BUSINESS OF DESIGN
PRESSURE. PERFORMANCE. PROFIT.
STRATEGY. INNOVATION.

IIDA INTERNATIONAL DESIGN ASSOCIATION
In early January, industry thought leaders convened for the 21st annual International Interior Design Association Industry Roundtable. This yearly event is both a temperature taking of the current sociocultural moment and an opportunity to look ahead to future challenges and opportunities. Previous roundtable topics have ranged from ways to leverage economic volatility to the influence of social media. This year’s agenda was particularly ambitious: to contemplate the business of design via the filters of pressure, place, performance, profit, strategy, and innovation.

The conversation, moderated by Cheryl S. Durst, Hon. FIIDA, LEED AP, executive vice president and CEO of IIDA, was structured around a lineup of guest speakers who divulged helpful insight about their own design companies’ business strategies, approaches to innovation, and experiences navigating disruption in industries ranging from graphic design to transportation/automotive. Michael F. Ramirez, Herman Miller’s former executive vice president of people, places, and administration, kicked off the presentations with a meditation on the employee experience. He was followed by communications consultant Ken Schmidt, who spoke candidly and humorously about his role in—and lessons learned from—the Harley-Davidson turnaround in the late 1980s. Dana Arnett and Patrick Palmer of VSA Partners discussed how data is increasingly and advantageously informing their design work, and how they pivoted their business in a new direction to make that happen. Lastly, Johannes Lampela of Designworks, a BMW Group Company, discussed his firm’s methodology and culture of innovation.

Participants also broke out into smaller discussion groups, each assigned to a different topic (pressure, innovation, etc.), and then reassembled to share a summary of their collective insights. Finally, the roundtable concluded with a candid question-and-answer session between designers and manufacturers that addressed communication best practices, the scourge of knock-offs, the rise of virtual reality, and the dealer’s changing role in the design ecosystem.

Though the weekend’s conversation circumnavigated a constellation of points, one common denominator stood out: the importance of people—employees, end users, Yelp reviewers, the humans behind the machines—in the design cosmos. “The ‘people’ part has been the core of every industry roundtable, because people are at the core of design,” Durst concluded. The business of design is, ultimately, the business of people.
THE ‘PEOPLE’ PART HAS BEEN THE CORE OF EVERY INDUSTRY ROUNDTABLE, BECAUSE PEOPLE ARE AT THE CORE OF DESIGN,” —CHERYL S. DURST, HON. FIIDA

PARTICIPANTS

INDUSTRY PARTICIPANTS

Bentley
Tom Peterson, Ind. IIDA
Regional Vice President

Crossville
Mark Shannon, Ind. IIDA
Executive Vice President of Sales

ESI Ergonomic Solutions
Melissa Sopwith, Ind. IIDA
Director of Marketing

Gunlocke
Michelle Boitlon, Assoc. IIDA
National A+D Director

Haworth, Inc.
Antje Karlbian, Ind. IIDA, LEED AP ID+C
Senior Workplace Design Strategist

Herman Miller
Alan Almasy, Ind. IIDA
Director of A+D Sales-Central Area

Humanscale
Jon Strassner, Ind. IIDA
Director, Workplace Strategy

Mannington
Roby Isaac, Ind. IIDA
Vice President of Commercial Design

Mohawk Group
Michael Eckert, Ind. IIDA
Director of Marketing & Strategy

Mohawk Group
Jackie Dettmar, Ind. IIDA
VP Design and Product Development

Shaw Contract
John Stephens, Ind. IIDA
Vice President of Marketing

Tarkett
Chris Stulpin, Ind. IIDA
Chief Creative Officer, TNA

Teknion
Jennifer Busch, Hon. IIDA
Vice President A&D

Vitra
Adrian Parra, Ind. IIDA
Head of Marketing, North America

Wilsonart
Teresa Humphrey, Ind. IIDA
Specifications Sales Manager, U.S. and Canada

IIDA INTERNATIONAL BOARD MEMBERS

James Kerrigan, IIDA, LEED AP ID+C
President

Gabrielle Bullock, IIDA, FAIA, NOMA, LEED AP BD+C
President-elect

Gabrielle Bullock, IIDA, FAIA, NOMA, LEED AP BD+C
President-elect

Principals, Director of Global Diversity, Perkins+Will

Vice Presidents

Edwin Beltran, IIDA, Assoc. AIA
Design Principal, NBBL

Julio Braga, FIIDA, LEED AP
Design Director and Principal, IA Interior Architects

Annie Chu, IIDA, FAIA, NCIDQ
Principal, Chu + Gooding Architects

Susana Covarrubias, IIDA
Principal, Gensler

Scott Hierlinger, FIIDA, LEED AP
Vice President of Interior Design / Global Design Director, NELSON

Marlene M. Liriano, FIIDA, LEED AP ID+C
Managing Director, Principal, IA Interior Architects

Doug Shapiro, Ind. IIDA
Regional Vice President, OFS Brands

DESIGN PRACTITIONERS

Hunter Kaisers, IIDA
Founder, hk+c

Diana Pisone, IIDA
Team Principal, Ted Moudis Associates

Felice Silverman, FIIDA, LEED AP ID+C
Principal, Silverman Trykowski Associates

Alissa Wehmuller, IIDA, LEED AP
Principal, Helix Architecture & Design

FROM IIDA

Cheryl S. Durst, Hon. FIIDA, LEED AP
Executive Vice President and CEO

Aisha Williams
Senior Director of Industry Relations & Special Events

Jen Renzi
Report Editor
DANA ARNETT
FOUNDING PARTNER AND VICE CHAIRMAN
VSA PARTNERS

Dana Arnett is a founding partner and the vice chairman of VSA Partners. Prior to his current position, Arnett served as CEO, leading a group of 300 associates in the creation of design, marketing, and digital and interactive initiatives for a diverse roster of clients, including Harley-Davidson, Toyota, IBM, General Electric, Nike, Ahold Delhaize, and Google. He and the firm have been recognized by numerous industry organizations, including Communication Arts, AIGA, Graphis, The Type Directors Club, the American and British Art Directors Clubs, ID, The LA Film Festival, the AR100, and the American Marketing Association. In 2014, Arnett was awarded the AIGA Medal, honoring lifetime achievement and his contributions to the industry; he is also the organization’s incoming president. In 1999, Arnett was inducted into the Alliance Graphique Internationale and named to the ID40, which cited him as one of the 40 most important people shaping design internationally.

PROJECT PRIDE: He helped launch the IBM Design Lab in New York, a living example of how design thinking and agile methodologies (come together). It’s a modern workplace where conversations around change and transformation are being put into action. We also worked on user interfaces to launch Watson, the first machine-learning platform. The convergence of data, design thinking, work and digital and interactive initiatives for a diverse roster of clients, including Harley-Davidson, Toyota, IBM, General Electric, Nike, Ahold Delhaize, and Google. He and the firm have been recognized by numerous industry organizations, including Communication Arts, AIGA, Graphis, The Type Directors Club, the American and British Art Directors Clubs, ID, The LA Film Festival, the AR100, and the American Marketing Association. In 2014, Arnett was awarded the AIGA Medal, honoring lifetime achievement and his contributions to the industry; he is also the organization’s incoming president. In 1999, Arnett was inducted into the Alliance Graphique Internationale and named to the ID40, which cited him as one of the 40 most important people shaping design internationally.

JOHANNES LAMPELA
DIRECTOR OF DESIGN, A STUDIO DESIGNWORKS, A BMW GROUP COMPANY

As director of design at Designworks, a BMW Group Company, Johannes Lampela leads a team of designers and creative directors working on projects ranging from private and public mobility, consumer goods, and capital equipment to medical devices, workplace furniture solutions, and hospitality design. Key projects include the Singapore Airlines first-class seat and cabin, Bay Area Rapid Transit (BART) fleet of the future, and Allsteel Clarity, Clubhouse, and Reflect workplace furniture designs. Prior to joining Designworks, he formed a design collective in Milan with Future Concept Lab, Domus Academy, and several residential and urban furniture manufacturers. He earned a bachelor’s degree from Lahti Design Institute and a master’s degree from Domus Academy, and is a frequent guest lecturer at the Art Center College of Design in Pasadena, California.

THE LONG DRIVE: The culture here is future forward; we are usually thinking 15-years ahead, since our development cycles are unusually long seven years. (User interaction has a shorter development cycle because it will be obsolete if we plan that far ahead.) The car design process is quite artistic and individual in the early phases. We want that to be pure because we know many compromises will need to be made later in the process.

KEN SCHMIDT
COMMUNICATIONS CONSULTANT

One of the most in-demand speakers and communications consultants in America, Ken Schmidt has lived a life that most can only dream about. He has toured the world on two wheels, met with presidents and royalty, partied with movie and music legends, and appeared numerous times on network news. As the former director of communications for Harley-Davidson Motor Company, where he worked from 1985 to 1997 (and beyond), he played an active role in one of the most celebrated turnarounds in corporate history—“bringing it from the brink of ruin to global dominance,” as he cheekily puts it. He is widely known as one of the business world’s most outspoken and provocative thought leaders and has partnered with many of the universe’s most successful brands.

INSIDE VIEW: In my role providing brand-building expertise to many businesses, I’ve sat across the table from the executive leadership of thousands of companies. I like to find out what makes businesses work, and to uncover common points between them.

MICHAEL F. RAMIREZ
FORMER EXECUTIVE VICE PRESIDENT OF PEOPLE, PLACES, AND ADMINISTRATION HERMAN MILLER

In his role as executive vice president of people, places, and administration, Michael F. Ramirez led the teams responsible for Herman Miller’s global employee experience. The People, Places, and Administration team develops and implements creative, workable, and meaningful business strategies that reflect Herman Miller’s deep and long-standing commitment to being a great place to work. Since joining the company in 1998, he held a variety of roles and led the development of several strategic initiatives, including the adoption of inclusiveness and corporate diversity, the launch of Inclusiveness Resource Teams, and the RePurpose Program, which provides Herman Miller customers with an environmentally friendly and economically viable solution for the sustainable disposal of unwanted furniture assets.

HUMAN-CENTERED HQ: “A few years ago we redesigned our space to showcase product, rather than with people in mind. It failed! A year later we redesigned the space once again, this time to provide amenities, services, areas for collaboration—it does what the people need. Because of that we are more functional and prosperous than we’ve ever been.”

GUEST SPEAKERS
Taking the pulse of the current moment is an Industry Roundtable tradition. So, where do we find ourselves now? In a period of extremes, said Cheryl S. Durst. “We have outpaced ourselves and shattered records. We have more money, more time, and more choices than ever before. We also have more discontent and anger and bitterness, partially fueled by social media—observing the filtered lives of others.”

We are also less than two years away from 2020, “which, once upon a time, sounded like The Future,” said Durst. Roundtable participants looked even further ahead to predict some of the conditions, challenges, and disruptive forces we’ll be grappling with in the coming decades. While some felt pessimistic about the future, extrapolating from today’s divisive tenor and increasing income inequality, others were more hopeful, finding solace in the younger generations’ spirit of idealism and revolution.

“Trends and movements are cyclical, more of a continuum with the past than we may think. The current condition is not new at all,” noted Dana Arnett. “Today, we’re channeling a lot of postwar-era modernist thinking.” The design ecosystem is also in flux and will continue to evolve. For instance, the sampling process and the role of the dealer are changing. “These implied rules about processes and relationships centered around dealers and distribution channels is begging for shifts,” said Durst. Meanwhile, the rise of WeWork is altering how clients lease office space, and designers and manufacturers are nervous about the implications. To some extent, change is a welcome corrective, a chance to improve on current practices that don’t serve us well enough. “There’s inherent inefficiency in the design and construction process,” affirmed James Kerrigan. That means there’s plenty of opportunity to streamline and reconfigure, to design new systems—for the benefit of our firms, our clients, and the bottom line. “Being innovative is being opportunistic,” said Annie Chu.

OF COURSE, FORECASTING IS HARDLY AN EXACT SCIENCE, AND THE MOST DISRUPTIVE TECHNOLOGIES AND DEVELOPMENTS ARE ALL BUT IMPOSSIBLE TO PREDICT. BUT SO IS HOW CLEVERLY WE’LL DEAL WITH THEM. “IN PREDICTING THE FUTURE, WE OFTEN FORGET TO FACTOR IN HUMAN INGENUITY,” SAID DOUG SHAPIRO. “THE FUTURE IS NOT AN EXTENSION OF THE PRESENT, BUT ON A DIFFERENT PLANE ENTIRELY.”

FORECASTING THE FUTURE

“Automation of more tasks will relieve humans to become more engaged in humanity. It gives us time, so we can do the things that matter for our clients, for the global economy.” —Michelle Bouton, Assoc. IIDA

“People who can’t work will be put on basic universal income. They’ll stay at a certain socioeconomic level, unable to transcend.” —Roby Isaac, Ind. IIDA

“The evaporation of the middle class and the widening gap between financial demographics means there will only be the rich and the subsidized lower class.” —Alan Almasy, Ind. IIDA

“I worry about automation. Will there be enough work? Basic universal income will be implemented in more places. Income predictability will allow more people to invest, and to finally address secondary problems and issues.” —John Stephens, Ind. IIDA

“Strategy will be data driven: predictive versus intuitive, machine versus human-driven. You will input a bunch of data points into a machine, and it will spit back your strategy. The human focus will be execution with an emphasis on speed to execution and leadership.” —Jennifer Busch, Hon. IIDA

“Redistribution of wealth will open up more doors. And longer life expectancy will have implications for jobs, retirement, and healthcare.” —Jeff Fenwick, Ind. IIDA

“Money will still exist. But profit will not so much involve cash in the bank. Benefits packages will not be what they are today. Rather than a salary, you will select what benefits you want to live by, and they’ll be given to you.” —Scott Hierlinger, FIIDA

“Cryptocurrency and social currency will continue to rise. Consider that a widely traded currency today is loyalty points.” —Cheryl S. Durst, Hon. FIIDA

“Strategy will be data driven: predictive versus intuitive, machine versus human-driven. You will input a bunch of data points into a machine, and it will spit back your strategy. The human focus will be execution with an emphasis on speed to execution and leadership.” —Jennifer Busch, Hon. IIDA

“Redistribution of wealth will open up more doors. And longer life expectancy will have implications for jobs, retirement, and healthcare.” —Jeff Fenwick, Ind. IIDA

“Could innovation be a sort of ‘reset button’ for these many challenges?” —Chris Stulpin, Ind. IIDA

“Automation of more tasks will relieve humans to become more engaged in humanity. It gives us time, so we can do the things that matter for our clients, for the global economy.” —Michelle Bouton, Assoc. IIDA

“People who can’t work will be put on basic universal income. They’ll stay at a certain socioeconomic level, unable to transcend.” —Roby Isaac, Ind. IIDA

“The evaporation of the middle class and the widening gap between financial demographics means there will only be the rich and the subsidized lower class.” —Alan Almasy, Ind. IIDA

“I worry about automation. Will there be enough work? Basic universal income will be implemented in more places. Income predictability will allow more people to invest, and to finally address secondary problems and issues.” —John Stephens, Ind. IIDA

“Strategy will be data driven: predictive versus intuitive, machine versus human-driven. You will input a bunch of data points into a machine, and it will spit back your strategy. The human focus will be execution with an emphasis on speed to execution and leadership.” —Jennifer Busch, Hon. IIDA

“Redistribution of wealth will open up more doors. And longer life expectancy will have implications for jobs, retirement, and healthcare.” —Jeff Fenwick, Ind. IIDA

“Money will still exist. But profit will not so much involve cash in the bank. Benefits packages will not be what they are today. Rather than a salary, you will select what benefits you want to live by, and they’ll be given to you.” —Scott Hierlinger, FIIDA

OF COURSE, FORECASTING IS HARDLY AN EXACT SCIENCE, AND THE MOST DISRUPTIVE TECHNOLOGIES AND DEVELOPMENTS ARE ALL BUT IMPOSSIBLE TO PREDICT. BUT SO IS HOW CLEVERLY WE’LL DEAL WITH THEM. “IN PREDICTING THE FUTURE, WE OFTEN FORGET TO FACTOR IN HUMAN INGENUITY,” SAID DOUG SHAPIRO. “THE FUTURE IS NOT AN EXTENSION OF THE PRESENT, BUT ON A DIFFERENT PLANE ENTIRELY.”
Complicating matters, “the talent” has high expectations—and not just regarding salary and vacation days. The top five interview questions that job hunters between the ages of 23 and 35 asked are:

1. What is your social capital/profile?
2. What is your diversity/inclusiveness program?
3. What opportunities are there to contribute to the surrounding community?
4. How will this job contribute to the rest of my life?
5. What will my career trajectory be like, and what are the steps to getting there?

The implicit if unspoken motive of the weekend was how to future proof and evolve the design profession. As Patrick Palmer put it: “If you don’t have infinite resources, you have to know where to place your bets.” (He was talking about data science, but the idea translates.) So where should a company invest its energy? In its people. “They are your most weaponizable asset,” said Ken Schmidt. The design discipline’s human-driven ethos should start under our own roofs.

“The companies that get the power of people will be the ones left standing.” —Michael F. Ramirez

But first, we have to keep our best people from leaving. This is especially challenging in light of the current unemployment rate: 4.1 percent, the lowest since 2000, down from a recent high of 10 percent in fall 2009. “If you are looking for a job today, you are in a prime position,” said Michael F. Ramirez. “There are not enough qualified people to do the work that needs to be done. Boomers are retiring in droves, and there aren’t enough students graduating from college. It’s getting harder every day to secure and keep talent.”

The pressure of people

1. What is your social capital/profile?
2. What is your diversity/inclusiveness program?
3. What opportunities are there to contribute to the surrounding community?
4. How will this job contribute to the rest of my life?
5. What will my career trajectory be like, and what are the steps to getting there?

The secret sauce for recruiting and retaining employees is to keep them satisfied and—even more vital to a company’s bottom line—engaged. Some participants took issue with the fixation on employee satisfaction above all else. “It doesn’t focus on the things that are important to your most talented staff,” said Mark Shannon. “A happy employee might be quite satisfied with a job that requires very little effort and be perfectly content doing the bare minimum required to keep his or her job. These employees are likely ‘very satisfied,’ and unlikely to leave the company—but they are not necessarily adding value.”

“THE DEEPER YOU GO INTO UNDERSTANDING HUMAN BEHAVIOR, THE MORE CHANCES YOU HAVE OF ARRIVING AT INNOVATIVE DESIGN.” —Susana Covarrubias, IIDA
Of people, the place, and the universe that we think we are. In the hierarchy of ourselves, to be validated and recognized as the center universal impulse: “We are an egocentric species,” said At the core of feeling valued is a somewhat base if need to feel their opinions count and that management their input is truly considered and acted upon. “Employees It’s vital for creatives to believe that their skills, talents, and ideas need enough freedom and personal time outside of assigned work to seek inspiration and to recharge is important.” It’s vital for firms increasingly adopting corporate practices that promote an ever elusive work/life balance as a key ingredient of satisfaction. Employers have gotten the message and are increasingly adopting work-life balance as a key ingredient of satisfaction. Employers have gotten the message and are increasingly adopting corporate practices that promote a more balanced culture. Johannes Lampato added that creatives need more than just chillax time: “Allowing enough freedom and personal time outside of assigned work to seek inspiration and to recharge is important.”

2. Creative down time—on the clock. Attendees cited the ever elusive work/life balance as a key ingredient of satisfaction. Employers have gotten the message and are increasingly adopting corporate practices that promote a more balanced culture. Johannes Lampato added that creatives need more than just chillax time: “Allowing enough freedom and personal time outside of assigned work to seek inspiration and to recharge is important.”

3. Feeling valued—and empowered. It’s vital for employees to believe that their skills, talents, and ideas matter. Even more important is that they feel heard, and that their input is truly considered and acted upon: “Employees need to feel their opinions count and that management is listening, so we can improve,” said Teresa Humphrey.

At the core of feeling valued is a somewhat base if universal impulse: “We are an egocentric species,” said Ken Schmidt. “We have the need to feel good about ourselves, to be validated and recognized as the center of the universe that we think we are. In the hierarchy of needs, self-esteem is at the top. Why do people leave a company? Because no one there noticed them.” A little ego fulfillment can go a long way.

4. Advancement opportunities. “Satisfied employees are those who feel that their supervisors have in place a proactive, long-term plan for their success and growth,” said Susana Cavourkas. Consider mapping out a trajectory before an employee is even hired, “so people come to work knowing what their career path is,” said Schmidt. Added Humphrey, “Without an end game, an employee will not know what they need to do to succeed and grow.” Creating advancement opportunities is an ongoing process, not a one-off strategy session, she continued. Feedback and adjusted expectations are necessary. “Goals and continual assessments help show the employee their purpose.” Of course, much is out of management’s hands. “It’s a double-sided coin, since many employees voice what they want, but few actually do the work to get there,” says Scott Herlingen. “They expect you to be their daily coach,” an entirely unrealistic prospect.

5. A sense of purpose and meaning. Purpose plays a major role in motivating or creating a satisfied employee. “Those who have it bring passion and positive energy to their work,” said Doug Shapiro. Added Brisolton, “I believe it to be at the top of the list when defining and creating a culture that is mobilized, engaged, productive, and collaborative.” Purpose helps build a more unified workforce.

A related concept is meaningfulness, “which often comes from working on projects that impact society in the broadest sense,” said Gabrielle Ballock. Companies and firms can be deliberate and intentional about selecting the type of projects the firm takes on, the type of work each employee is assigned to, “and even the manner of and the environment in which that work is done, and with whom,” said Annie Chu.

Ultimately, purpose is personal. “It must be defined by the individual employee,” said Melissa Sopwith. “A good employer will understand a staffer’s sense of purpose and help them apply it to a role within the organization.” Each staff member has his or her own recipe for what constitutes contentment, “which is why middle management plays such a critical role,” said Shapiro. “They need to understand what each person wants out of the time they spend with our organization.” Industry leaders are not just designing spaces, but helping design careers.

6. Corporate transparency. Employees must know what goals they’re working toward and why. This can be challenging if an organization is family run, somnolent, hierarchical, or otherwise rather private, explained Michael Eckert. “Any of those factors can create a situation where the high-level purpose doesn’t connect with employees on a day-to-day level.” There are ways to be transparent without disclosing confidential information, so that staffers feel more a part of things.

There are many avenues for assessing employee satisfaction. Some that are popular among design industry leaders include:

- **Firmwide surveys** addressing topics such as compensation, workload, perceptions of management, flexibility, teamwork, resources, engagement, etc. (Some firms have adopted the Organizational Health Assessment survey.) The survey is ideally anonymous, and possibly analyzed by a third party.
- **Annual or more frequent reviews** to discuss career development and compensation. “We do reviews three or four times a year, or on an as-needed basis,” said Annie Chu. “One addresses compensation, but the others are informal check-ins about how things are going. Having an open conversation about any issues allows us to address them regularly, before they become bigger.”
- **Formal and informal mentorship venues** to inform career development plans.
- **Forums** for confidential feedback and suggestions.
- **Chances for staff to acknowledge fellow employees’ accomplishments.**
- **An HR analysis** of compensation patterns, turnover rates, etc. (“Although some turnover is inevitable,” noted Mark Shannon. “Employees who are not adding value or who are not a good fit for the company leave, making way for fresh new perspectives and new energy.”)
- **Opportunities for career-related conversations and dialogue outside of formal channels.**

Aside from these more structured practices, firms can also glean much information by observing. “With a smaller organization, you tend to feel satisfaction or lack thereof,” said Alissa Wehmueller. “There’s a palpable energy when everyone is completely engaged and excited about what’s ahead.” Collect and analyze employee satisfaction data, but listen to your gut instinct, too.
Headquartered in Grand Rapids, Michigan, a locale with an exceptionally low unemployment rate of just 2.6 percent, Herman Miller has been enviably effective at retaining its people. The staff turnover rate is a mere 8 percent—about half the industry average.

Michael Ramirez credits the company’s success to a deliberate people-centric shift a few years ago. Part and parcel to that was designing what he calls “the optimal employee experience.” That involved implementing a number of initiatives, from hefty benefits packages to a concierge service. Many such perks are offered at the suggestion of the employees themselves. “What we think people want is not always what they actually want,” said Ramirez. “So we asked them. Yes, salary is important. But so is where and how they work, what the space feels like, what it does for them, if they can work in different ways and places, and bring their tech in and use it. It’s not enough to have a beautiful space; you need policies, programs, and practices that make peoples’ lives easier and better”—and, by extension, their jobs more meaningful.

Ramirez explained that his team’s role is “to ‘design’ numerous touch points, from onboarding to benefits to development to retirement.” He admits that some initiatives have been harder than others to roll out, such as creating navigable career paths within the organization. “We’ve had to build some career ladders and flatten down certain departments,” he said.

As for many design industry leaders, workplace wellness is another area of corporate focus. Herman Miller embraces a robust definition of the term that encompasses physical, mental, and fiscal health; on-site facilities include a pharmacy, dependent care, and even mental health and financial planning services. Of course, Herman Miller is an 8,000-strong company; are such robust employee-friendly measures out of reach for smaller organizations, like a 20-person design firm? “Consider pooling resources with other companies,” suggested Ramirez. “[Doing that] lowered our own pharmacy costs by 19 percent. You can do anything on scale.”

He encouraged industry leaders to take seriously their role as “people services practitioners”—both with respect to our own companies and those we design for. We are in a position to educate clients about the importance of “architecting the human experience,” and model good practices, leading by example.
STORY AS STRATEGY

When it comes to promoting their businesses, companies tend to trumpet the myriad benefits of their products or services. A furniture manufacturer will itemize their latest product's bells and whistles; an interior design firm will tout their unique design philosophy, process, or strategic approach, sometimes using industry-insideringo. Ken Schmidt makes a compelling case for abandoning that model of salesmanship. “People think having a great product will give them market dominance,” he said. “That worked 50 years ago when people didn’t know how to make stuff. In this market, product is not a competitive advantage; that would require competitors having less-good product.”

Today, there’s always someone who does what you do, for less money or offering more convenience. So focus on creating a compelling, easy-to-digest narrative about your business. Companies should ask themselves three questions:

• What are people saying about you?
• What do we want them to say?
• How are we going to get them to say it?

But having a sellable story is of little consequence if you don’t have a positive story to reference. If you don’t have a positive story to reference, then you are saying “we don’t know how to sell product, or for that person to want to get it from you.” Look at the consumer not as someone to sell to, but as someone to partner with, to get them to feel good about themselves.” Schmidt said. As an example, salespeople should avoid the anodyne “did you find everything you needed” in favor of personal questions like, “What’s your dream destination?”

If not product or services, then, what differentiates one brand from another? A good story, Schmidt asserted. “If you don’t have a positive story to reference, then you view every brand as the same; you have no preference, and your primary purchase criteria becomes price and convenience.” So focus on creating a compelling, easy-to-digest narrative about your business. Companies should ask themselves three questions:

1. CRAFT A DIFFERENTIATING, OWNABLE NARRATIVE. It needs to be written in plain language so that it’s memorable and easy for others to repeat when talking about you; don’t make it wonky or use esoteric terminology. “Businesses tend to come up with vapid, that no one understands or remembers,” said Schmidt. “We talk in our secret product language that would never come up in normal conversation. If people are confused about who you are and what you do, that’s not their fault—it’s yours.”

The entire company also needs to be looped in so each and every employee can become a vocal advocate for the brand and perpetuate the same story. This applies to satellite offices as well as dealer networks. “How can we change the narrative if we’re all saying different stuff?” Schmidt asked rhetorically.

2. “GET HUMAN” AND CONNECT PERSONALLY WITH CUSTOMERS. People are more inclined to do business with someone they feel connected to—and like. “Is it more important to sell product, or for that person to want to get it from you? Look at the consumer not as someone to sell to, but as someone to partner with, to get them to feel good about themselves,” said Schmidt. As an example, salespeople should avoid the anodyne “did you find everything you needed” in favor of personal questions like, “What’s your dream destination?”

Passion pays dividends. “It is the most magnetically attractive of all human traits,” said Schmidt. “In the presence of a visibly passionate person, you will instinctively mimic them.” Connecting personally with potential customers will also provide an opportunity to share the carefully crafted brand story, while putting them in a warm, fuzzy place where they, too, will be inspired to share it with others. “So you’re good at customer service. Great. That doesn’t matter unless the customer who’s gotten good service tells their friends.”

3. YOUR REPUTATION IS IN THE HANDS OF OTHERS. Ultimately, what a company says about itself is not what matters; it’s what third parties say about them. “Value lies in what people believe to be true about you when talking to other people,” said Schmidt. “Cool slogans don’t get repeated and discussed, but we put weight on what others tell us.” Reputation and relationships (and Yelp reviews) are everything. Herman Miller uses that maxim to their advantage, said Ramirez. “We designed an experience that potential customers will also provide an opportunity to share a sense of community—bringing people together to create a social atmosphere that’s 100 percent people focused. This can happen online or in person. “Face-to-face time is still the best. It creates trust. I know you will stand behind what you are selling,” said Julio Braga.

Although it might sound impossible to try to control your narrative by promulgating it through third parties—i.e., current or potential customers—data science and visualization can prove effective tools. For one VSA client, Patrick Palmer mapped out the communication matrix between the five stakeholders involved in a product purchase. “What are those people saying about the product, and are they saying what we want them to say? This was a way of physically architected that the goal was to identify opportunities and then build a content ecosystem so those stakeholders can share information in a way that is advantageous.”

“The essence of business and life is your reputation—I don’t say brand because it’s not a word humans use”—Ken Schmidt

“Tell the world what matters.”

You may not have ultimate control over what people say behind your back, but you do have tools to encourage a positive outcome: by creating a sense of community—bring people together to create a social atmosphere that’s 100 percent people focused. This can happen online or in person. “Face-to-face time is still the best. It creates trust. I know you will stand behind what you are selling,” said Julio Braga.

No! It’s because no one does anything to keep us here, to say ‘You’re necessary and important,’ Absent that, I’ll find someone who does.”

“What’s the biggest bullshit excuse at a company? ‘They left for more money.’”

—Ken Schmidt
Designers are constantly adapting to and adopting new technologies. For instance, practitioners are harnessing virtual reality to aid the design and decision-making process; some find it even more effective than a full-scale room mockup in terms of refining a scheme and getting approval and buy-in. “VR has become an extension of our design process,” said James Kerrigan. “It’s a great tool for us, and from a client-engagement perspective we’ve noticed a sizeable shift.”

Other advancements have fueled the rise of Big Data, “in particular the ability of cloud computing to store vast troves of data, high processing speeds now distributed to desktops, the proliferation of lightweight data-collection methods (including iPhones), and the willingness of consumers to allow people to look at what they do,” explained Patrick Palmer. That convergence has resulted in a proliferation of data, which is shaping how industry leaders and their clients do work.

Shockingly, though, less than 0.5 percent of data generated is ever actually analyzed and used. “Some clients have so much data they don’t know what to do with it,” said Palmer. This presents a tantalizing opportunity for designers, and one that VSA embraced by launching an in-house digital marketing practice [see next section]. “Design unified with a data-driven approach can be a transformative force within the problem-solving arena,” said Dana Arnett. “We can optimize data to make better decisions.” That requires designers and strategists to collaborate even more closely and share information back and forth.

Navigating this data-rich world requires a certain skill set. Designers need the ability to:

- **Break down complexity.** “The age of differentiation has never been more fervent,” said Arnett. “There’s a lot of noise.”

- **Bridge physical and digital experience.** For instance, when designing a retail environment, the designer must now consider how an end user’s personal devices will work there. (Johannes Lampela explained that BMW is conceiving cars with this in mind: “We are designing the digital experience within the car, taking ownership…so Google doesn’t.”)

- **Create new forms of sense making.** “The rapid channelization of content is shaping how that content is created and absorbed,” said Arnett.

These days, clients are under enormous pressure to prove their investments are paying off, said Palmer. “If you don’t have infinite resources, you have to know where to place your bets, to choose your battles and do one thing exceptionally well. We can use data to focus those efforts.” Visualizing data—and mining it for insights—is another way that design can transcend mere aesthetics to catalyze a business. Performance is about knowing what works, and why. Of course, the client needs to be receptive to whatever the research uncovers. Data science will often illuminate the unexpected. “We spend a great deal of time on analysis, and then hear from clients, ‘that simply cannot be true!’ I have to remind them that they are paying us for non-intuitive results,” said Palmer. It’s the business of design to connect dots.

**“THE SCIENCE OF HUMAN BEHAVIOR IS PART AND PARCEL TO THE PROBLEM SOLVING PROCESS.”**

—DANA ARNETT

**“OUR CAREERS MAY BECOME MORE PREDICTIVE. DATA FEEDBACK IS SO INSTANTANEOUS, SO WE CAN IDENTIFY THE HAVES AND THE HAVE-NOTS SO MUCH EARLIER. OPPORTUNITIES WILL GO TO THOSE WHO HAVE THE TOOLS AND GENETICS TO BE GOOD AT SOMETHING.”**

—JON STRASSNER, IND. IIDA
Design, like all industries, is being disrupted by factors including new technology. Keeping pace with change—and staying competitive and relevant in the market—requires near constant adaptation and adjustment. Sometimes the best course of action, then, is slow evolution; but other times forces are so strong (and the opportunities so great) that the logical, if risky, choice is pivot: to shift the company in a new direction.

That is just what VSA Partners did in 2012 by seizing the opportunity to expand its design practice to incorporate an in-house consumer marketing group with a data-science backbone. Doing things differently is a core value and competitive advantage of the agency. “VSA has, since its inception, been a multidisciplinary practice” during a time when that wasn’t common, explained Dana Arnett. The design agency was also ahead of its time in comingling strategists and creatives—departments that are still siloed at many firms. But the ascendance of Big Data coupled with a volatile economy was putting immense pressure on the firm and its customers. “More clients were coming to us having to make bets regarding return on investment and to quantify market spend,” said Arnett. “They’d say, ‘If only you guys could do that for us, and we didn’t have to hire another firm.’” (That sentiment is hardly unique to graphic design: More clients want a one-stop shop, “a single professional services firm for all things design,” affirmed Durst.)

So, VSA put its money on the line and developed the new business unit, led by Patrick Palmer. Palmer and his team were also pivoting from a more traditional advertising agency background. “A group of us saw things change profoundly in 2010, with the convergence of data and design. We were looking for a place that would allow us to practice differently, and thought a design firm would be more appreciative and ready to take advantage [of what we brought to the table].”

Growing pains were to be expected. “Our arrival brought about a cultural transformation at VSA, and it was not seamless,” said Palmer. Prior to their arrival, the majority of VSA staffers were designers. “Now, there are all these people with different job titles,” said Palmer. “We introduced a lot of geeky people into the mix who didn’t dress, act, or talk like designers, and who were coming from a different perspective.”

At first, Palmer recounted, leadership tried to foster solidarity by forcing parallels. “I’d say, ‘we’re all designers.’ But that turned out to be dumb! It felt inauthentic. [Data scientists] were like, ‘No, I’m not designing, I’m running statistical progressions.’” It took time to invent a common language and way of thinking to bridge the two traditions.

As VSA has grown and data science increasingly informs the firm’s work and takes it in bold new directions, hiring practices have changed. “These kids who grew up gaming, consuming information on their own, came in with portfolios where storytelling was brought to life through print and data visualization,” said Arnett. “We realized we had to pivot there, too, and hire a new species of designer.”

Six years after the pivoting, the company is enjoying remarkable success—a living, breathing exemplar of the design/data convergence.
Innovation is the purported M.O. of any creative organization. (James Kerrigan was among the minority who feel that it’s “overrated.”) Roundtable attendees were pushed to think more closely about the concept of innovation and its meaning within the context of their business.

“Something that sparks a change in thought process. As society evolves, we have to innovate to keep up and for our projects to evolve.” —Diana Pisone, IIDA

“The implementation of a new or significantly improved product, service, or process that creates value for business or society. Without actually acting on the ideas we imagine, we are not truly innovating, only dreaming.” —Michelle Boolton, Assoc. IIDA

“Being innovative is being opportunistic about assessing all the data we accrue from a lifetime of observation and connecting the dots.” —Annie Chu, IIDA

“Innovation is coming at or looking at a particular initiative or complex issue from a different and more integrated or elevated approach.” —Scott Hierlinger, FIIDA

“Thinking outside the parameters of normal functioning. Today in our industry, there’s too much restyling of existing functionality—the proverbial putting lipstick on a pig.” —Jon Strassner, Ind. IIDA

“Being open, thinking differently, and thinking creatively to solve problems. Innovation does not have to be a ground-breaking invention; it is more of a way of thinking and approaching situations.” —Felice Silverman, FIIDA

“Innovation is new functionality. Today in our industry, there’s too much restyling of existing functionality—the proverbial putting lipstick on a pig.” —Jon Strassner, Ind. IIDA

“Innovation is thinking differently and thinking beyond your assumed capabilities.” —Marlene Liriano, FIIDA

Thinking outside the parameters of normal functioning, thinking differently, and thinking creatively to solve problems. Innovation does not have to be a ground-breaking invention; it is more of a way of thinking and approaching situations.
“Design thinking enables the necessary steps for innovation to take place.”
—Edwin Beltran, IIDA

“We design for humankind, which is in constant evolution. As a result, design by default needs to constantly bring new answers. Innovation is therefore an intrinsic aspect of design.”
—Susana Covarrubias, IIDA

“I look at design as the way you communicate innovation. This can be an overtly visual display or something as simple as constructing a sentence to communicate a new idea.”
—Michael Eckert, Ind. IIDA

“Design is innovation and innovation is by design. The evolutionary quality of design leads to a perpetual stair step of innovation.”
—Hunter Kaiser, IIDA

“In most firms, innovation leans farther in the direction of strategy while design tends more toward creativity.”
—Mark Shannon, Ind. IIDA

“Design does not only employ the process behind so many innovative ideas, but in the built world, it is also an enabler. Innovation and design often involve a degree of risk.”
—Doug Shapiro, Ind. IIDA

“Good design should always be innovative, and innovation is the result of great design.”
—Anjell Karibian, Ind. IIDA

“Innovation is generative in nature and can create new industries.”
—Adrian Parra, Ind. IIDA

“I look at design as the way you communicate innovation. This can be an overtly visual display or something as simple as constructing a sentence to communicate a new idea.”
—Michael Eckert, Ind. IIDA

“Innovation is in the root of design: the desire to constantly improve on the existing and to invent the new.”
—Johannes Lampela

“Innovation separates design from decoration.”
—Tom Peterson, Ind. IIDA
For an innovator, Johannes Lampela is not overly fixated on innovation. Showing a slide of a clever product he designed for a health and beauty client, he asked, “Is it innovation or just good design? I don’t know—and I don’t care! It all naturally comes out of our design process.”

That process has a name: Fixstern. “We all agree on the vision we want to achieve and chart the steps that will be required along the way,” Lampela explains. “You paint the picture, then you draw tactical conclusions to get there.”

Fixstern is actually not as “fixed” as its name suggests: “You need to adjust your vision along the way, or pursue several at the same time. We anticipate that the vision might not be set in stone.”

Fixstern is just one facet of Designworks culture of innovation. Some others: The hierarchy is flat. Disciplines are intermingled. Full-scale prototypes are developed for every project. Generalists are paired with specialists. Research and experimentation are baked into the studio methodology. New manufacturing processes, new materials, and new technologies are investigated. When possible, the firm tries to have a say in the design brief. “When you’re handed the brief, you are already limited by it,” Lampela said.

The most important factor, though, is time: “To understand context, to challenge conventions, to allow failure, to convince someone of your idea.” Of course, time is what design industry leaders most lack. “Do you have a formula for express innovation?” joked Jennifer Busch. “No client ever says, ‘Take all the time you need to innovate!’”

So you have to [make time] your own way. It helps that at Designworks development cycles are naturally long—seven years—and that research teams work in the background as a sort of ongoing project.

Lampela shared his thoughts about the conditions most conducive to innovation.

“DESIGN IS MEANINGLESS IF IT DOESN’T TAKE CONTEXT INTO CONSIDERATION.”
—JOHANNES LAMPELA

1. Be open to failure. “When you’re allowed the possibility to fail, experimentation is more free. Accepting that not everything you design is going to hit the gold mark, you lose the fear.” Designers need freedom to be open to ideas and approaches.

2. Intermingle disciplines, and work across sectors. “We intentionally do not separate teams. They are all mixed in the studio [to encourage] multidisciplinary interactions.” Outside expertise is frequently tapped, leading to further exchange. In the same vein, working with clients in various sectors leads to high-level creativity. “Cross-fertilization between teams and industries leads to fresh thinking and benefits everyone. In addition, the change from one industry to another helps keep employees motivated.”

3. Prioritize research. Executing robust background research “allows you to uncover opportunities and supports your argument, so clients will understand that your choices are based on specific criteria and information versus personal opinion.” Designworks has a dedicated team devoted to fact-finding and exploration.

4. Be user-centric. “The dictionary defines innovation as the introduction of something new—a new idea, a new method, a new device. To me, that’s missing from that definition: user benefit.” Staying relevant, Lampela says, requires keeping abreast of the end users’ changing expectations.

5. Validate ideas through physical mockups. “We do full-scale views and mockups of everything, whether an airplane interior or a workplace.”

6. Display working designs. Being surrounded by visuals clues everyone in the studio into what’s happening. “Even if you aren’t working on a particular project, you still feel like you’re a part of it by seeing the project in process. That gives you more ownership.” At Designworks, participation in reviews is another way for a designer to be involved in a project they’re not otherwise a part of.

7. Don’t settle. “Success can prevent innovation. The thinking is, ‘Why change? Everything is going well.’ But that mindset can lead to a stagnant culture.”
A (VERY BRIEF) SUMMARY

The roundtable presents an opportunity to consider where the industry is today, and where it needs to be tomorrow given current challenges and those likely to define the future. Some strategies firms and manufacturers can embrace to ensure their businesses are set up to maximize innovation, creativity, profit, and performance:

• “Weaponize” your people.
• Design the employee experience—just as you would design their physical workspace.
• Write a clear, compelling, memorable, and ownable narrative about your company (not your product or services!).
• Big Data is at a tipping point. Find ways to harness it in your work, or risk being left behind.
• Intermingle disciplines within the firm to exploit cross-fertilization. For the same reason, broaden your in-house capabilities (say, by launching a data visualization department).
• Interaction design and user interface are the wave of the future.
• Prototype always, research and experiment, embrace failure, and find ways to buy yourself time.
• Be unafraid to shake up process, protocol, and accepted norms in the name of industry advancement.