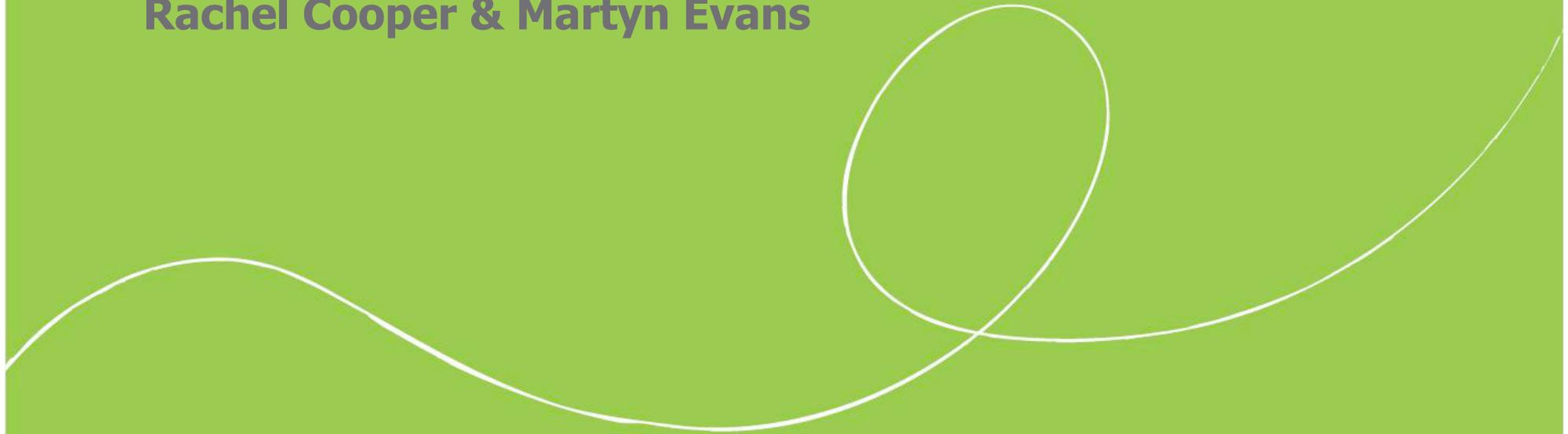




# Revisiting Strategy: The role of design in strategy

**Rachel Cooper & Martyn Evans**



## Overview

This paper looks at how strategy and design have been discussed in the past half century, and investigates the degree to which it has been embedded in small and medium sized companies through an empirical study of a selected number of UK design-led organisations.

# Design and Management

- Josiah Wedgwood 1730-1795 (first case study for management and design, Falk 1961)
- 1915: Nothing Need be Ugly 'A proposal for the foundation of the Design and Industries Association'

"What is needed at the present time is the gathering of all the several interests concerned with industrial production into closer association; an association of manufacturers, designers, distributors, economists and critics."

# Origins of Design Management

- 1907: German Werkbund: Herman Muthesuis. Peter Berens (AEG)
- 1949: US Walter Paepcke First Aspen event IDCA “to bring together designers, artists, engineers, business and industry leader”
- 1951: First Aspen conference ‘Design as a Function of Management’
- 1964: RSA Presidential Prize for Design Management

# Design, Management and Strategy

- 1966: Farr - Reasons for designing: competition, distribution systems, market developments, social changes, invention, variety reduction and diversification
- 1965: Pilditch & Scott - Mass manufacturing and the need for differentiation
- 1984: Kotler & Rath - Performance, quality, durability, appearance, cost - design philosophy
- 1989: Tom Peter (DMJ) – listening to the customer, customisation, quality and perception
- 1990: Robert Hayes - Design has become the missing link in US competitiveness.. Design as facilitator, design as differentiator, design as an integrator and design as communicator
- Henry Mintzberg (Dumas & Mintzberg, 1991), and industrialists such as Paul Cook (Raychem) and Herbert Kohler (The Kohler Company)

# Managing Design for Strategic Advantage

- 1989: Phatak & Chandron – “The process involves identifying , expressing and developing the unique capabilities of the corporation, a design-orientated approach that moves through the following five basic steps:
  - Value analysis
  - Brainstorming
  - Formulating objectives
  - Setting Strategy and Tactics
  - Auditing Design Management Programme”

# Managing Design for Strategic Advantage

- 1991: Fitzsimmons *et al.* - Positioning design alongside manufacturing and marketing strategy. Formulation of a design strategy. This step involves two phases:
  - (1) *positioning of the product design along the complexity and innovation dimensions, and*
  - (2) *identifying the appropriate design infrastructure to support the product design task for the targeted strategic positioning.*

# Design management and corporate strategy

- 1993: Blaich & Blaich - Corporate strategy and the value of design.

“The corporation is likely to come under strong scrutiny in the 1990’s from shareholders and consumers for both profitability and social responsibility. Designers can play a vital strategic role in giving direction to and management of concrete activities that comprise corporate identity”

- |   |                                                            |    |                                                 |
|---|------------------------------------------------------------|----|-------------------------------------------------|
| 1 | Status of design                                           | 6  | Management of corporate resources               |
| 2 | Design as strategic factor                                 | 7  | Managing a global design organisation           |
| 3 | Expanding the scope of design work                         | 8  | Design as a force for quality                   |
| 4 | Full integration of design in the product creation process | 9  | Who should be design manager                    |
| 5 | Design led innovation as stimulus to product creation      | 10 | Developing design management training resources |

# Design management and strategy – Design strategy

- 2003: Brigitte Borja de Mozota - Strategy formulation,
- Porter's five forces competition model, resource based view and knowledge based view, competency based approach source of organisational change...and so on:
  - A design strategy is either innate or experience based
  - Strategy formulation is either deliberate or emergent
  - Three stages of strategy formulation
  - Strategy stems from competitive advantage
  - Is either market or resource based

## Designing strategy

- 2004: Liedtka - Design approaches and approaches to strategy = another approach to strategy.

“Design offers a different approach and suggests processes that are more widely participative, more dialogue-based, issue-rather than-calendar-driven, conflict-using rather than conflict-avoiding, all aimed at invention and learning, rather than control. If we were to take design’s lead, we would involve more members of the organization in two-way strategic conversations. We would view the process as one of iteration and experimentation, and pay sequential attention to idea generation and evaluation in a way that attends first to *possibilities before moving onto constraints.*”

## Design strategy and policy

- 2008: Stevens *et al* - 'It is suggested then that design's strategic relevance can be considered in three ways:
  - (1) *Competing by 'high design' can be a strategic position in itself;*
  - (2) *an integrated, coherent design approach can help implement strategic positioning;*
  - (3) *design methods (so-called 'design thinking') can inform strategy formulation.'*

# Design as strategy, design in strategy, or just design strategy or design for strategy

- Design as strategy – focusing on it as a dominant paradigm, used to achieve competitive differentiation (DaS) Resource, competitive
- Design in strategy – one of many functions, (DiS) Resource
- Design strategy – what you do with design (DS) Resource
- Design facilitating strategy – provocation, imagination, facilitation, organisational change (DfS) Resource based,

# Research questions

1. What is the role of design in strategy development?
2. What does design strategy mean to design practice (and the design practitioner)?
3. What is the value of design? How is this communicated to clients?
4. Who owns strategy and strategic development?

## Respondents

<i>Role</i>	<i>Organisation</i>
Senior Lighting Designer	Global design, planning, engineering and technical specialists
Creative Director	Graphic design consultancy
Design Operations Manager	Global sportswear manufacturer
Web and e-Marketing Officer	City council
Project Manager, Design Skills Team	National design support agency
Design Project Lead	Social design agency
Partner	Global design agency
Creative Director	Creative design agency

# 1. What is the role of design in strategy development?

- Design should be regarded as a key resource for strategy formulation in any organization. [Project Manager-Design Skills Team, National design support agency] (DfS)
- Designers always look at the bigger problem, stepping above the issue, looking at it strategically, and solving the problem by collaborating, using different resources, skills and people for a positive solution. [Design Project Lead, Social design agency] DiS/DfS
- Strategy comes into play in design when a designer transitions from focusing on a product to a collection of products. They become a partner to the entire (development) process. [Design Operations Manager, Global sportswear manufacturer] (DaS)
- The designer's role is concerned what can be done to pragmatically bring about change, rather than simply maintaining the status quo. [Web and e-Marketing Officer, City council] (DfS)

Design strategy is crucial to the design process as designers have to think of the bigger picture. They have to consider how to take a company forward and do something innovative with design.

[Creative Director, Graphic design consultancy] (DaS)

## 2. What does design strategy mean to design practice (and the design practitioner)?

- Design strategy is an important element of design practice acting as its the glue of multi-disciplinary activities. [Project Manager-Design Skills Team, National design support agency]
- Design strategy ultimately serves as the interplay between design and business delivering a single consistent message through tangible outcomes. [Partner, Global design agency]
- I think design strategy is a way of looking at the problem holistically, using design approach and design thinking to solve the problem. [Design Project Lead, Social design agency]
- In my personal experience, a lot of strategy conversations that happen which include design aren't just product related but are organisational related. Design is embedded in a lot of the organisation. [Design Operations Manager, Global sportswear manufacturer] *DS is DiS*

Design plays a role not only in problem-solving, but also in the strategic level and at the planning stage (of projects) ... design lies at the root of strategy formulation.

[Project Manager-Design Skills Team, National design support agency] DfS

### 3. What is the value of design? How is this communicated to clients?

- A lot of small to medium size businesses are very suspicious of designers and don't really value design. [Creative Director, Graphic design consultancy]
- You have to have an idea of where you are going and what you are wanting to achieve and you address design to try to create that and make that happen by design, by the quality of it and the detail of it. [Creative Director, Creative design agency] DS
- We manifest strategy and envision the future. [Design Operations Manager, Global sportswear manufacturer]
- Consumers and customers do not talk about strategy very much, but they do talk about their experiences informing the businesses' products and services. [Partner, Global design agency] DiS

Design can be a part of conversation and help to develop the direction which let people know how to use the resources meaningfully, how to control and do the stuff well and deal with the challenge creatively.

[Design Project Lead, Social design agency] DiS

## 4. Who owns strategy and strategic development?

- Strategy and design are a natural fit. It's just a matter of design finding its voice in that conversation and helping to be heard. [Design Operations Manager, Global sportswear manufacturer]
- The best strategy is where you can get good advice from somebody who really understands what is good for you and the big difference between people offering strategies. You can have whole teams offering strategies or you can have a single very educated, very experience person who gets and gives you a piece of advice – that is the best strategy. [Partner, Global design agency]
- The designer is one of the essential roles in design strategy and need to become one of strategic team members because imagination is required in strategy development. [Design Project Lead, Social design agency]
- Designers are not the final decision makers yet they need to negotiate with different functions within an organisation. [Web and e-Marketing Officer, City council]

There is a lack of awareness of the role of facilitating design strategy formulation in practice ... who owns design strategy and takes responsibility for it is not clear.

[Project Manager, Design Skills Team, National design support agency]

## Conclusions

Results emerging from the ongoing study validate earlier research, indicating strategy is a multi-faceted issue, context dependent, and is also reliant upon the actors involved - design leaders, design managers, and company leaders.

Designers are not able to clearly articulate the dimensions

# Three Paradigms of Design Management in 2010

DaS

DiS /DS

DfS

Function	Design Practice Paradigm	Design Management Paradigm	Design Capability Paradigm
Adds value through...	Aesthetics, product innovation, differentiation,	Interpreting the need, writing the brief, selecting the designer, managing the design and delivery process	Humanistic, comprehensive, integrative, visual approaches
Solves problems of design relating to...	Products, brands, services	All aspect of design in the organisation, but principally products, brands and service	change in environment, society, economy, politics and organizations
Develops and fosters design competency among...	Top management, board members, design leaders, design consultants, design team, cross disciplinary teams	Top management, board members, senior management, design management consultants	Every area of the organization
Achieves objectives of...	Designing products and services that are beautiful, functional, create a brand and make a profit for the organisation	Managing design to deliver strategic goals	Delivering sustainable organizations in the context of societal and global wellbeing

KEY

- (DaS) Design as strategy – focusing on it as a dominant paradigm, used to achieve competitive differentiation
- (DiS) Design in strategy – one of many functions,
- (DS) Design strategy – what you do with design
- (DfS) Design facilitating strategy – provocation, imagination, facilitation, organisational change

Cooper, Junginger, Lockwood 2011



# Thank you

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