

# Getting the Best Out of Designers: Blending Internal and External Forces

by Frans Joziassse and Folke Meijer

*A business-to-business technology enterprise is sold to a conglomerate and must fend for itself as an independent company. Executives understand that a new brand and a design presence are essential to success but are not sure how to implement that process. In an intriguingly unique strategy, Frans Joziassse and Folke Meijer describe how the corporation hired a design management partner and multiple consultancies to get the job done.*

Many studies of the development and implementation of branding and design programs concern multibillion-dollar, multinational organizations that have strong internal branding and design functions, as well as internal brand and design directors, and a well-established network of appropriate vendors.

But what if the organization has no internal branding and design function, and what if it lacks competencies in these areas? And what if the organization is relatively small, but still operates on a global level?

This case study investigates the role of design management in creating and implementing a re-branding program



Frans Joziassse, Founding Partner, PARK



Folke Meijer, International Brand and Communications Manager, PANalytical

for an operating company that had once belonged to the industrial electronics division of Royal Philips Electronics NV. Design management was an absolute must because the re-branding process involved a group of external design agencies. However, the designer managers were themselves external and independent of the company. The result, however, was that the company itself developed internal competencies in managing the branding and design processes. There are internal and external challenges and risks associated with this way of organizing the design function, and they will be discussed in this article.

The Re-branding of PANalytical

In the 1990s, hoping to cut back on its noncore businesses, Royal Philips Electronics sold several companies, most to larger buyer organizations with a strong brand or brand portfolio. For Philips Analytical, however, this was not the case. A relatively small (1,000 employees) and extremely specialized subsidiary, it was a world market leader in the area of X-ray analysis systems. The buyer, Spectris plc, was a London-based nonbranded global conglomerate of 15 daughter companies in niche businesses centered around precision instrumentation and controls, each working under its own name. For Philips Analytical, now known as PANalytical, this meant a "sudden death" of professional backing from its former parent and its corporate branding and design department. And because its new parent had no experience in the branding field, PANalytical now had no option but to re-brand itself.

After the initial commitment by management, the first step was to fully implement a provisional PANalytical brand identity by de-branding all existing Philips Analytical materials in the shortest time possible. (For legal reasons, the new company name and a logo had already been developed.) Led by its manager of marketing services, PANalytical put together a companywide corporate and brand identity task force to develop and implement the provisional identity. Logos and other Philips-branded elements were replaced by the corresponding PANalytical ones, and a communication campaign ("same people, same products, same services") was begun in order not to lose market confidence (Figure 1).

After it had developed and implemented the provisional identity policy, the task force's next job was to develop an experience brand language (EBL)—a set of principles, standards, and rules covering all design disciplines that would take the company far beyond a regular corporate identity program. The objectives of the EBL were to create a new brand experience at all customer touch-points, ranging from the Internet to the products (hardware, as well as software) all the way to corporate culture and attitude toward customers.

The marketing services manager was aware that for this phase, much more capacity and

competence was needed than was available within the company. He urged top management to expand and focus PANalytical's brand and design management capacity and competencies. He also convinced top management to hire an external design management consultancy. That consultancy was PARK, one of only a few internationally oriented and independent design management consultancies focusing on design process and design resources.

PARK and PANalytical expected the EBL project to last about two years, including the produc-

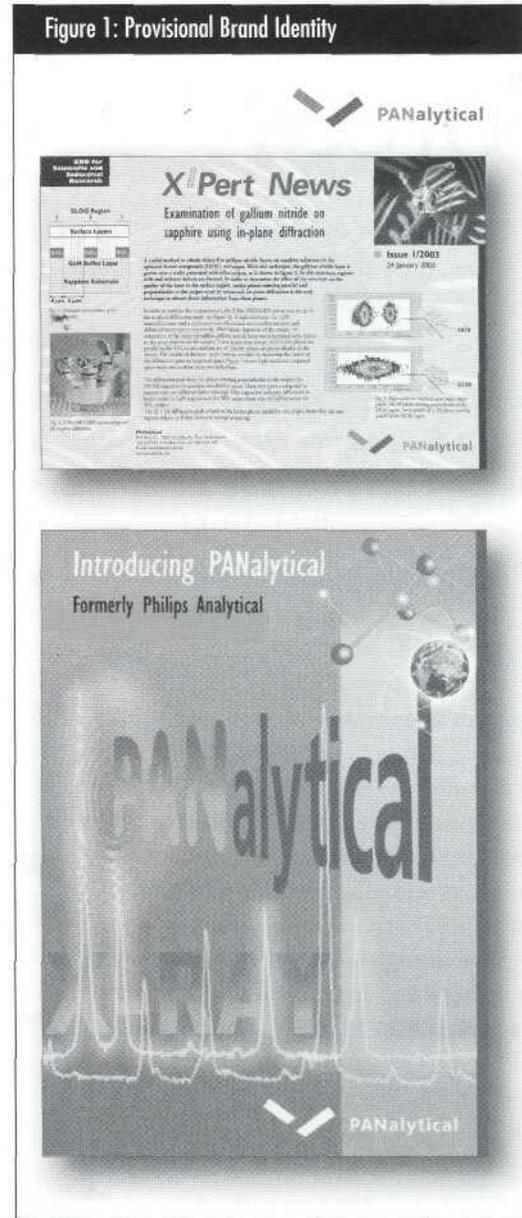


Figure 1. While it regrouped after the spinoff, PANalytical still needed a brand identity with which it could reassure its customers. This was the provisional identity the company used for the two years it took to come up with a new "experience brand language" (EBL).

tion lead time for all print materials, first product prototypes, trade show booths, a website, and so on, as well as the production of branding, design guidelines, and reference samples.

#### Early days

PARK's first challenge was to put in place a process for the development of the EBL—a process that would be easily understood by the types of extreme left-brain people who worked at PANalytical (more than 15 percent of PANalytical's employee base has a PhD in chem-

istry, physics, or one of the other hard sciences). The solution contained all the necessary phases, from planning and evaluation to implementation and monitoring, and pleased PANalytical's management as a result (Figure 2). PARK made the details of the development process clear for top and middle management at the very beginning of the project, and continued to communicate with them during the development and implementation phases of the EBL program.

Even with the help of the company's commercial director, who took on the role of project champion, it was difficult for PARK to convince top and middle management that a corporate branding and design program goes beyond the design of a new logo, and that branding and design is more than just decoration. There were several factors that made it difficult to demonstrate the importance of the EBL project.

First, PANalytical is a knowledge-intensive organization whose highly educated professionals are focused largely on engineering and products, not on brand and marketing. Second, the company operates in a B2B market that consists of highly specialized environments—from research laboratories to cement and steel factories. Add to this the dynamics of the transition away from the Philips umbrella, which heightened the resistance that people usually feel when organizational changes threaten. Very few of the company's staff had had any experience with this type of sudden and substantial change, and the loss of Philips as a corporate parent left them without much experience with brand and design strategies and policies.

PARK convinced management through presentations and discussions by first showing how other successful companies were using brand and design. These companies were able to link brand and design with strategic intent, corporate values, and culture, which helped them to add value and build competitive advantage over the long run. Though they were skeptical in the beginning, eventually PANalytical management understood they needed professional help to manage the process, as well as to help with hands-on aspects.

**Another hurdle: Hiring external design agencies**  
Leading and managing creativity—truly, the task of design management—is probably one of the

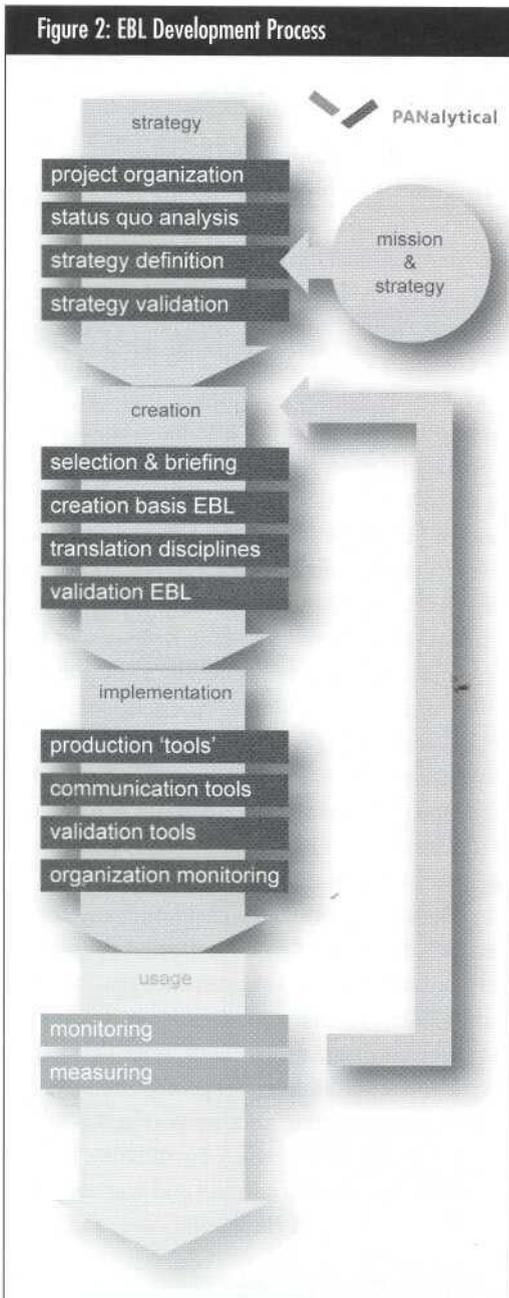


Figure 2. The EBL development process.

least known and scary tasks a company can face. And as a consequence, it presented the biggest of all challenges!

PANalytical's top management had, as we have seen, already agreed to engage PARK as their design management specialist. The company had little to no design management experience, so this was a relatively easy decision. Not so easy was the decision to hire several more external design agencies to handle the specialist, hands-on tasks required by the re-branding effort, from graphics to product and packaging design. If this seems an unusual solution, remember that PANalytical, though small in size, was not only a global company but also a highly specialized company with complex products. PANalytical's marketing services manager, as well as PARK, already knew how difficult it was to find one agency in the Netherlands that could handle all the design areas involved in PANalytical's rebirth. It is possible that a large, international brand and design agency in the US or the UK would be able to supply all the competencies needed to handle the necessary disciplines, but in the end, it's questionable whether that would have been a cost-effective solution. Moreover, the nature of the management structure and communications among the various disciplines in such a large agency might have mitigated against a truly unified approach to the new brand.

By hiring PARK to act as design managers, PANalytical would have the comfort of knowing there would be one central consultancy linking brand and design decisions with the strategic intent, culture, and values they were seeking to inculcate. Coherency and consistency would be easier to achieve, and PARK would develop in advance a clear brand positioning and brand personality toward which the various disciplines could move.

And so PANalytical's top management were finally convinced to hire a number of external design agencies and to put them under PARK's control. One last, but crucial, argument was that these agencies could be valuable beyond the concrete outcomes of the design process—one of the benefits of managing a branding and design program was the development of new knowledge and new competences for the company itself.<sup>1</sup>

PANalytical and PARK identified eight areas

on which to concentrate their efforts: graphic and image design, new media design, product and packaging design, exhibition and event design, facility design, interaction design, copy design, and behavioral design. In the end, PANalytical engaged six agencies for PARK to manage.

In order not to go through the process of selection in isolation, the manager of marketing services suggested that PANalytical's purchasing department should be involved. In the end, the agencies were selected by a group, including the purchasing department, the original task force, and PARK, taking into account specific design management selection criteria.

#### Further EBL developments: Keeping management involved

As we've pointed out earlier, especially at the beginning, lack of brand awareness was an obstacle for PANalytical. Brand and design are intangible issues, and they were not routine for the company's management. That's why it was crucial to involve top and middle management in the development of the EBL from the start. Probably the most important step was to organize six brand positioning workshops, which took place in Europe, Asia, and the US over a period of four months and involved 150 employees (Figure 3). By making positioning the link between strategy and branding, it was easier to show managers the connection between the intent of the organization ("Where do we want to go?" and "Who do we want to be?") and the way a company communicates. It was fun and made the participants curious about the process of developing an EBL.

Later in the process, brand awareness once more became an obstacle. After launching the first EBL deliverables (the creation of the new website, for instance, was introduced at the very end of 2003), visibility and hence awareness increased enormously. However, once that happened, top and middle management became anxious about waiting another year and a half for all the other deliverables. Fortunately, PARK had seen this problem coming and was able to warn management of the likelihood of the

1. N. Oliver, "Performance Measurement and Benchmarking," in M. Bruce and J. Bessant, *Design in Business* (Essex, UK: Pearson Education Ltd., 2002).

inconsistencies and incoherence: risked by short-circuiting the process instead of allowing the EBL to be developed to its full extent (not just change the look and feel of the PANalytical brand).

**Results**

Although the EBL program has not led to PANalytical's founding a design management department, the company has worked very hard on several factors that are instrumental for successful design management:<sup>2</sup>

- **Taking up the position of program champion.** PANalytical's commercial director was vital in communicating the importance of the EBL project to top management and employees throughout the project—from general staff assemblies and management team meetings to letters and emails. A result

of the constant communications around the EBL process was that top management was now well aware that a branding and design program can and should be planned and controlled. This sounds obvious, but experience teaches that many managers get lost halfway down this road. Monitoring the development of the EBL also educated management about the lead time and the resources necessary for this type of branding and design program.

- **Promoting the marketing services manager.** The manager of marketing services became manager of the international branding and

2. A. Dumas and H. Mintzberg, "Managing the Form, Function and Fit of Design," *Design Management Journal*, Summer 1991; A. Topalian, *Design in Strategic Planning* (lecture at the International Challenge of Complexity Conference, University of Art and Design, Helsinki, 1995).

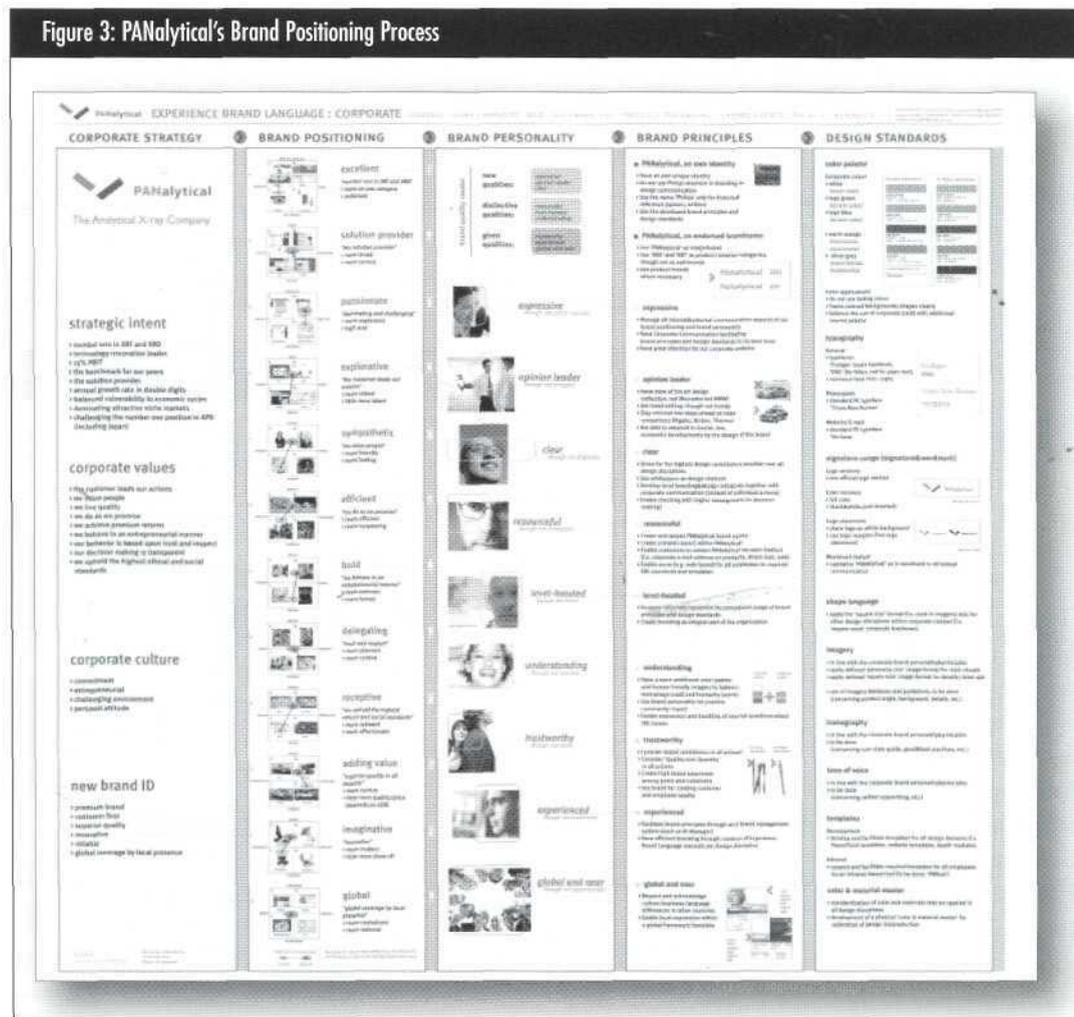


Figure 3. PANalytical's brand positioning process.

communications department and now has overall branding responsibilities throughout the company. This demonstrates top management's commitment to formalizing the branding function.

• **Infusing the branding and design function into the organization.** Branding and design programs can erode quickly. Within global organizations like PANalytical, it is extremely difficult, but important, to know your span of control, especially if your internal design management resources are limited. In such a company, there are inevitably "silent designers" who may well influence design management results but who are difficult to identify and manage. As G.L. Kootstra<sup>3</sup> has pointed out, it is design management's first task to identify who and where these silent designers are, and to start facilitating (and not oppose) them. PANalytical has installed a "brand board" (Figure 4) to integrate design and branding into every line and staff function and to show management's full dedication to getting returns on the investment in the new brand. For PANalytical's top and middle management, this emphasized the complexity of the branding and design function, which requires operational management through specific task forces (one for each of five design areas), as well as a global communications team driving local brand champions toward brand and design coherency and consistency.

The process of selecting the specialist design agencies worked very well. Involving the purchasing department was the right decision. With PARK's help, purchasing personnel increased their knowledge of the branding and design process. As a consequence, the department became involved in the

routine assessment of the agencies. Two criteria proved to be particularly important in assessing those agencies: their ability to work within the context of strategically determined brand principles and design standards; and their ability to work with an external design management consultancy, which is a novel experience for many branding and design agencies.

As for the coordination of all these agencies, it was clear from the beginning that the EBL deliverables could only be effectively managed if they were consistent and coherent. Therefore, PANalytical and PARK chose a cooperative design management approach. The design specialties are on one level and share a very integrated and open work structure.<sup>4</sup> The institution of "designer days" regularly brought together all the design agencies to assess work in progress and to hold smaller meetings to discuss design issues specifically related to interfaces between particular specialties. Interestingly, this approach evoked into more of a dominated design management approach when graphic design, in particular, began to assume something of a leadership role. This agency, which had strong experi-

3. G.L. Kootstra, *Design Management* (Pearson, Education Benelux, 2006).

4. A. Dumas and H. Mintzberg, "Managing Design/Design Management," *Design Management Journal*, Spring 1989.

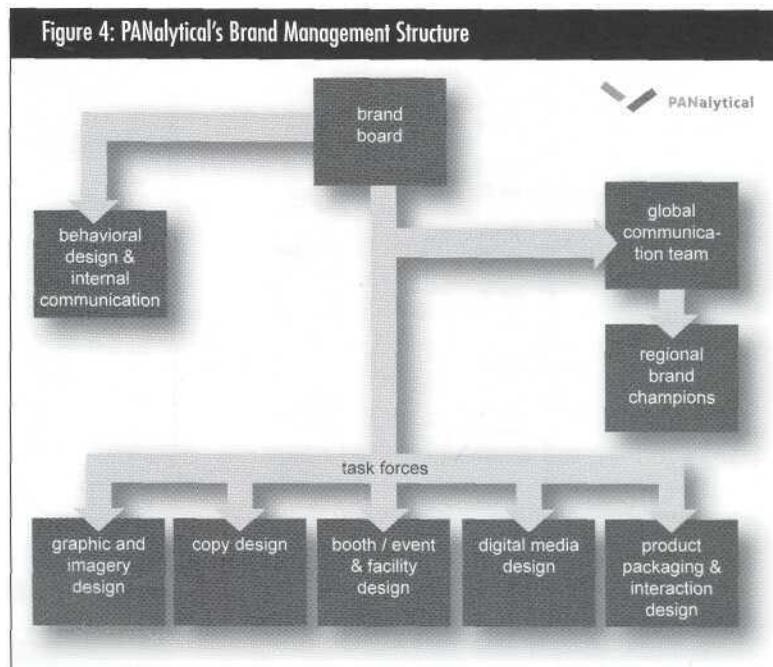


Figure 4. Brand management structure.

ence with brand design, eventually became the interface with most of the other disciplines.

### Keeping the EBL alive and sustainable

Making all its employees into owners of the brand and its visual expressions is a process that will take PANalytical a long time. And it is the conviction of PANalytical's new brand and communications manager that getting all the employees involved is the only way of keeping the EBL alive and sustainable for the future. K. Floor and F. Van Raaij have identified that achieving this involvement is a three-phase process.<sup>5</sup> A few initiatives are mentioned in this context:

- **Increasing knowledge.** The design agencies offered PANalytical a number of tools and workshops to help company brand champions and members of the task force, as seen in Figure 4. These tools and workshops also worked to stimulate the transfer of knowledge and competences to other design partners, such as local exhibition booth builders. EBL guidelines will be online; more extensive and global EBL training is under construction.
- **Attitude.** Brand and design audits, together with the design agencies, are (and will be in the future) carried out by the global communications team to assess the quality of EBL results. Best practices, as well as mistakes, will be documented and discussed.
- **Behavior.** Recently, PANalytical began a companywide cultural change program. All along the business cycle, there will be heavy and orchestrated efforts to turn the desired values into behavior and to make sure this behavior turns into business results. Clearly, the EBL and its operational use is an integral part of the program, even though it goes far beyond internal branding and is more about internal community building.

### Lessons learned

PANalytical's unique approach of managing, inspiring, and enabling external design agencies, as well as that of creating and sustaining internal brand and design competences, demonstrate interesting lessons for design management.

### Internal Lessons

PANalytical's new brand and communications manager and PARK were faced with a challenge, they needed to fulfill design leadership, as well as design management, roles. In fact, during the EBL project, their roles ran true to the lines envisioned by S. Ten Have:<sup>6</sup>

- Design manager acting as **entrepreneur**, initiating and advocating the need for the EBL program
- Design manager acting as **leader**, envisioning the strategic direction of the EBL program
- Design manager acting as **integrator** for the internal organization, coordinating the external design agencies
- Design manager acting as **controller**, developing procedures and policies
- Design manager acting as **producer**, managing output quality

Of course, these roles do not occur sequentially. A relatively small organization like PANalytical cannot afford to have each role played by a different person. Consequently, it is crucial that the design manager be clear at all times from which perspective he or she is acting and how he or she is communicating that perspective.

### External lessons

PANalytical was heavily dependent on others (PARK and the six external design agencies) for its own success. The following risks involved in such collaborative arrangements, also referred to as innovation ecosystems,<sup>7</sup> are important to consider before starting such collaborations:

- *Initiative risks*, which can be avoided by communicating the feasibility of working with the external partners and making the benefits, as well as the quality of the project team, clear to top management
- *Interdependence risks*, which can be avoided by concentrating on managing not only the

5. K. Floor and F. van Raaij, *Marketingcommunicatie-strategie* (Groningen: Stenfert Kroese, 1995).

6. S. Ten Have, *Management Modellenboek* (Den Haag: Reed Business Information, 1999).

7. Ron Adner, "Match Your Innovation Strategy to Your Innovation Ecosystem," *Harvard Business Review*, April 2006.

successful completion of the project but also the successful development and deployment of all the partners in the collaboration

- *Integration risks*, which can be avoided by integrating the knowledge and competences gained in the process into the client organization

#### *Measuring the success of the EBL*

The EBL program is now coming to its final phase, in which PANalytical will measure the effectiveness of the program, both internally and externally. The program's objectives were, as we have seen, to create a new and unique brand experience at all customer touch-points—an experience that should fit PANalytical's future strategic intent, values, and corporate culture (Figure 5). This assessment, set to begin in fall 2006, will involve employees, as well as clients.

So far, the EBL process has been successful, with employees and design suppliers using its guidelines worldwide for an increase in brand coherency and consistency, as well as shorter development times for designing and producing such deliverables as exhibition booths and local websites. PANalytical's sales volume has increased 60 percent over three years; the company's world market share is now 30 percent. Of course, various factors have contributed to those successes, but top management is convinced that the re-branding effort played a crucial part.

#### Suggested Readings

Bruce, M., and Cooper, R. *Marketing and Design Management* (London: International Thomson Business Press, 1997).

Jacobs, D. *Creativiteit en de economie*. Lecture at Concurreren met creativiteit. Ministerie van Economische Zaken, the Netherlands, 2005.

Joziassse, E "Corporate strategy: Keeping design management in the fold." *Design Management Journal*, Fall 2000.

Joziassse, E, Selders, T., and Woodhuysen, J., 2005. "Innovation, Branding and Organization: What International Design Managers Think About Their Performance." E-Bulletin, Design Management Institute, 2005.

TenHave, S. *Voorbeeldig veranderen, een kwestie van organiseren* (Amsterdam: Uitgeverij Nieuwezijds, 2002).

Topajian, A. "Design in Strategic Planning." Lecture at the International Challenge of Complexity Conference, University of Art and Design, Helsinki, 1995. •

*Reprint #06173JOZ21*

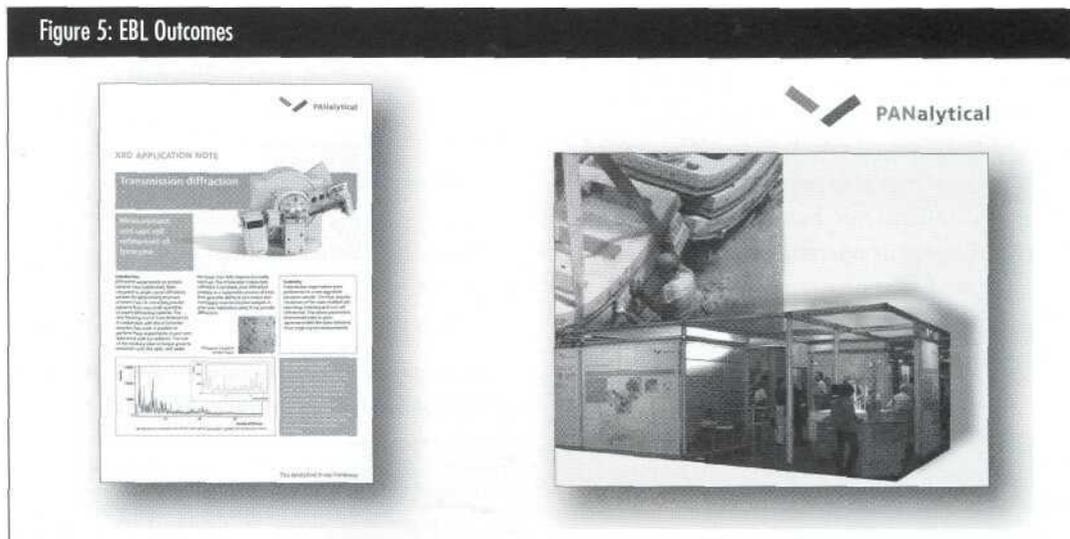


Figure 5. Examples of EBL outcomes: exhibition design, imagery and graphic design.