Strategic Design Planning

What's Lurking in the Future of Brand Management

Strategic Design Planning is one of the most deficient areas in brand management theory and practice. Find out more about how this could change in the years to come.

Christoph Herrmann & Guenter Moeller

Are you tired of standard brand steering tools, fed up with the blah-blah of know-it-all brand consultants and hoping there's a new brand management trend lurking just around the corner – not just any trend but finally one that really works? Well, believe it or not, there is! And the name of that trend is design – or, more specifically, strategic design management and planning. No kidding. And no, we weren't commissioned to write this article by the honourable Boston-based Design Management Institute, nor are we driven by dogmatic philosophies like so many of our colleagues in the design industry. We're just ordinary business consultants (though we do have a strong brand and design background} and as such we always keep one ear close to the ground. And w hat we hear is a roaring demand for this 'brand new' trend in management theory and practice.

To start with a few simple facts: Market competition is rapidly becoming fiercer, knowledge advantages erode within a few months and in many areas the battle for the customer has been reduced to a sheer price war. But you already know all that. The question is, do you also know how to make your products stand out on the markets of the present? Do you really know how to connect to your target groups these days and how to win the battle against low-price competition? Of course your brand matters, but what is 'your brand' and how is it perceived by the market? Frankly, to a greater extent than ever before, it is aesthetic appearance, – i.e., packaging, product design, communication design, POS design and the message that design conveys – that is primarily responsible for your brand's image advantage and a huge portion of every single market share point it gains. Have you ever wondered about how much money your company spends on aesthetics and how little it still knows about the relationship between design and market success? There are still mind-boggling deficits in the area of design management and design planning. As a matter of fact, in many companies that area is real 'no man's land'.

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In the past years, companies have naturally undertaken significant efforts to build competency in the area of creativity and design. Procter & Gamble, for instance, recently urged its advertising agencies to deliver more 'creativity'. As far as we know, however, there is still no such thing as a managerial framework for the direct link between that creativity and the various levels of corporate and brand planning. When it comes to the area of packaging design, most companies still rely primarily on the

advice of their partner agencies. 'Strategic design planning' is frequently nothing more than a superficial briefing process. Even in the more complex domain of total product design, true strategy and planning decisions often play only a minor role.

Take the automobile industry. Despite the fact that 'design' has become the No.1 purchasing criterion and a top management issue within this branch, strategic design planning still exhibits huge deficits. True fusion of portfolio, brand and design planning often fails to happen – due to strong reservations on the part of the department managers in charge of planning tasks (corporate strategy, R&D, production, market research, product management, design, etc.) and due as well to the rivalries that persist between them. Problems such as these were among the major factors leading to the catastrophic failure of Volkswagen's flagship automobile 'Phaeton'. They also explain why Philips, for years a highly admired trend-setter in design research and design planning, has only partly managed to translate its fabulous design initiatives into clear, brand-related design road maps and marketable solutions. Many of the concepts coming out of Philips' cost-intensive design research processes resulted in products somehow lacking in substance and far to remote from real mass-market needs to push the brand effectively. These examples are a clear indication that strategic design management and planning is still an area with a high potential for innovation and development. That potential will lie dormant, however, until design theory and practice are characterized by a more pragmatic, managerial approach to design strategy, design research and design planning.

Over the past century, the design field has been largely dominated by four schools of thought which still have a vast influence on present concepts of design theory and practice: While the 'arts-and-crafts school' essentially defines the designer as an artist or craftsman with a free will and a creative capacity to express himself and respond to the needs of his clients and the society, the 'socio-cultural school' takes a more idealistic approach. Here design is regarded as a primarily socio-cultural phenomenon, to be analyzed and put into effect within a generally semiotic environment. According to this school of thought, design has the power to change our perceptions of society and even the conditions of life within it. The advocates of the 'systemic school,' on the other hand, define design as the result of a complex cybernetic process in which a wide range of interests, factors and components are combined to form a coherent structure. The 'project school', finally, is based on a primarily technical method of design planning. Inspired by the NASA, a vast design projects of the 19605 and 19705, the aim here was to develop mathematically-based project management tools and other efficient means of steering complex design projects.

Current design management and planning efforts, as developed by such leaders in the field as the Design Management Institute (DMI) of Boston and London, essentially combine these various schools of thought while increasingly emphasizing the strategic aspects of design in today's business environments. Yet, a cohesive theory of strategic design planning – an approach uniting state-of-the-art strategic management theory with design practice – is still missing. We regard this to be one of the greatest shortcomings of modem management methodology and design theory alike: Despite its relevance as a key success factor for so many companies, only insufficient efforts have been made to take design strategy a significant step forward. Let us cite, for example, two of the most recent publications in the field, Brenda Laurel's book *Design Research* (MIT Press, 2003) and Bettina von Stamm's *Managing Innovation, Design and Creativity* (Wiley, 2003). Both provide a fairly good overview of the history and present state of design research and design planning. Moreover, they clearly trace many of the tools and instruments presently applied in design management back to one or the other of the academic traditions mentioned above. But even these two works lack a more strategic approach, an approach which unites the

practices of design management and planning with the concepts of strategic management, market research and marketing.

Leading business schools (e.g., Stanford or INSEAD) are currently placing greater emphasis on design within the framework of their standard management training programs. Their activities, however, represent merely a small step, though it is a step in the right direction. Effectively, they are accomplishing little more than an enhancement of their otherwise often boring academic curriculum through the addition of more creative elements and modules. A real bridge between creativity and planning, research and operations, management and design is generally not the result.

To create such a bridge, designers, managers and researchers must not only overcome their mistrust of one another. They must also collaborate more closely on the development of new tools, tools that take into account the considerable strategic role played by design in today's markets. Tools that enable companies to generate state-of-the-art design strategies and roadmaps, bring these strategies and roadmaps in line with market, brand and consumer needs, identify efficient design segments and positions, test future design alternatives at an earlier stage with the aid of design-related research instruments and, above all, ensure that the design strategies and road maps are really adhered to in an organization's everyday business.

In the years to come, companies will increasingly be on the lookout for appropriate means of dealing with these issues. So whether you are a junior brand manager striving to boost your career, a business consultant itching for a fresh challenge, a designer seeking a new field of employment in a market where creativity alone rarely earns you a living, or even an assistant professor working to build a reputation within the academic community, strategic design management is a vast and complex area just waiting to be explored. Why not just go for it? Discover the beauty of a process in which strategy, management and creativity are not adversaries but allies, in theory as well as in everyday practice.

Christoph Herrmann (MBA, *PhD) and Guenter Moeller (Master of Industrial Design) are Managing* P*artners of hm+p, (http://www.hmpinnovation.com), a Frankfurt-based business consultancy specializing* in *innovation* in *the areas of product, brand, design and process management. In the past years, they have published various books and articles on product innovation, trend management, brand steering and design and served as guest professors and lecturers at several universities and academic institutions.*

E-Mail: info@hmp-innovation.com
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