



Forget Managers, Corporations Need Leaders: Design Leaders

Lately I have been asking certain corporate clients who come to us to find "design managers" to use the words "design leaders" instead, if indeed design leadership is what they seek, and the responsibility they want the individual to assume. The role of a design manager is to optimize resources to implement design programs in the most efficient and profitable way. Design leaders move the enterprise forward.

A company known globally for its food products recently contacted us. The client wanted to retain us to find two package design managers. The

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senior manager's key responsibilities were: Manage and optimize the package development process to drive efficiency and build better results [sic]; Manage all external vendor relationships; Build cross-functional partnerships with key packaging influencers (i.e., Packaging R&D and Procurement), and so on. Other responsibilities were developing package

design plans and budgets, writing briefs and developing brand standard guidelines.

Nowhere in the documentation was anything about collaborating with marketing and R&D, leveraging skills in design strategy, developing brand identity, managing brand assets and providing strategic, conceptual and design direction for work done by outside design consulting firms.

After getting affirmation from my colleagues, to the surprise of the package design manager and HR person who contacted us, I rejected the assignment. I said that I sincerely appreciated their desire to work with us, but explained, "We have been cultivating the best strategic design managers in the world for positions where they will be creating or directing the vision of major brands. Your job descriptions are primarily concerned with production and implementation issues, and we are simply not interested in those kinds of

assignments." I offered to put them in touch with our parent company, Aquent, to find them people for the position descriptions they had sent.

To my surprise, but not really—this sometimes happens if we are lucky and our message gets to someone who understands—we got an invitation for a phone conversation with the CMO. We had a great meeting of the minds on the call. He told us of his plans for the company and that he knew great design could help him get there. That led to a scheduled meeting with him, and a few of his key vice presidents, where we discussed creating a strategic role for a vice president of package design, title to be determined.

The important take-away from this anecdote is that change does not happen quickly. Organizational or business model change is the hardest of all, but someone has to throw down the gauntlet to start the discussion. A design leader can intelligently explain what is possible and often make it happen.

This leads me to two items in Patrick Coyne's Editor's Column in CA's May/June 2006 issue. The first is that job listings on its Creative Hotlist have increased 46% in the past year. Now, there's a statistic I like. That is consistent with our experience. Not a day goes by that we do not receive an inquiry or two from prospective clients looking for top designers, or many of them.

The other item is the 2005-2006 Salary Survey Comparison. These are statistics I don't like. The design leaders I am talking about today and the design aristocrats I discussed in my last article [May/June 2006, p. 32] were not represented in the featured salary survey.

Let me give you some examples: In 2000, a highly visible national specialty retailer asked us to find their first Vice President, Creative Director. The individual would be responsible for selecting and working with an advertising agency, a retail design firm and fixture vendors, as well as developing with marketing unique products and services to improve customers' experiences and value perception. Out of the group of candidates we presented, they preferred two. They made an offer to

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a woman who was one of four people running a large retail¹ design firm in the Midwest for \$300,000 plus bonus. Her firm countered with a \$350,000 offer and a bigger piece of the pie, and she dropped out. To the other candidate, who was running his own consulting firm on the West Coast, but had prior corporate experience in retail design, they offered \$350,000 plus bonus. What we didn't know was that during the negotiations, a marketing person he had previously worked with contacted him and offered him a vice president of design position in New York for \$400,000 plus bonus, which he accepted. Our client, the COO, fired us because he believed we should have known the candidates were interviewing with other firms or would have accepted a counter offer.

In fact, none of the individuals we presented to the client were looking for new jobs. All were very happy with the state in

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which we found them. We didn't know, because the candidates did not tell us, and based on experience, probably wouldn't have told us even if we had asked. We explained to the client that design leaders who can affect the growth of a business are always receiving if not outright offers, then inquiries

about their possible interest in new situations, from headhunters and people in their networks.

Design leaders in 2000 were making higher salaries than all the categories of people listed in the above mentioned 2005-2006 salary survey.

In March 2006, we completed a salary survey for a global consumer durables client in a highly competitive field, where product design is the main determinant of the sale. We researched their competitors, all of whom had more than 50,000 employees and were located in Europe, Asia and the U.S. We learned that the vice presidents of design in most of the competitor companies were earning a base salary of from \$350,000—\$500,000 per year, plus a bonus that can range from 60—100% of salary. One notch below them, designers are earning \$170,000-\$190,000 base with the same bonus potential.

In 2005, we did a salary survey for "superstars" in the leading brand design offices on the east and west coasts. We compared their earnings with published industry averages in similar job categories to the ones CA refers to: sole designer all the way to Web content developer. The comparisons were startling. Published industry average salary for 4—7 years of experience was \$56,000. Our superstars were earning \$104,200. Published industry average salary for 7—10 years,

\$65,000; for superstars, \$131,600. Published industry average salary for 10-15 years, \$90,000; for superstars, \$212,500. Published industry average salary for 15—10 years, \$100,000; for superstars, \$300,000. I personally conducted this survey. The sources of the superstar salary figures (bonus not included) were their bosses (horrible word), the vice presidents/creative directors in the firms. (I didn't ask them what *they* were earning.)

I do not mean to imply that the majority of our searches are for vice presidents, they are not, but they *are* for senior design leaders. They are for people with at least eight-plus years of experience who will come up with new ways of doing things to differentiate our client's organization or our client's clients' organizations, create value for their customers, and make them unique in their industry. The motivation to hire design leaders is the same for consulting firms as it is for corporations (including nonprofits or public institutions).

The only reason clients hire designers is because they want to lead in their marketplace, or one that's new to them. They know, and we know, that every company has tried to improve its competitive position with better design than the next guy, increasing productivity, outsourcing, and so on. But that's just not enough today.

Integrating the design thinking process into an organization will improve its competitive position. And what is design thinking? It happens in an organization that considers itself an unfinished prototype.² "Design thinking is one of enlightened trial and error wherein one observes the world, identifies the patterns of behavior, generates ideas, gets feedback, repeats the process and keeps on refining."³

To develop a leadership organization and culture, one must hire talented people who work and play well together, and collaborate on a constant stream of always-improving products, communications, services, systems and experiences that customers didn't know they needed or wanted, but do and will spend a premium for when they see them.

Design leadership of the type I am describing provides a competitive advantage that is impossible to knock-off. *Design management* won't get you there. CA

1 Retail design entails visual design of the brand as well as the interior and fixture design of stores.

2, Jeffrey Pfeffer and Robert I. Sutton, *Hard Facts, Dangerous Half-Truths and Total Nonsense: Profiting from Evidence-Based Management* (Harvard Business School Press, 2006).

3 *ibid.*

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