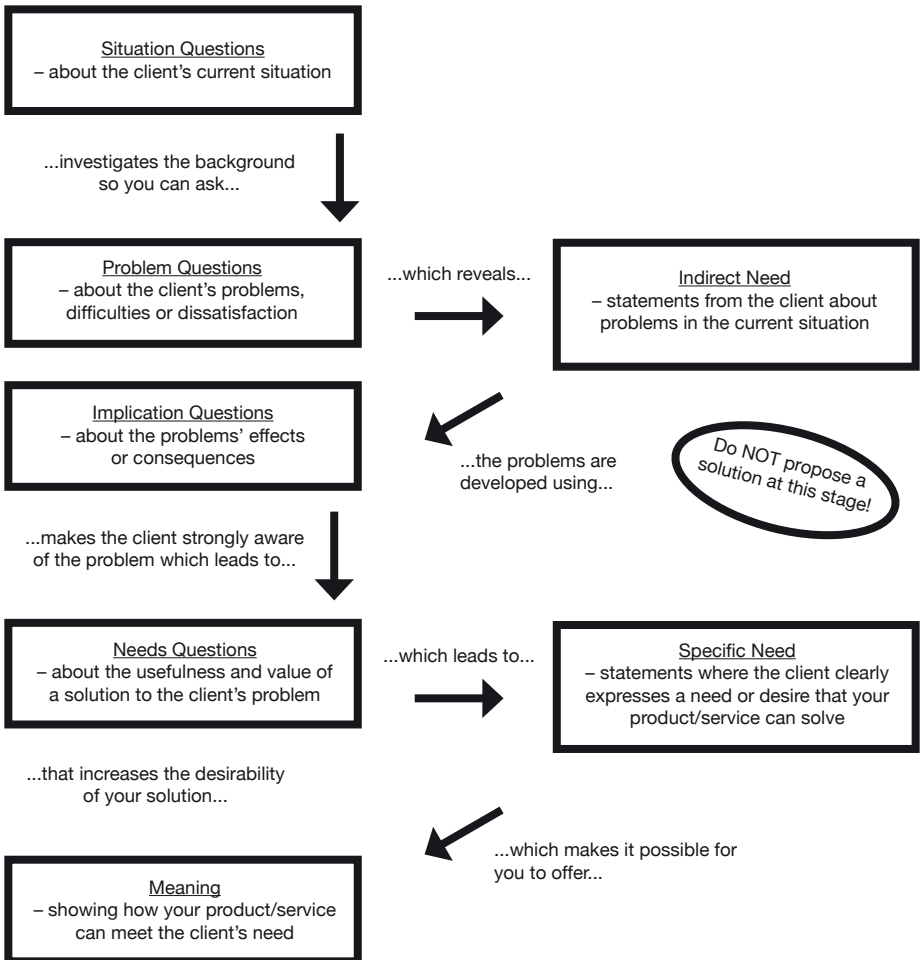
I was introduced to the SPIN® Selling Model (image 7), which is a model meant to function within complex sales. With SPIN® Selling Model as a foundation I began developing my skills in how to lift client needs in relation to design and instead of persuading a prospective client about the value of a design consultancy's offerings make the prospect identify organisational needs and express a demand for the design consultancy's offerings. I added the knowledge I had already gained to the model and developed my own model, later namned *The Design Sales Dialogue* (image 17, p. 68).

3.2.2.2 Inventory of Ideas

During the process of developing the tool I chose to meet with Leif Tannfors, Design Strategist at Designpiloterna; Claes Boman, Consultant at Fabriken and Project Developer at Cesspool; and Rasmus Heyman, Project Developer at Business Region Göteborg, since they have experience in commissioning "creative services". I wanted to get their views on the subject as well as hear about their experiences and advices. The reason for doing this was to get ongoing input and force myself to reflect and reconnect the designing of the tool with practice and the specific situation it was being developed for. By doing this I wanted to challenge the assumptions that were continuously being made in the development and avoid the risk of ending up with something unusable for practitioners.

The more I worked on the tool, the more I realised that for a tool to be really useful for practitioners to use with prospective clients within a sales meeting, I needed to test and develop it thoroughly. For this reason I decided not to make it during the project, but instead continue working on it later. However, I still wanted the outcome of the project to be valuable for someone else than myself, but I came to the conclusion it was a correct decision not trying to design a tool to be used within a sales meeting at this stage. Each salesman has to develop his or her own sales technique and even though

Image 7: SPIN® Selling Model

Situation Questions
– about the client's current situation

...investigates the background
so you can ask...

Problem Questions
– about the client's problems,
difficulties or dissatisfaction

...which reveals...

Indirect Need
– statements from the client about
problems in the current situation

Implication Questions
– about the problems' effects
or consequences

...the problems are
developed using...

Do NOT propose a
solution at this stage!

...makes the client strongly aware
of the problem which leads to...

Needs Questions
– about the usefulness and value of
a solution to the client's problem

...which leads to...

Specific Need
– statements where the client clearly
expresses a need or desire that your
product/service can solve

...that increases the desirability
of your solution...

...which makes it possible for
you to offer...

Meaning
– showing how your product/service
can meet the client's need

one might claim a tool based on the knowledge gained within the context of this thesis project would justify the result, my own personal values contradict such an approach.

Anyhow, the vision was still to develop at tool aiming to assist a design consultant in creating an understanding of the value design can bring to an organisation in order to effectively communicate this with a client. The previous workshops had given me ideas on what a tool could be and by combining those ideas with the "crash course introduction" I began considering some kind of guide book or introduction to the subject of selling design services for designers and related professions with an interest in this.

3.2.2.3 Concept Development

After having worked with *The Design Sales Dialogue* for some time, I found myself digging deeper and deeper into various questioning structures and tool functions and felt I had to take a step back and consider the whole sales process a design seller faces. An early ambition in the project had been to make an audit process that would be economically viable for the design consultant, something I had found difficult to make.

I began to draw a model of the whole sales process in order to figure out how it could be done efficiently, since both design consultancies and their clients live in an entrepreneurial culture, in which the ambition for financially-driven organisations is to get as fast return on investment as possible. I then tried to describe the sales process in six steps using the same tone of voice as in the "crash course introduction". After having done this I took a look at the three focus areas I had within the project and put them in relation to each other and to the model of the sales process.

3.2.3 PHASE 3: ILLUMINATION – IMPLEMENTATION & PRODUCTION

3.2.3.1 Mock-Up Development

The decision I made from here was to put it all in a book, since I figured a compilation of these elements would be useful for designers interested in selling design services. It could give a short introduction to the subject and highlight some viewpoints. The purpose of this book was to improve designers' skills in selling design services, by presenting an overview of a design seller's role in the sales process; where s/he can identify opportunities for design within an organisation; factors to consider in order to make the right conversation happen; and a questioning structure useful in creating a demand for design services when communicating with prospective clients. Finally, a fictional case was included to illustrate a sales meeting. The aesthetic elements previously described were refined and applied.

3.2.3.2 Testing & Evaluation

The mock-up was then sent to representatives of the target audience, to be reviewed and to get a better understanding of how I could improve it. I edited the book carefully in order to make its purpose and content clearer as well as make it resonate with my ambition for how it should be used and how comprehensive its content should be.

3.2.4 PHASE 4: VERIFICATION – REVIEWING & EVALUATION

3.2.4.1 Evaluation of Result from the Set Goals

Although my process has been the design process, it does not contain the same elements as previous design processes I have conducted in product development. I have chosen to position the project in the interface between business and design, which is not previously done within Master's theses to the extent that there are other projects to relate to in order to create an understanding on how a "mixed" competence could be evaluated.

While it was not my main priority within the project, or even an expected outcome, I still managed to produce physical evidence of the results. I felt it was important for me to somehow embody the knowledge gained within the project, even though skills in selling design services can never be put into something since it has to do with practical skills. However, a tangible output is valuable for me in order to position and market myself within the field of sales of design services.

3.2.4.2 Reviewing Product Result

The content of the book resonates with the requirements set up in the function analyses. Although, they are built into the content as well as into the recommendations I have made regarding client communication, rather than being built into a physical tool meant to function within a sales meeting between a design consultant and a prospective client. My belief is that a better understanding of this context creates a more solid base for selling design services at several levels as well as in the long run contributes to a more flexible and effective development of these skills.

3.2.4.3 Response

The response I have gotten during the design process has been very supportive, and it has seemed as though a lot of people have found the purpose of the study both important and interesting. Listening to other people's experiences in selling "creative services" has given me valuable input. I have gained positive response regarding the importance

of the content in the book from many design industry representatives and academics. Interest has been shown in getting access to the book as well as continued discussions on the subject.

3.2.4.4 Suggestions for Further Improvement

Even though the book has been reviewed within the project, its long-term success remains to be seen. Within future editions, improvements of the content will certainly be part of the refinement and development process. While the current content functions as an overview, a deepening of each area might be part of such refinement processes, as well as more specific targeting of audiences depending on the context in which the content might be applied. I have many ideas regarding how the content of this study could be used in various ways as well as being developed. The first ambition of developing a physical tool for a sales meeting is one of them, but also workshops and lectures for different target groups on this subject.

The first edition of the book is targeted towards designers or those with design related professions who have an interest in selling design services and who has some understanding of business economics. Focus is put on contributing knowledge in selling design services, rather than deepening the understanding of the commercial realities of organisations. The latter might be included in future editions aimed to target designers lacking knowledge in economics, although the aim of the book has never been to cover all aspects influencing the sales process. My belief is that the content of the first edition is useful for both junior and senior designers. Some parts of the content might seem too obvious to seniors, while other parts; in my experience, address issues many seniors have not previously thought about and shown an interest in discussing further.

4

The
Project
Results

4.1 Results

In my experience, from having talked to and observed many professionals within the design sector, design consultancies have difficulties in being profitable and long-lasting as a consequence of difficulties in selling design services. The issues raised in the issue discussion have been confirmed within the interviews I have done as well.

Building trust is important in selling design services, especially when it comes to working strategically with design. For an SME, it can be difficult to prioritise strategic work. The client lives in an entrepreneurial culture where focus is put on running a business, often alone, with responsibilities for employees. In a small town this might imply a personal pressure, since risk taken in the company's activities might not just affect an employee but also his or her family.

My studies also prove designers tend to talk about themselves endlessly and also talk about design as if it had an intrinsic value. By taking a quick look at design consultancies' websites or other means of a communication, very few mention the business benefits of using their services. A client's priorities are to achieve the highest quality at the best value for money possible, in a way that delivers results that both add value to their organisation and to their customers. Therefore one of the design consultant's responsibilities is to anticipate where design can contribute value, by understanding the strategic goals of an organisation and how design can play a part.

In order to improve skills in selling design services a design consultant needs to create an understanding of the value design can bring to an organisation, and how to effectively communicate this with a prospective client. The results presented in this chapter constitute a foundation upon which each design seller can develop these skills. It is based on both findings I have done in the literature, as well as in the interviews and conversations held during the design process described in the previous chapter. Most sections within this chapter begin with findings from my literature studies and after each distinct break between rows are findings from the interviews. Whenever interviews or conversations are mentioned, I refer to those I have conducted.

4.1.1 SELLING DESIGN SERVICES

The outcome of this study has been put into the context of a design seller's sales process, although this process is not part of this particular study. However, it is included in a tool created as part of the design process conducted. This tool is a compilation of the results

which I have made into a book called *Selling Design Services* (ISBN 978-91-633-8868-2) (image 8).

The purpose of this book is to improve designers' skills in selling design services, by presenting an overview of a design seller's role in the sales process; where s/he can identify opportunities for design within an organisation; factors to consider in order to make "the right" conversation happen; and a questioning structure useful in creating a demand for design services when communicating with prospective clients. A fictional case is also included to illustrate a sales meeting.

My vision is to improve the understanding of where to identify opportunities for design within organisations as well as skills in communicating the value of design in a business context. I hope this will improve skills in selling design services for the moment, while at the same time building long-term client relationships where design is a strategic resource in the client's business development.

The following parts of this chapter substantiate the content of the book. The results below present an overview of the value of design in business as well as factors to consider in client relationships and communication.
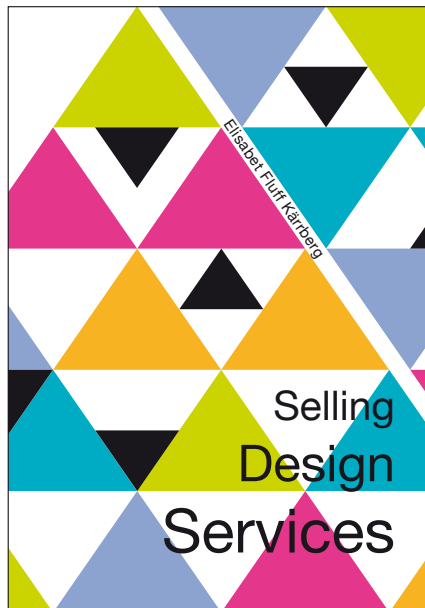

Image 8: The book Selling Design Services

4.1.2 THE VALUE OF DESIGN IN BUSINESS

To achieve an effective use of design, a designer needs to understand the business objectives of an organisation (what) in order to define what design activities the organisation needs to focus on, its design strategy (how). Within an organisation, design opportunities can be found at a strategic, tactical and operational level (Borja de Mozota, 2003). It can arise during organisational restructures such as mergers and acquisitions. But opportunities can also be found by taking into account the bigger picture by looking at developments in the organisation's environment, such as politics, economics, culture, trends, technology and legislation. Another very valuable source of opportunities for design arises from various stakeholders such as customers (Best, 2006).

To illustrate where opportunities for design can be found within an organisation, I have chosen to use the three levels Borja de Mozota describes. My studies have shown that the strategic and tactical levels, or the tactical and operational levels are sometimes seen as one depending on the context of an organisation. In order to create a skeleton upon which these opportunities for design can be found I have chosen to keep these three levels separated. I have created a model[1] based on these three levels, *The Design Sales Threshold*, since my experimentation with how to describe the relation between these levels has proved to communicate the value of design in organisations well.

All organisations are working with design, even those not claiming to. It is about making the core idea visible through various media and no matter if an organisation is working actively in doing this, the organisation will be perceived by all activities made in order to reach the customer. How the organisation is perceived equals what it promises to deliver to the market. The products are expected to deliver on or outperform that promise. The value design can contribute is not only about getting the right idea (innovation), but also about getting the idea right (identity).[2] The purpose of design management is to identify and communicate the ways in which design can contribute to an organisation's strategic value, and identifying opportunities for design is a first step towards this.

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1 Parts of it are shown in image 9, 11, 12, 14 & 15. The complete model is image 16.

2 I am aware some might not agree with me here, but my experimentation with various ways of explaining the subject has proven this explanation communicates the value of design effectively. I have borrowed the original phrase from Neumeier (2006), in which he talks of execution. However, I have given it my own twist and focused it on *innovation* and *identity*, since the two notions bridge the disparities between business and design, and effectively links this interface to business value and profitability, i.e. something a client can see him- or herself investing in.
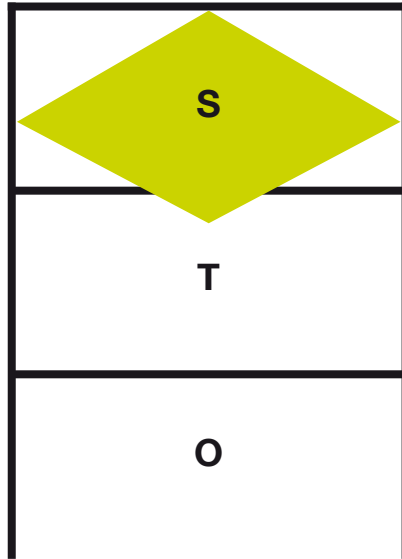
Image 9: Strategic Level

4.1.2.1 Design Opportunities at a Strategic Level

At the strategic level (image 9) top management defines the overall business strate-
gies, mission and vision of an organisation and to manage design at this level is about
managing the contribution of design to the strategy formulation process. This is where
design establishes itself as a strategic resource that operates and overlaps the business
objectives and customer needs. It is therefore important to define how an organisation
intends to use design, and how design processes can best serve its operational needs
(Borja de Mozota, 2003).

According to Lockwood (2010:2) the real value of design is in discovering and
solving all manner of problems, not just fine-tuning physical outputs. He shares a defini-
tion of strategic design by Marco Steinberg: "regular design is giving sense to objects;
strategic design is giving sense to decisions." By using design within an organisation, not
only as an output, but also as a means of design in business; design solves problems.
The difficulty lies in determining which problems to solve. Design is as much about
"problem-solving" as it is about "problem-seeking", as many needs are implicitly hidden
and need to be uncovered. The role of the designer is to anticipate design opportunities,
imagine a better way of doing things, and search for the solution through the process of

design; and finally, to communicate this future vision (Best, 2010).

Weiss (2008) suggests, since a greater range of design consultancies offer strategic services, design capabilities can be a differentiator in the discovery, decision-making, and delivery challenges associated with an integrated innovation effort within organisations. The transformation of broadly creative concepts into tangible strategies grounded in the realities of an organisation can help migrate the best new ideas into development and onto the market more successfully by demonstrating benefits to both users and the organisation that provides those benefits (Best, 2010).

Design consultancies strategic services tend towards opportunity exploration and concept discovery in order to strengthen the connection between business needs and user needs (image 10). Their offers have extended to better serve both the business and the user (Borja de Mozota, 2003; Lockwood and Walton, 2008:1). According to Jones and Olins (Borja de Mozota, 2003) design has to get closer to the core values of an organisation, but not in order to better express its identity through its touch points but rather in order to express its idea, what it actually stands for and does.
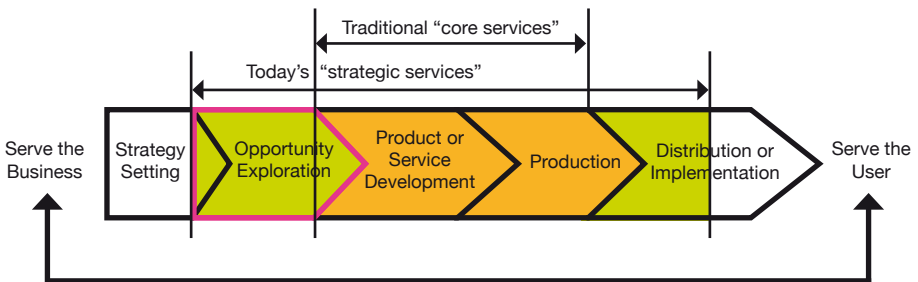

Image 10: Extending core services to strengthen the connection between business needs and user needs (Lockwood & Walton, 2008:1)
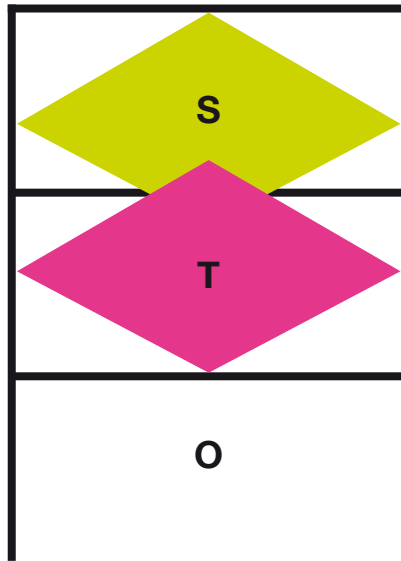
Image 11: Tactical Level

4.1.2.2 Design Opportunities at a Tactical Level

At the tactical level (image 11) the teams, processes and systems of specific business units or functions come into play. Organisations often use design to improve their market position. Managing design in a way that takes into account the bigger picture can provide valuable competitive advantage to the organisation. However, integrating design into organisational structures can be complex because design involves a quest for originality, novelty, creativity, and innovation, and therefore it risks finding itself in conflict with classical management styles and conservative attitudes that resist organisational change. Cooperation in how to manage design between different domains within an organisation helps in overcoming this difficulty and turning it into an internal competitive advantage. The ability to integrate design becomes a know-how that is difficult for competitors to imitate (Borja de Mozota, 2003; Best, 2006; Johansson & Svengren Holm, 2008).

For example, Jacoby and Rodriquez (2008: p. 44) pose two questions commonly asked by the design consultancy IDEO: "Do the people who address *human desirability*, *technical feasibility*, and *business viability* work together on the same team? Or are handoffs required?" Often, an innovation team will pass a concept or prototype to a business team to "size the market" or to a delivery team to "figure out how to get this thing

made", without a common vision. Recognising and managing the handoffs is critical, they claim.

While market researchers use a scientific method seeking to describe how the world is, designers often envision the future and describe how it could be (Neumeier, 2006; Johansson & Svengren Holm, 2008; Rylander, 2009). Competitive positioning and product positioning are important parts of how market decisions are made. Since design plays a key part in differentiating one product or service offer from another, it is a key source of competitive advantage (Best, 2010; Kotchka, 2008:1; Kotchka, 2008:2).

My interviews have shown that creating conditions for an organisation to better use design is how a design consultant can contribute value. The organisational culture represents an important element where the design consultant can help establish an innovative climate. Design consultancy may, for example, imply targeting the market department within an organisation, since there tend to be a better understanding of the customer, soft values, and brands, but within this department design might be an unused tool.

According to the interviewees the importance of a cohesive identity is largely underestimated by organisations. They tend to consider their identity when actively trying to attract attention. What they fail to consider is the fact that customers unconsciously value the organisation by what they think it will be able to deliver in the future, and while not focusing on the identity customers might find others who do. Information about the market might be found within the organisation, since market departments often conduct own market research, but organisations often lack knowledge of customer wants and needs. It is common to find organisations that have never tried talking to their own customers. A design consultant can contribute deeper customer insights, a picture of market conditions, and input regarding how the organisation can communicate its offer to the market in order to strengthen the brand and in turn succeed in a competitive market.
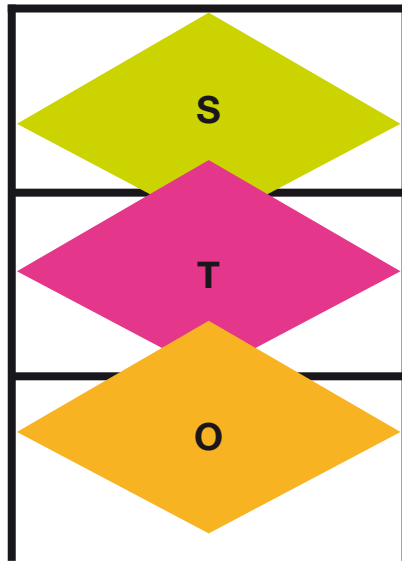
Image 12: Operational Level

4.1.2.3 Design Opportunities at an Operational Level

At the operational level (image 12) design creates products, services, communication and environments, and creates value for an organisation by differentiating its offerings. Successful design solutions are those that satisfy both the client's and the customers' needs (Borja de Mozota, 2003; Best, 2006). The more consistent design is used, the more efficient it functions as a competitive advantage (Borja de Mozota, 2003; Best, 2006; Best, 2010; Eksell, 1964; Johansson & Svengren Holm, 2008, Lockwood & Walton, 2008:1).

For example, product development can be part of the operational activities. Business opportunities design can strengthen in relation to product development can be adding customer value to products compared to the competitions' offers. It can also add value to the organisation by considering what is technically feasible as well as economically viable in new product development processes (Österlin, 2010). According to Vossoughi (2008), an already-defined visual brand language reduces the product development cycle time of future design challenges because it allows development to jump ahead on a timeline. It cuts costs and increases return on investment by streamlining and focusing product development and, in some cases, parts of the concept refinement process.

This means it is important that design is integrated in the product development process early, since it is easier (and cheaper) in the beginning of a project to influence its direction, which makes it crucial to be careful with the preparatory work even if it seems as though it takes a long time before the hands-on design activities begin (Burenius & Lindstedt, 2006; Österlin, 2010). The more important ergonomics, aesthetics, image and brand identity are for a product, the more value design can bring to product development processes (Burenius & Lindstedt, 2006).

Product variations, i.e. product improvements, and reorientation are two different courses of change when developing a business idea (Normann, 1971). Product variations can often occur within existing resources and competences available to an organisation, and can be seen as ongoing improvement work, whereas reorientation requires new kinds of resources and knowledge, and might need deeper changes within the organisation and therefore influences other areas than the operational level.

4.1.2.3.1 The Kano Model

The Kano Model (image 13) describes the difference between spoken and unspoken needs. There are two kinds of unspoken needs. The first is unspoken basic needs. These are needs the customer expects the offer to meet and therefore have no influence on increasing customer value, although mastering these is of importance in preventing a negative influence on customer value. The second unspoken need is unspoken excitement needs. These are needs the customer is not aware of and can therefore create an unexpected positive experience in increasing the perception of value. Unspoken excitement needs are often based on a deep understanding of customer's behaviour and can, for example, be identified by studying customers' way of using products. This is a reason why involving designers in product development can add value to products, services and organisations, since designers' competence to a large extent lies in understanding human needs.

There are also spoken performance needs. These are needs explicitly requested by customers and included in product specifications and can, for example, be identified by interviewing and visiting customers. All needs change over time, which means what was once an unspoken excitement need will later become a spoken performance need and eventually an unspoken basic need. Fulfilling the customers' wants is therefore not enough. The offer must also meet current and future unspoken needs (Burenius & Lindstedt, 2006).
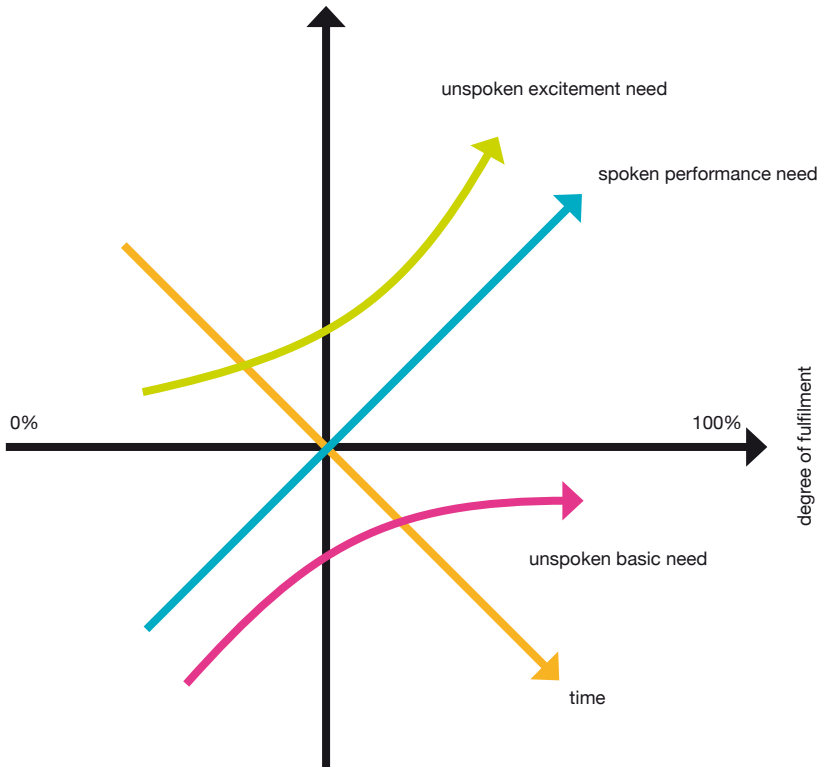
Image 13: The Kano Model
Unspoken excitement needs will eventually become unspoken basic needs (Burenius & Lindstedt, 2006)
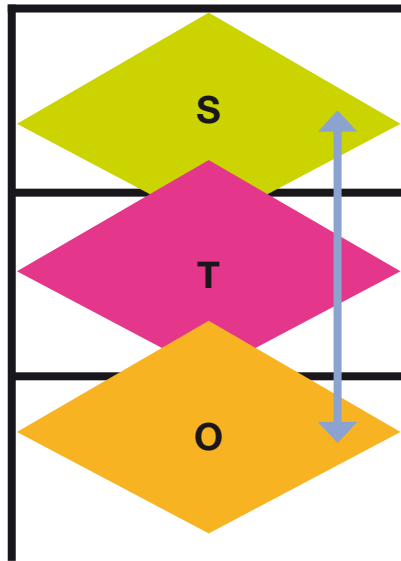
Image 14: Manage design strategically between the three levels in order to have an organisation walk the talk

4.1.2.4 Managing Design Strategically

The key issue in managing design strategically (image 14) is about creating the right relationship between design and all other areas of an organisation. It is about ensuring consistency between what an organisation say (for example, the brand identity) and what it does (for example, employee behaviour, business practices or customer perceptions) (Best, 2006; Best, 2010; Borja de Mozota, 2003; Lockwood & Walton, 2008:1).

However, execution can be a difficult part to control. Neumeier (2006: p. 73) writes: "A combination of good strategy and poor execution is like a Ferrari with flat tires. It looks good in the specs, but fails on the street." Two issues have to be addressed: (1) getting the right idea, and (2) getting the idea right (Neumeier, 2006).

The interviews state the implementation of design as a strategic resource within an organisation means communicating the relevance of design to long-term business objectives and coordinating the design resources required to achieve these objectives at each level of the organisation. It is about learning organisations how to use design to solve problems; such as products, services, experiences, interfaces, brands, business models, how to reach customers etc, in order to achieve effective client offers.
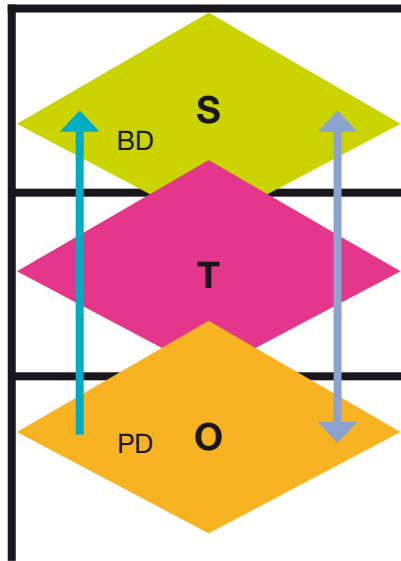
Image 15: Design can contribute to business development (BD) by being used in product development (PD)

4.1.2.5 Benefits of Using Design

By using design strategically in product development (image 15) business value can be created by not having to compete as much with price (Nielsén, 2008). According to Swedish companies (Nielsén, 2008) design contributes to increased competitiveness as well as new products and services. The value of design is first and foremost in strengthening the brand, but also in increased markets shares, better communication, customer value, increased revenue, cost savings, implementation of new ways of thinking and rationalisation of processes. Investments in design create conditions for growth. Investing in design is a new kind of investment for Swedish companies, which can add value to customers and create attractive new products and services. Companies working strategically with design have proven (Nielsén, 2008) to be more innovative, to increase their exports and to reinvest in design.

My interpretations of the Expandera projects[1] (expandera.org) suggest there seems to have been two factors, within the process of using design in product development,

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1 The Expandera projects were aiming to instil growth within SMEs with the help of design as well as develop and strengthen the creative capital in the south of Sweden.

which were of importance for a successful outcome according to the companies involved. The first was new ways of thinking. Several managers stated this input was valuable. The designers brought new ideas, an outside perspective on the companies' products as well as input from other business areas, and influenced the companies by showing a new picture of what could be possible. The second positive experience was the involvement of the companies' expertise within the projects. Being able to affect the design process, by contributing expertise and having an ability to discuss concepts with the designers, seems to have been very appreciated. This was an unexpected endeavour for the managers, and after having had an experience of integrating design in their work processes they no longer had an anxiety for using design in the future.

Conclusions the managers drew from this experience in using design in product development were insights in working in a new kind of process and the importance of an integrated innovation effort involving both business managers and technicians. They valued the experience in bringing in outside help, since it is easy to become home-blinded, do what one has always done and become a copycat in relation to the competition. They had gained new insights about the market and customer needs, and regarded this an important consideration in future projects. A new view on what kind of value design could bring to an organisation was developed and they regarded using design as a competitive advantage, an investment strengthening the company economically in the long run as well as increasing sales. 20 out of 23 companies have reinvested in design and 70 per cent of the companies claim they have achieved increased profitability. The project has only been operating for 1-2 years depending on when each company began taking part in it.

4.1.3 COMMUNICATING DESIGN VALUE WITH CLIENTS

4.1.3.1 How Clients Buy Design

A design consultant needs to understand how clients currently buy design services and what they are looking for. Of those clients who know they need design, not all know they need design consultancy services. There are plenty of other places from which a client can buy design services, for example, advertising agencies offering packaging design or architects offering interior design.

In certain design disciplines, such as product, interior and corporate branding, a development programme might last several years, but it does not mean that the decision to do it was the result of long-term, ongoing strategic or financial planning. Clients will still see the expenditure as a one-off item, even though it might be spread over more than one fiscal year. This is very different from the way in which expenditures on advertising, public relations, building maintenance or human resources is managed. For these items, regular annual expenditure budgets are being set, year after year, almost as a matter of course. Few organisations allocate an overall budget for design at the beginning of their financial year. Despite the increasing recognition that design has a significant and proven commercial input to make (Johansson, 2006; Nielsén, 2008), designers still need to convince clients that expenditure on design should be seen as an investment, not a cost, and they need to demonstrate that it will actively contribute to commercial effectiveness (Preddy, 2004).

Although some organisations are starting to include design activities and budgets in their long-term strategic planning process, most design buyers decide to commission design on an "immediate needs" rather than a "future wants" basis, due to either commercial challenges, opportunities and problems, or to changes in circumstances such as mergers and acquisitions (Preddy, 2004).

In a study by Ravasi & Stigliani (2011), aiming to increase the understanding of the issues usually facing Italian industrial design consultancies before and in the course of their projects, how they usually handle them, and the conditions that, in their view facilitate the success of collaborations between client organisations and design consultancies, design projects were claimed to be commissioned based on previous work, mainly by clients searching for the competence and the prestige of the senior designer. The briefing process also seemed to differ depending on the successfulness of the design consultancies. The consultancies the researchers claimed to be "top performers" to a larger extent regarded client briefs received as negotiable drafts and frequently

re-considered these together with the client along the design process. Their clients also tended to change the brief less often than in other cases. About 47 per cent of the top performing design consultancies participating in the study claimed they do not usually receive initial briefs by clients at all.

The interviews I have done have shown that with new clients, larger design consultancies often have clients approaching them, whereas smaller consultancies spend more time reaching out to clients. Who the client within the organisation is varies. The product development department often owns the operational design activities, whereas the market department owns the brand. But it is common no one knows who owns the issue of how the brand strategy should be made tangible through the products or services. In order to work effectively with design, it should be established at management level, but not necessarily at first. Management are good at referring to someone inferior. It is also hard to get someone internally to promote the value of design within the organisation, if a collaborative climate between different departments, with different budgets, is missing. Identifying those able to establish consensus regarding common objectives is important.

A design consultant needs to understand the client's inducements for starting something. The interviews state few organisations pay for conducting broader design audits. Many projects would not occur if they were not subsidised by various authorities or institutions, since the client do not know what s/he is paying for.

Due to risk aversion, unless being a very reputable design consultancy with a good track record, it is not likely to find a client asking for help in establishing an operative and strategic design management function within an organisation, creating their design philosophy and implementing it within brand and business strategy.

In order to get a project started, the design consultant has to begin with a small project, likely to succeed, which the client has authority and budget to initiate. This can build trust and in the long run it might also lead to the possibility of conducting a broader strategic design project. Organisations love their products. In order to get access to a client and commission a project the design consultant can try to find an approach related to working with the client's products, or through personal contacts, rather than pointing at problems the organisation or the particular client might have.

The design consultant can begin by designing a product, then initiate a discussion about the brand and the organisational objectives, design another product, and so forth. Eventually the design consultant may create guidelines for a product portfolio, the

consultant and client get to know each other better, the products perform well in the market place, and this process continues until one day, possibly, the client organisation realises it actually needs its own design management function and help in establishing it. However, the design consultant can embed strategic issues in the argumentation for proposals presented to the client in an earlier project, and by that get the client to see the strategic benefits design can contribute.

4.1.3.2 Support Client's Value Creation

In order to help a client understand the value of design in the context of its organisational objectives, the design consultant can explain what the organisation can achieve by using design. The design consultant needs to consider what best represents design value to the client, such as cost, quality, customer satisfaction, etc. Understanding the roles and motivations of different stakeholders is also relevant in gaining insight into what drives the client's decision-making processes (Best, 2010). An understanding of a client's motivations and aspirations can help the design consultant inspire clients and encourage them to take creative risk. This may also lead the client to consider other, perhaps more ambitious, options (Best, 2006; Best, 2010).

A client's priorities are to achieve the highest quality at the best value for money possible; in a way that delivers results that both add value to their organisation and for their customers. Using the language spoken by the client, for example explaining the economic benefits of using design, makes it easier for the design consultant to communicate the commercial value of design (Best 2010, Preddy, 2004, Rylander, 2009).

The interviews also suggest ways to build trust could be wearing an appropriate outfit; using an appropriate language and associated expressions; communicate reasonable ambitions for the occasion; share references of previous work; and look for common denominators to find shared interests.

4.1.3.3 Build a Common Platform

Weiss (2008) says successful client-consultant collaboration is often undermined by the lack of a common platform for effectively communicating during concept identification and development. In commissioning design projects, Ravasi and Stigliani (2011) show the top performing design consultancies in their study are on average more attentive to clarify the expectations of the clients, and to collect information about strategic issues (competitive environment, corporate strategy, distribution channels), which are usually

assigned a lower priority by the rest of the participating design consultancies. This atti-
tude seemed to be coherent with the significantly higher emphasis the design consultan-
cies placed on the importance of understanding the positioning of the client organisa-
tion for the success of the project. Top performing design consultancies seemed to
be slightly less concerned with gathering information about the client's production
processes and technologies. Not because these aspects do not matter to them, but the
difference between the importance assigned to the various facets of an organisation's
structure is relatively narrower. These design consultancies also seemed to be more
active in collaborating with their clients in all stages of the project.

4.1.3.4 Use a Mentoring Approach

When commissioning design projects, taking the time to mentor clients about the role of
design within their organisation is a common approach taken by design consultancies (Best,
2006; Best, 2010; Johansson & Svengren Holm, 2008). The best approach to gain trust
in client relationships is to adopt a more humble and hands-on approach, than mysti-
fying complex design processes with buzzwords, by educating clients through deliv-
ering what others cannot. It is important the client knows the design consultant brings
knowledge in design and does not interfere with the work being done within research
and development or marketing departments of an organisation (Preddy, 2004). Doing
so builds an understanding of design, and recognition of how it may be able to help
achieve business objectives. This is an approach that can make "the right" conversation
happen and designers should collaborate with clients in order to help ensure the delivery
of a project meets the ambitions of the organisation (Best, 2006; Best, 2010).

   The interviews suggest, despite the subjective level of design maturity within
an organisation, there is always something clients can relate to when talking of the
actual strategic design work. There is a fear of abstraction within communication and
designers should take a mentoring approach, but in a subtle way using other words than
design terminology, aiming to instil understanding among all stakeholders involved.
Design consultants should relate to what is important to the client, what goes on in
their minds, and be good listeners while trying to find out what their biggest challenges
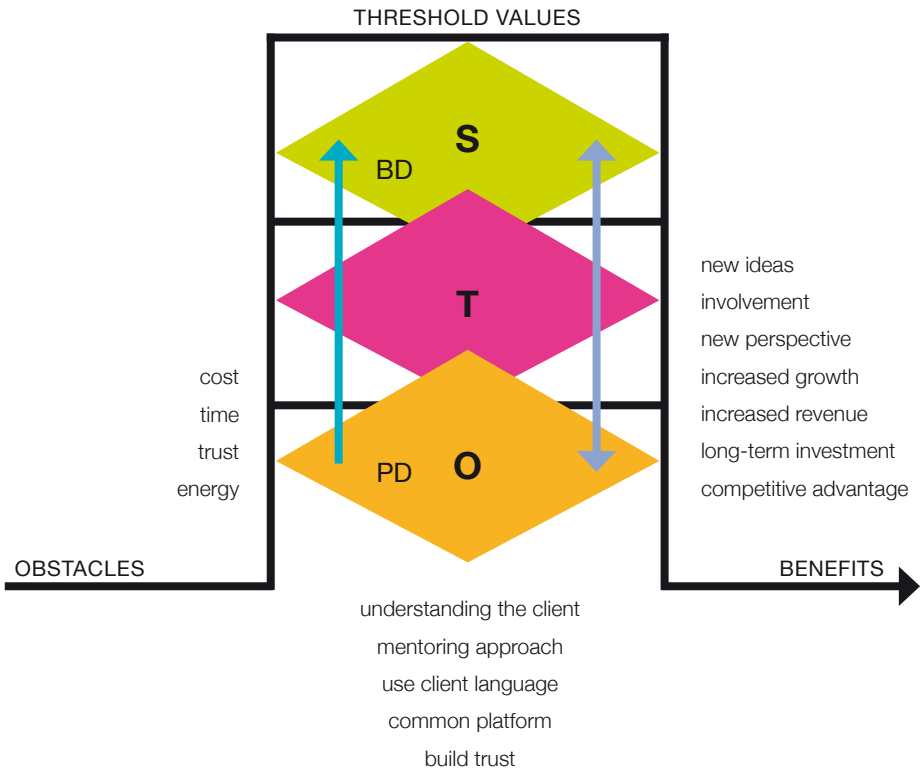currently are.

Image 16: The Design Sales Threshold

4.1.4 THE DESIGN SALES THRESHOLD

I have created a model (image 16) based on the strategic, tactical and operational levels previously described, in which opportunities for design can be identified. This model also illustrates a threshold of factors a design seller should consider in order to effectively communicate the value of design in the context of organisational objectives. On the left side are obstacles, i.e. aversions a prospective client might have towards investing in design. On the right side are benefits in using design. Communicating these can help in addressing and limiting the obstacles. In the centre lie the "threshold values", i.e. factors to take into account when communicating and building client relationships.

In conclusion, it both contains the three levels of where opportunities for design can be identified and visualises how a design seller can focus the argumentation for working strategically with design, as well as factors to consider in client communication.

4.1.5 THE SALES MEETING

Designers tend to be too willing to talk about their own value (Preddy, 2004) and leave sales meetings to go home and write project proposals on loose grounds. Instead of talking too much about the design consultancy's mission statement, a design seller should demonstrate how that mission could benefit the prospective client.

4.1.5.1 Credentials Presentations

Credentials presentations are those where a design seller meets a prospective client for the first time in a focused situation, and where the attempt is to interest him or her in becoming an actual client. Although, the presentation is not the meeting – it is only part of the meeting. The important thing is to listen to the prospective client and its needs, not to bend his or her ears about the design consultancy (Preddy, 2004). Listening to the client talk about its needs makes it easier to define what best represents design value to the client and to create an appropriate recommendation and argumentation for design activities. A client knows its business better than the design consultant does and a much better relationship can be built if the consultant is informed about the client organisation's operations (Preddy, 2004). Design consultancies who invest time in understanding the business environment, strategy, organisational behaviour and culture of the client organisation are much more effective in coming up with successful proposals (Hundal, 2004). According to Preddy (2004), prospective clients find it hard to remember much about a design consultancy's presentation an hour or so after it is over and suggest leaving behind tailor-made documents to help the prospective client remember the design consultancy.

In communicating with clients, the design consultant can demonstrate sound commercial acuity by linking the words *design* and *effectiveness*. All sales propositions, whether general or specific, must be based on benefits, and not on features. In the words of many sales textbooks: "Features tell, benefits sell." Benefits form the basis of a sales proposition and stem from features. However, one feature can give rise to more than one benefit, and different people might perceive different benefits in the same feature. Some people might even perceive a feature to be a "disbenefit". Therefore the design consultant needs to find out different people's attitudes to a feature before focusing on a meaningful benefit, or meaningful sales proposition (Preddy, 2004; Rackham, 1998).

Relating the designers perspective to something of use for the client, and be able to focus the design argumentation on something the client can see its organisation buying is important (Preddy, 2004). Finding out what clients are looking for can be difficult;

sometimes they are reluctant to tell, and sometimes they do not know themselves (Northover, 2004).

Also my interviews state it is important that the client him- or herself highlights the needs of the organisation and realises what has to be done. It is important to listen, to pick up the culture of the organisation and adapt the design consultant's proposal to the client's individual needs. The design consultant can try to get the client involved in the formulation of a project in order to get the client to adapt an ownership of the design activities. It might not always be appropriate to lift unspoken needs at the first sales meeting between client and design consultant. Instead, these can be embedded and shown in suggestions presented by the design consultant at the next meeting. A design consultant should not leave a sales meeting with loose ends, and preferably have the client summarising the meeting.

4.1.5.2 The Design Sales Dialogue

Within the sales meeting the design seller should make the prospective client identify its need of the services the design consultancy can offer. Using a specific questioning structure can do this. The purpose of the SPIN® Selling Model by Neil Rackham (1998) and his research company Huthwaite is not only to get a prospective client interested in the consultancy's offerings, but also to make the client *express* a specific need of it, in order to make the offerings go from beneficial to meaningful for the prospective client. SPIN® stands for Situation Questions, Problem Questions, Implication Questions and Needs Questions. I have used this model as a foundation in creating my own model tailored for sales of design services. I call the model *The Design Sales Dialogue* (image 17) and it is read vertically.

Prospecting Questions (based on Situation Questions) can be used as part of the prospecting process to collect facts, and look into the background and the current conditions regarding the prospect's situation. They should be used carefully, making sure each question is relevant and has a purpose. Examples of questions are: "What makes your offerings unique?" or "What competences and resources do you have and how does that affect your offerings?"

After the Prospecting Questions come the *Problem Questions* (based on Problem Questions) regarding a prospect's problems, difficulties or dissatisfaction. These can be planned before the sales meeting by looking at potential problems the prospect might have, problems that the design consultancy's services could solve. Answers to these questions reveal *indirect needs*.
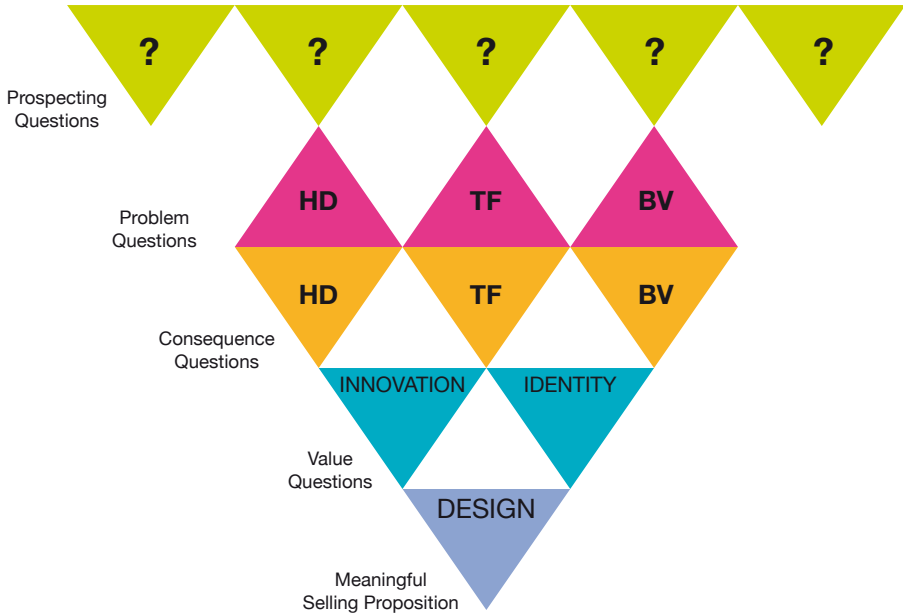
Image 17: The Design Sales Dialogue

To gain a broad base of questions targeting the prospect from several angles the design seller can try to identify potential problems from three perspectives: *human desirability (HD)*, *technical feasibility (TF)* and *business viability (BV)*. Examples of questions are: "Are you satisfied with how your products differentiate the brand?" or "Is it difficult to identify customer needs and desires?"

Indirect needs are developed using *Consequence Questions* (based on Implication Questions). These make the prospect strongly aware of the problem's validity. Consequence Questions are developed by looking at difficulties related to the problem and the effects and consequences these might lead to. The role of the seller is to make the prospect perceive its problem as larger and more urgent than s/he originally felt it was.

Just as within the Problem Questions, the design seller can link the questions to *human desirability (HD)*, *technical feasibility (TF)* and *business viability (BV)*, and I also suggest the design seller could build trust in this part of the questioning process by demonstrating an understanding of and a view on the prospect's industry. Examples of questions are: "What effect does an undifferentiated offer have on your ability to compete in procurement processes?" or "Does this affect your ability to attract the best competence?"

Value Questions (based on Needs Questions) highlight the value of a solution to the prospect's problem. These are posed when the design seller, with the help of Consequence Questions, has made the prospect agree the problem is urgent enough to motivate a solution. Value Questions look into how the prospect perceives the value and usability of a solution, which will increase the desirability of the design consultancy's offerings. Consequence Questions tend to be specific for each problem, whereas Value Questions are more general. Although, I suggest the design seller can try leading the prospect to express *specific needs* and desires regarding *innovation* and *identity*. Examples of questions are: "How could a coherent visual brand language help you?" or "Which benefits do you think a new perspective on your product development process could bring?"

When the process of asking the questions is over it is time to start talking about the design consultancy's offerings. *Expressed specific needs* make it possible for the design seller to show how the design consultancy's offerings can meet the prospect's needs, i.e. offer meaning. It is important to separate features, benefits and meanings. Features are facts about something, for example product characteristics. Presenting features to a prospective client is less likely to lead to an agreement within complex sales. Benefits on the other hand show how products, services or features can help a client with something. However, neither features nor benefits are enough as selling propositions in the sales meeting. The seller should demonstrate sound commercial acuity and link the consultancy's offerings with effectiveness in order to show its *meaningful selling propositions*. Meaning shows how products or services can meet the specific needs the client has expressed.

4.1.6 SUMMARY

Design is about getting the right idea (innovation), and getting the idea right (identity). It is a work process for developing solutions based on user needs. A clearer user focus leads to more needs and solutions oriented activities, which secures the customer value by taking care of opportunities and thereby decrease the risk of rash decisions as a result of focusing on problems. A designer's competence lies in an ability to understand how customers perceive products and services, and from that understanding put together strategic and creative processes to achieve a common objective, communicating the values coherent with an organisation's desired identity. This helps create offerings with a high-perceived customer value. This chapter has illustrated opportunities for design at three levels within an organisation.

Communicating design value can be difficult if the counterpart has a limited under-

standing of the field. This chapter has also highlighted some factors a design seller can take into account in order to effectively communicate the value of design in the context of organisational objectives.

The Design Sales Threshold (image 16) has also been described. It is a model containing the three levels of where opportunities for design can be identified and visualises how a design seller can focus the argumentation for working strategically with design, as well as factors to consider in client communication.

Within the sales meeting a design seller should make the prospective client identify its need of the services the design consultancy can offer. Using a specific questioning structure can do this. This chapter has presented *The Design Sales Dialogue* (image 17). The purpose of using *The Design Sales Dialogue* is not only to get the prospective client interested in the design consultancy's offerings, but also to make the prospect express a specific need of it, in order to make the offerings go from beneficial to meaningful.

The results presented here provide an overview of the value of design in business as well as factors to consider in client relationships and communication. These results constitute a base for the book *Selling Design Services*.
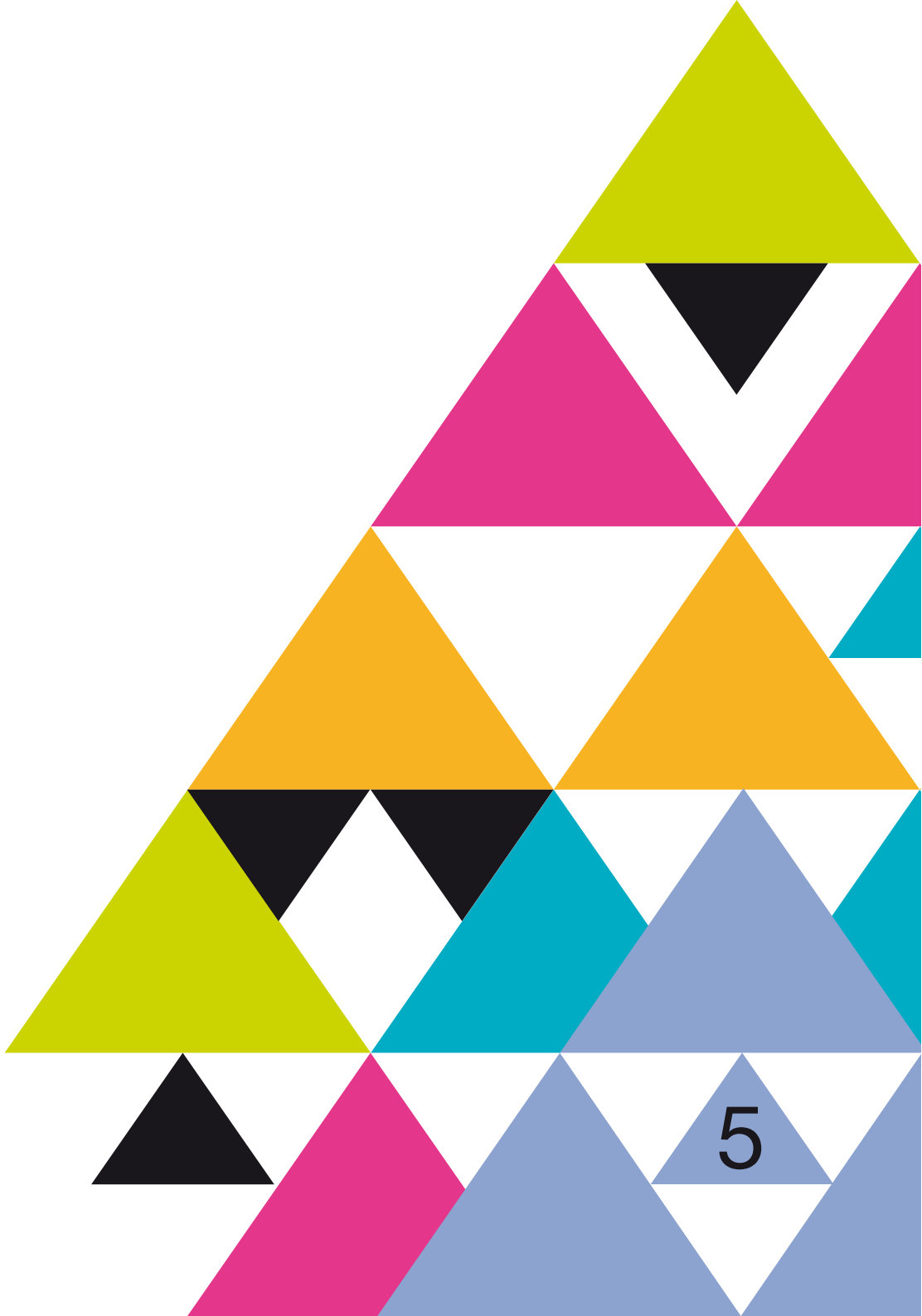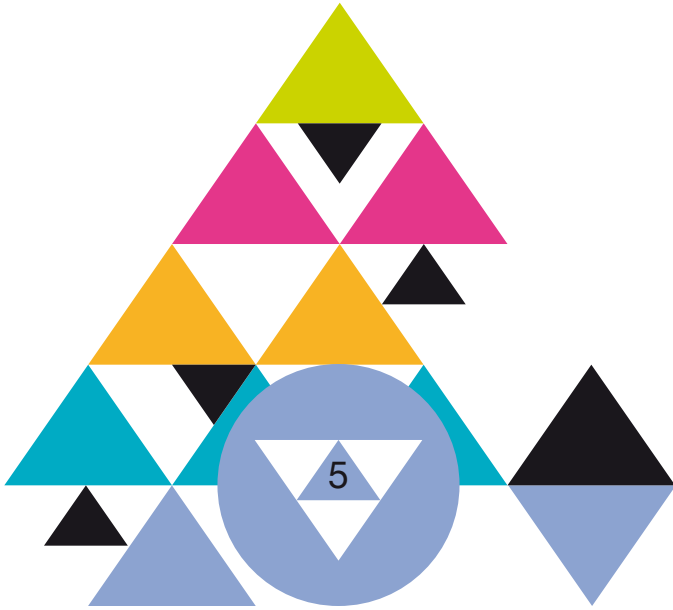
5

Some

Reflective

Conclusions

5.1 Reflections

The project has been focusing on three areas: (1) understanding what best represents business value in relation to design, what kind of value design can contribute with, and how the need of it can be identified within an organisation; (2) what factors need to be considered within client communication in order to foster good client relationships; and finally (3) how to deal with complex sales mainly in relation to selling design services and commissioning design projects.

The first two areas became a model, *The Design Sales Threshold*, which contributed to the third area in which I used its content to develop another model, *The Design Sales Dialogue*, meant to function in selling design services. Both models were then put into the book *Selling Design Services* to create physical evidence of the outcome of this project. As part of the book, a design seller's sales process is also described. The latter is not part of this thesis, but puts the two models in a context in order to improve the understanding of how a design seller can become more effective in selling design services.

5.1.1 The Design Sales Threshold

What is a model and what is just a visualisation? And on the other hand, what is a tool? When my supervisors were referring to a model I had made, i.e. a tool, I had difficulties in understanding what they meant. Until the very end of the project I did not regard *The Design Sales Threshold* (image 18) as a model. To me it was mainly a visualisation I had used in explaining my project to others as well as a skeleton to hang my thoughts upon when talking about the issues in selling design services. I figured I had just drawn an image resembling a house (an organisation) with three floors (levels). One floor for each level. Then I thought of applying the "communication factors" onto the same image. It now resembled a threshold, which could be a kind of poetic interpretation of the context. I also wanted to make it pedagogic in the sense that each part of the image could be drawn within a conversation or drawn on a whiteboard in a lecture without having to change the previous steps in the drawing or having to draw the whole image at once before explaining its content. I wanted the counterpart to be able to follow and understand my explanation of the subject at his or her own pace during the process of drawing the image, and be able to ask questions in each step of the drawing process without the risk of being confused by too many things to consider at once.

Looking back, I have been using *The Design Sales Threshold* as a tool for months. The book, *Selling Design Services*, was made since I wanted to have some kind of physical evidence of the project's outcome that could be shared with others. It has never been meant to be the tool I aimed for in my vision, even though it can be used as such. Inevitably, I had to make room for *The Design Sales Threshold* in the thesis, which is something I almost ended up not mentioning separately at all. It contained all the necessary elements I had been looking for, but to me it was not sufficient enough as a tool. I guess enough will never be enough for a designer. Everything can be improved. We are never better than our last project. Put in the famous words by Victor Papanek: "That which we throw away, we fail to value".
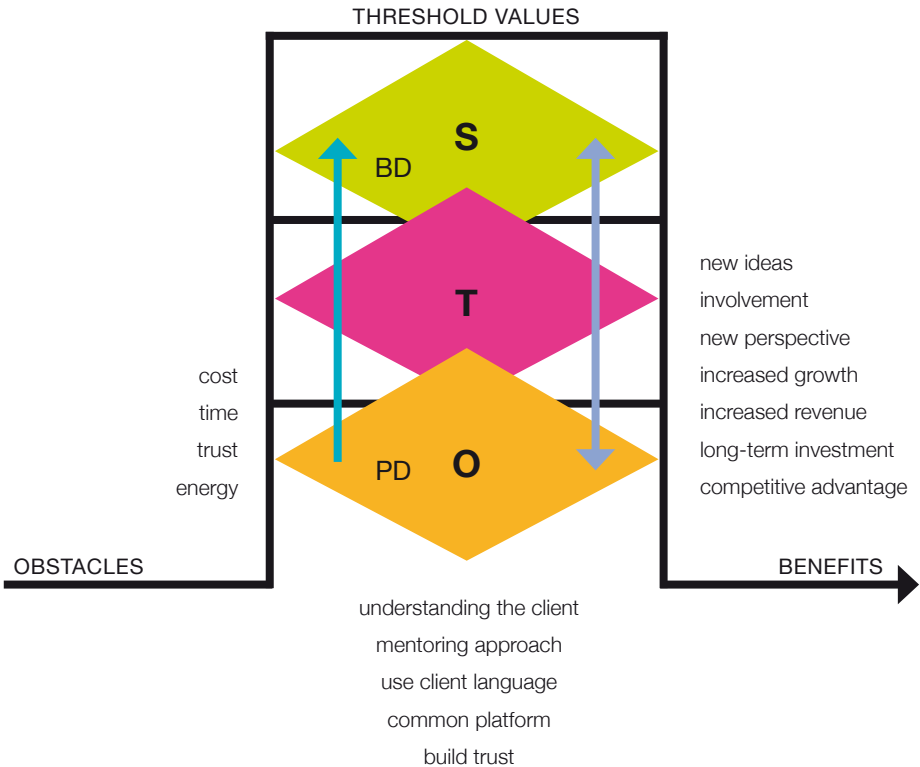

Image 18: The Design Sales Threshold

5.1.2 The Design Sales Dialogue

The SPIN® Selling Model has been useful for me in creating an understanding of how to lift client needs and create a demand for design services within a sales meeting. It has given me a better understanding of the impact various kinds of questions can have in facilitating a conversation. Using the knowledge I have gained in order to create my own model based on it – *The Design Sales Dialogue* (image 19) – has been a valuable practice. As part of the book *Selling Design Services* I have made a sales case, considering factors from both a design seller's sales process, *The Design Sales Threshold* and *The Design Sales Dialogue*, and developing this was useful in making all pieces come together in the context of selling design services.
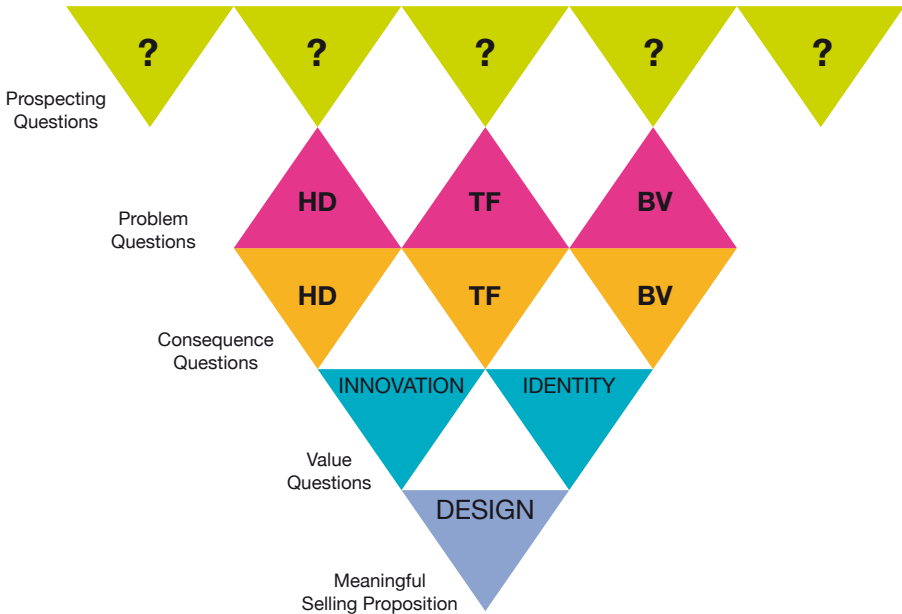

Image 19: The Design Sales Dialogue

5.1.3 The Design Process & Selling Design Services

My reflections on the design process as well as an evaluation of my role in it, and my reflections on the book *Selling Design Services* (image 20) are written in chapter *3.2.4 Phase 4: Verification – Reviewing & Evaluation* (p. 42).
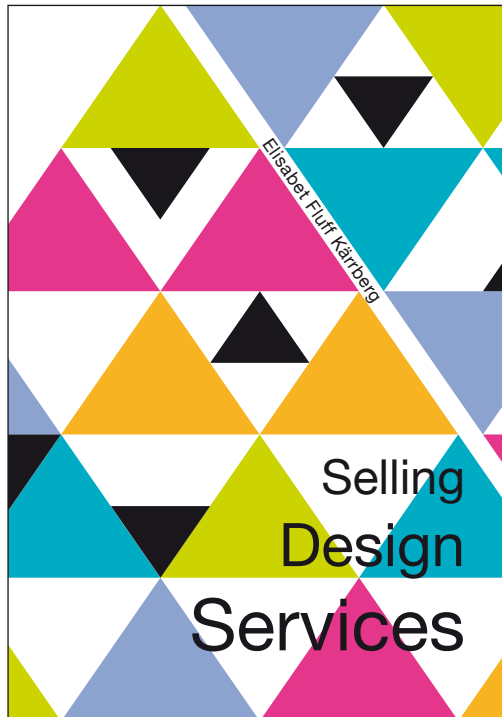

Image 20: The book Selling Design Services

5.1.4 Suggestions for Future Studies

One issue to look at is how design consultancies could grow sustainably. You cannot put more food in your mouth than you can chew. Growth can be a great risk. Selling design services effectively in not about getting a quantity of assignments, but rather about targeting the right prospects, i.e. quality. A company needs to know what effect more revenue would have on the annual budget. Growth needs financing, so the company needs to be sufficiently capitalised. Another important factor that needs to be considered is whether more work will put a stream on the design consultancies team and endanger current client relationships. Planning for growth is a bold move and needs to be planned carefully. As a company you want to grow and continue growing, not grow then shrink. It is critical to reflect on what is going on. However, growth well planned can result in very good business. I am not suggesting designers need to become business people or entrepreneurs, but if not, they do need to find partners outside their own comfort zones to run businesses with.

Another issue that should not be neglected in future studies is the applicability of the sales skills I have developed an understanding of. Related to what I have written above, few design consultancies can afford to hire a full time design seller as well as deliver on the promises this seller should be able to give prospective clients. However, while there might not be enough capacity within many single design consultancies for selling design services to the extent I would like to see, these skills could just as well be applied in other ways. Both as skills in buying design services, and promoting design services within organisations, but also in new intermediary functions for which I suggest benchmarking with other industries might give valuable input.

Personally, I would like to continue developing my work in selling design services by benchmarking the design seller's work with other industries. The design profession in general (in my opinion) does not really benchmark at all, neither towards other design consultancies nor other industries. I do not know what could be applied from knowledge gained in benchmarking with other industries, but something tells me one factor would be integrity. The design profession needs more integrity and professionalism. Creativity is not restricted to the design profession. Business people can be just as creative. They are just not talking about it all the time. Sometimes I wonder – who is actually walking the talk and not just talking about the walk? Design in itself has no intrinsic value, but design as a means in processes is really worth something!

6

Some
Valuable
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