NAVIGATING THE NEW NORMAL.

IIDA INDUSTRY ROUNDTABLE
1.7.11 - 1.9.11
Leading industry professionals and IIDA Interior Designers convened for an insightful, provocative gathering January 7 – 9, 2011, for the 14th annual Industry Roundtable at IIDA Headquarters in Chicago, Illinois. The Roundtable strengthens the manufacturer/practitioner relationship by offering strategic perspectives on the changing business practice (whether due to research access, economic indicators, or shifting roles) for all involved in the profession of Interior Design. The roundtable was composed of representatives of major manufacturers, the IIDA Board of Directors and important Members from around the country.

This group focused on the impact of the economy and its long term impact on the recent shift in business practice, with an underlying theme of “Adjustment.” Recent change has become the “new normal,” and both design practitioners and industry leaders are charged with managing with the way business works now. The annual event, now in its 14th successful iteration, provided a valuable opportunity for thought leaders to explore business enhancing topics such as the changes in business due to economics, social media, and client dynamics, and to exchange theories for the future of the Interior Design industry.

This summary is a starting point for conversations to continue around the country, as IIDA works to ignite larger discussions within the design community regarding the state of the Interior Design profession. It represents the discussion of the group, which gathered to explore the future, and does not necessarily reflect the position of IIDA, the facilitator or any individual roundtable participants.

Facilitating the synergy between Interior Design practitioners and the manufacturing communities is an essential role of IIDA in order to enhance and shape the future of design. At its most basic level, the roundtable weekend event provides IIDA Corporate Members and leading Interior Design professionals with an opportunity to share experiences and engage in meaningful conversations about current issues concerning the design community as a whole.
The event was moderated by Jennifer Thiele Busch, Hon. IIDA, Editor in Chief, *Contract*.

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<td>VP Marketing, A/D, Environmental Initiatives</td>
<td><strong>Felice Silverman</strong></td>
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<td><strong>Viveca Bissonnette</strong>, IIDA, Assoc. AIA, CID</td>
<td><strong>Silverman Trykowski Associates; IIDA VP</strong></td>
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<td>Hollander Design Group; IIDA President</td>
<td><strong>Laura Tribble</strong></td>
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<td>Cheryl S. Durst, Hon. FIIDA, LEED AP, EVP and CEO</td>
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NAVIGATING THE NEW NORMAL AND GETTING BACK TO WORK

Bringing together notable manufacturers, design professionals and industry leaders to explore current trends in the Design Community, as well as identify areas of opportunity for IIDA Members and the Design Industry, is part of the cornerstone on which International Interior Design Association was built. Facing the year 2011 headfirst, 23 Interior Design industry leaders gathered to discuss and debate the questions foremost on manufacturers’ and suppliers’ minds regarding the evolution of business in the “new norm:”

- Lessons learned: how the economy caused the implementation of new business practices and strategies, and identifying these new best practices
- Building and maximizing relationships between Designers and Sales Reps
- The impact of social media vs. traditional networking on work process

BRING IT ON

IIDA Board of Directors Vice President Allen Parker kicked off the session with a spirited, historical cultural change video from YouTube (see resources for link information), noting how far we’ve come with technology. Hans Rosling, a BBC statistician, created a fast paced time line demonstrating how technology and knowledge work have elevated all countries in their quest for the best solutions possible. The video pointed out how all countries, regardless of industry, have grown and that growth has been possible only with good design. And in our converging united world, ultimately, the way to do well in the future is to raise the standards of living, working and enjoying free time.
How do we define networking now, and where are we doing it?

Designers discussed the need for information – content about new ways of working, different uses for products, unique applications/processes, specific product details and feasibility, as well as education about business and strategy as a way to connect. It might happen in person, over drinks or dinner, a cup of coffee or a quick lunch, but it’s even more likely to happen on LinkedIn, via a blog or through a blind email to a supplier’s website. “Just get me the information I need to get the job done quickly,” was repeated around the table, acknowledged by Designers as an aftereffect of the economy – not enough time/not enough staff in the era of the “new normal.”

Generationally, the quest for relationships differs greatly. For young, emerging professionals, their online sensibilities are strong and their preference is to find information online. They are caught by images that pop and result at the top of a Google search, which impacts the nature of product awareness. A “find it quick” mentality leads to less traditional research about products, less exploration and fewer comparisons, a vast change from those who worked their way up to mid management 5 years earlier and paid their dues researching products via traditional methods of showroom visits and library discovery. And now, texting their rep for initial information is step #1. Designers suggest to the manufacturers; “Challenge our choices.” Be there for those young designers, meet them in person, and educate them about the best ways to use, and NOT to use, different products, to help them gain expertise.

More than ever, whether it begins with a Facebook friend or a connection via a website, suppliers and reps must work to partner with the designers to secure strong relationships. Designers recommend using time in front of designers to help educate them in generic terms and lead with questions, not just approach the sale. Providing information, in any context, develops a trusting relationship and leads to additional business in the future. And where that relationship used to begin over a big ticket lunch or cocktails, the new generation starts it with social media, which works. After all, it’s “social” media for a reason.
And that includes technology, too. While Designers are searching for content on their iPhones, reps are using iPads as a platform to deliver content and demonstrate ideas on the spot. Designers, too, using iPads for client work and presentations, elevate their perceived value.

TOOLS OF THE TRADE 2.0

Remember the pager? Not if you’re of a certain age. And that age grew up with laptops in grade school and is adept at working multiple media tools at the same time, so they’re able to manage multiple tools at work. Manufacturer reps as well as Designers are looking for the newest tools to harness social media, such as:

• Blackberries
• iPads
• iPhones
• Mobile Apps
• Interactive websites

Allen Parker jokingly referred to the hierarchy of social media as a tool in this way;

LinkedIn = Professional You
Facebook = Watercooler Talk
Twitter = 3 Drinks at Happy Hour

But all agree you have to be present in the social arena. And for Designers as well as Manufacturers, it’s a time commitment well spent, with values like collecting information, taking a pulse on the industry, and pushing content.

FACE 2 FACE

“The goal is to strengthen relationships with in-person time.”

Foremost for suppliers, the question of getting in front of decision makers is consistent. Counting social media time as a portion of “connection” time, the goal is still to strengthen relationships with in-person time. Designers were adamant; when reps are strong information resources, can educate their design teams and provide insight and content, the relationship can’t be diminished.

For client meetings or for internal cross office meetings, Skype has
enabled face time for multiple locations to demonstrate best practices without traveling. Virtual meetings are valuable, with a caution to awareness of multitasking – is everyone fully engaged in the meeting? For younger members of a firm this technology is mainstream, though for more experienced Designers it’s more intimidating to jump in. Recent college graduates have been engaged in this technology for years, so they lead the way.

THE GROWING GAP

The opportunity exists for reps to help facilitate career development for designers. Senior Designers are busy with new clients, and would welcome the chance to be in the design studio more often. Without them there, young designers don’t always know what to look for and would benefit from Designers with more experience helping them to formulate critical questions. When reps can help bridge this education/training gap, it strengthens the Manufacturer/Designer relationship.

LET’S DO LUNCH

The days of the daily Lunch ‘n Learns are gone. With Designers’ time now stretched thin and reduced staff at most firms, particularly as more business opportunity is coming in, any type of presentation at a firm must be invaluable to attendees, providing strong content for trends, new directions or solutions. Additionally, it must be well timed. Design firms have established new norms for reps requesting some sort of Lunch ‘n Learn opportunity to demonstrate new products. Several firms talked about their new “Drive-By” or Product Walk-By Sessions, allowing different firms to display during a week, offering the opportunity to present for a several hour period during a day, enabling an entire firm the chance to see product at their convenience, and initiating the relationship that leads to future business with young designers, as well as a chance to interact with senior Designers.

For CEU content, Designers are interested in trends, industry information, future direction, inspiration and education. A CEU Lunch ‘n Learn isn’t enough to gather crowds at a firm anymore. The content must be critical and timely for the attendees and generic enough that they can implement what they hear immediately in their design process.

“For CEU content, Designers are interested in trends, industry information, future direction, inspiration and education.”

Industry Roundtable 14
DEFINING THE NEW NORM

To define the new “normal,” it’s important to first establish what’s wasting time, or taking up what could be revenue-generating time. Not surprisingly, this includes project re-design/re-specification due to product unavailability, unscheduled interruptions, lead time awareness, technology issues and travel. Designers are quick to point out that clients value 3 things;

- Kernals of insight that educate them and add value to design services
- A great space
- Lack of baggage post project (budget overruns, code violations, etc.)

And that’s the bottom line.

NEW KIDS ON THE BLOCK

Increasingly, price driven specs are standard for clients. To ensure this, Designers work to deliver projects with tried and true products, from firms (and reps) they’ve had good experience with. As the economy has encouraged Design firms to seek business growth opportunities in areas adjacent to what they typically do, other players are entering the Interior Design arena. Real Estate Brokers primarily have gained traction with clients, offering value add with “design services” included, which doesn’t always carry appropriate information for the client. When budgets and schedules are confirmed before the Design firm is brought in, there are generally issues for the project. What could be a confrontational relationship between broker and Designer/Architect has evolved in many cases to create new alliances, where Designers partner with real estate professionals, combining their expertise to the advantage of the client, eliminating costly mistakes by being involved from the onset, and educating brokers to be able to generate business for both in the end. There is the opportunity for manufacturers to get involved at this point, too, as they can add value to the process with Revit (but not Design, caution the Design leaders in the room). For the new normal, real estate professionals are potential partners that will make a difference and add value to the clients’ space.
WHAT CAN DESIGN FIRMS DO TO ATTRACT BUSINESS IN THE NEW NORMAL?

Designers debated around the table some of the new ways to attract, and retain, business in the new economy. It’s important to manage the clients’ expectations, so they understand the process and feel involved. While participants agreed that you can’t sell something if it doesn’t work, there were other words of wisdom. One astute Design participant suggested there are four things that enable a Design firm to stand out:
• Do a good job, be creative and be a strong, well rounded firm.
• Be honest. Always.
• Own your mistakes.
• Include clients in your successes – manufacturers share credit; Designers should, too.

And the group agreed, if you over-service and treat a client well, you come closer to ensuring that client can’t afford to leave you.

One Design leader suggested the benefit of Post Performance Occupancy Surveys, as a means to benchmarking within a database to be able to provide evidence back to the client and validate the value of a specific design. Another Designer is working with a team within his company toward a workplace performance validation, and manufacturers around the room were interested in creating a similar scorecard system for products. As the industry moves toward performance based initiatives, there are opportunities to fill the void of research to demonstrate the strength of good design.

NEW HIRES, 2011

Firms that are seeing their business increase have specific needs of new hires. Collaboratively, they paint the picture of a successful young professional as one focused on design, who is proactive (like a kind pitbull, with an inherent tenacity and willingness to learn the necessary skills). This young professional is strong in a team setting, has good technical skills, is creative, can articulate ideas, is proficient in 3-D, can multi-task and understand budgets, will own a project while taking direction, can specify product, manage client relationships, give great presentations, think on their feet, have proficient writing skills and take pride in what they are doing. And these amazing young professionals are hitting the industry.

“If you over-service a client, they can’t afford to leave you.”
And what’s the incentive, besides salary, that these emerging professionals crave? Time – with senior designers – so they can learn, direct involvement and ownership of projects, praise when they’ve done well, goals set with managers and career paths mapped for their professional growth. It’s about a culture of inclusion and a quality of life.

And what makes a stellar sales rep? Not surprisingly, a strong work ethic, good follow through, referrals and references (an industry advisor) and a proven track record. A stellar sales rep is dependable, resourceful, engaging and involved in the community, and is revered by Designers more than the product they represent.

WHO IS DRIVING THE SUSTAINABILITY BUS?

In an engineered world where products have been outsourced for price accommodations, what is the benefit of sustainability? For the manufacturers who invest and pride themselves on their green initiatives, they struggle with talking about it. The furniture industry, as an example, comes from a history of standing behind the quality of their products, and doesn’t tend to go public with practices that are viewed as correct and ethical. If sustainability is the right thing to do, is telling their story “bragging?” While manufacturers feel pressure to have a green story today, there’s confusion throughout the marketplace and it’s the Designers left trying to figure out what is real vs. washed.

While most LEED projects center around the building infrastructure, water and energy, which have been clearly defined by USGBC, furniture is lagging with certification, though BIFMA’s Level certification is gaining ground, and there is nothing yet for flooring. To earn LEED points for interiors projects, the time commitment is great for Designers filling out paperwork. And even Designers trying to differentiate themselves as sustainability experts are meeting stiffer and stricter certification requirements to maintain their credentials. And while some clients are focused on sustainable initiatives, particularly when it’s part of their corporate culture, more often the Design firm is driving the green practice. In the future, sustainability will be a baseline best practice.
WHAT’S NEXT?

Will LEED be a standard in 20 years? Will all fabrics be smart fabrics so your computer screen is built into the panel? How will we work in 20 years? Social media has removed the barriers of distance and physicality. Peer interaction can now happen anywhere, and workers already desire a great culture. And as we evolve as a consultant culture, where will the new “solopreneurs” work? If the Third Place is a magnet for like minded professionals to work and exchange ideas, will that collusion create incubator experiences?

What about process? Major Real Estate firms like Studley, Jones Lang LaSalle, and CBRE hired sustainability experts out of Design Firms a few years ago, but most have returned to their Design careers already. And CBRE introduced “Fusion,” a warehouse program for attaining deeply discounted furniture for restaurants and convenience stores, as a profit center. Is there opportunity for more collaboration between Designers and Brokers? Manufacturers, who work with both, would be a natural partner. Involving a contractor and arriving as a cohesive group to a prospective client could drive more business.

How can we demonstrate the value of Design? While there is global sensitivity to Design, we must not lose sight of the value of good Design.

SUMMARY

As in most instances, the conclusion of this 48-hour deep dive left attendees feeling strengthened by the possibilities of working together, renewed in their passion for the industry, and excited to navigate the new normal. This dialog will continue outside of sponsored interaction to determine where values intersect for additional initiatives and added value.

For more information, contact Dennis Krause, Senior Vice President, IIDA, at 561.637.7566 or Jeanne Fisher, Senior Director, Communications and Marketing, IIDA at 312.379.5140
REFERENCES RESOURCES

Hans Rosling’s Joy of Stats;
http://www.youtube.com/watch?v=jbkSRLYSoso

Social Media Stats on YouTube;
http://www.youtube.com/watch?v=NB_P-_NUdLw&feature=related

More Social Media Facts on Youtube;
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A Global Design social network; www.Behance.com

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Indepth details from the Editors at Contract; www.talkcontract.com

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