



By Scott Dobias

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DESIGNING IN THE BIG BOX

I once took a class on the theory of evolution. I learned that the species that adapt thrive in a new environment. Most of the teachings were related to changes in nature and the work Charles Darwin did studying animals. However, over the years I have taken note that this theory can be applied to many more areas of life.

The manufacturing, retailing and design industries all have examples of players who have evolved and found great success. For example, Henry Dreyfuss found success by being able to understand the changing manufacturing environment and adapting his skills to meet this new climate. Let's take a look at the current environment for designers and how changes in big-box retailing and manufacturing are forcing changes in the design industry.

Growth of Overseas Manufacturing

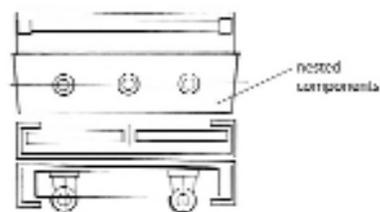
The global economy and the shift to manufacturing in Asia have had an impact on the US design business. There was a time that "Made in China" meant low cost and poor quality. Often this translated into cheap knockoffs of well-known products that sold at prices below what consumers expected to pay.

However, the reality of today's global manufacturing economy is that production has shifted to those who can make the lowest-cost, highest-quality products. The average consumer is becoming more informed and is searching for products that deliver the most for the money. In turn, these factors have changed how successful consumer products are being designed.

To illustrate, take the importance of package development early in the design process. Figuring out how to best utilize the internal dimensions of an ocean container can have a huge impact on the final cost and survivability of a product in the supply chain. In one instance, by taking one half an inch out of the overall height of a grill we were able to increase the total number of grills in the container by 50 percent.

Also, differences in manufacturing methodology have changed the thought process for designers. For example, fewer parts do not necessarily guarantee a lower-cost product. Rather, less material usage (including scrap material) is the key—determining how to use less of the most expensive materials but get the same marketable impact. Less material but more labor can result in a lower-cost, higher-quality product as well. **These seeming conundrums reveal that designers need to truly understand the manufacturing environment to be able to effectively design for it.**

Perhaps the greatest change of late has been the ability of designers to work with the manufacturer's development staff to finalize designs. I have seen rooms full of trained designers and engineers in China that are able to translate any sketch on a napkin to a developed solid model in less than 24 hours. Once that happens, generational changes can occur very quickly.



By bringing together a manufacturer's packaging designers and tooling engineers with industrial designers, it is possible to get to the highest-quality, lowest-cost solution very quickly. The key is to develop the initial inspiration and then manage the rest of the process to be sure the design intent is not lost. Such collaboration breeds ownership and expands the knowledge pool from which ideas can be drawn. This can be a very rewarding experience.

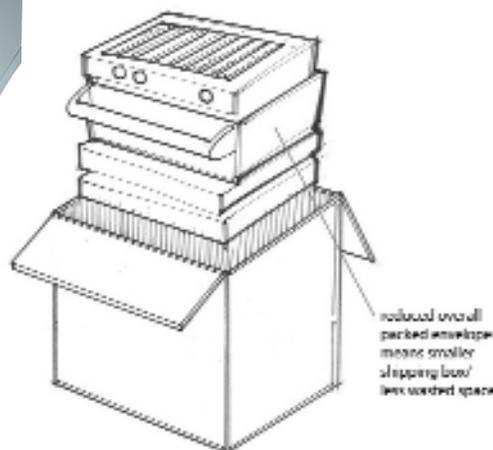
Big-Box Impact

As big-box retailers continue to increase their market share, they are wielding an increasing role in the decisions being made in a given product category, which in turn impacts the design business. Over the last several years retailers have increased their efforts to source products directly and offer private-label brands. They have been very good at taking products that have had little to no innovation and providing consumers with high-value items at a lower retail price while also raising their own profit margins. While this business strategy continues to run its course, a new development is on the horizon: retailers are starting to understand the value of good design and how it can help differentiate them from their competition and drive sales. For designers who recognize these changes, opportunities abound.

It's all about what I call the price-value equation. Retailers understand that educated consumers are looking for what they feel is the highest-value product for the price. Under this scenario, it becomes very important to figure out what features consumers most value and design products that meet those needs. The designs that sell the best find ways to increase their value by concentrating on the features consumers are willing to pay the most money for.

Retailers are also searching for design and innovation that can help them drive differentiation. They are trying to find ways to add design to their current direct supply chain without adding a tremendous amount of cost. Most have internal trend groups that help buyers project the overall direction of a product category. However, they still need designers to help them translate those trends into real products.

Working with retail buyers can be a tough assignment. To do it effectively you need to know what factors are driving the retailer's decision making and develop appropriate solutions. You need to understand the category as well as the buyers do and sell them as to how your ideas will help increase sales. You also need to listen, observe and creatively solve problems that arise.



By reducing the grill height by a half inch, designers increased the number of grills able to fit in a shipping container by 50 percent.

Opportunity for Design

Both the shift to overseas manufacturing and the impact of big-box retailing have created an opportunity for designers who can adapt to meet the needs of the market. For those who are able to evolve, there is opportunity to thrive.

In order to gain an advantage, design firms will need to expand their knowledge base by both understanding the overseas supply chain and learning what makes big-box retailing work. No longer do designers and engineers need to spend hours manipulating images on a computer screen. Instead, they need to understand how to manage the CAID function overseas. Structural packaging design and product survivability need to be addressed early in functional designs in order to achieve a low-cost, high-quality solution. Get a passport and see how products are made in the factory for which you are designing a product. Talk to factory tooling designers and get a feel for what they can do. (You might be surprised.) Push for options and ask lots of questions. Above all, keep an open mind and figure out how to get a factory to embrace your ideas as its own.

In terms of the business side of design, change your prospect list and start to call on retail buyers and sourcing groups. Market your services direct to factories. Hire industry marketers and designers who know the history of a particular field, have solid contacts and can help you understand the price-value relationship for an industry. By figuring out how to economically add value, you yourself will become invaluable. Now that's evolution. ■