Designing for Data

One of the hottest financial services companies in the industry, Morningstar has carved out a strong brand identity for itself by emphasizing design in the creation of its database products. Attractive and intelligently designed, the Morningstar “page” is often asked for by name and lauded for providing useful information on mutual funds to individual investors.

Back in 1984, a 27-year-old financial analyst in Chicago named Joe Mansueto anticipated that aging baby boomers, fretting over the possibility of a bankrupt Social Security system, would seek shelter in the stock market. “Mutual funds were beginning to grow strongly, but it was an underserved market,” Mansueto recalls. “People needed reliable information to make more intelligent decisions. Problem was, a lot of information on mutual funds was available to institutional investors, but nothing for the general public.”

Sensing an untapped opportunity, Mansueto decided to take institutional-quality information and bring it down to a mass level to the people who were really buying mutual funds. Camping out in his one-bedroom apartment, he started a quarterly publication called “The Mutual Fund Sourcebook” and began building a mutual funds database.

This year that business, which Mansueto named Morningstar, expects to report $40 million in revenue.

Customers have been drawn to the quality and accessibility of Morningstar’s financial materials, and Mansueto attributes much of that success to the effective use of design. “Creating products that are intelligently designed, attractive and display information in a helpful context is a core part of our business,” he says. “Morningstar, at its heart, is an information company, so part of the design problem is how to display all this information in a way that is logical and helps the user extract greater value from it. We wrestle with many, many design issues here. Part of my job is to say that design is important and to get people focusing on it and to recruit wonderful talent to concentrate on these issues.”

His determination began with a telephone call to the legendary designer Paul Rand in 1989. “After the company was five years old and we were on a firmer footing, I thought it was time to improve our design standards,” recalls Mansueto. “I looked at our old logo and knew we had to start there. It seemed difficult to institute a high-quality design program without a proper logo.”

Mansueto had read Rand’s “A Designer’s Art,” and became a fan of the landmark logos that Rand had created for IBM, Commits, UPS, ABC, NeXT, among others. He tracked the 75-year-old Rand down at his Weston, Connecticut home,
and pursued him with letters and phone calls, finally flying to Connecticut to meet with him in person. After hearing Mansuetu's request, Rand replied, "I'll work on it and let you know when I'm done." Four months later, Rand sent Mansuetu the finished piece. Although Rand's design fee was $50,000, a significant sum for a company then ringing up sales of $1-2 million, Mansuetu calls the logo "one of our most valuable assets. Paul Rand. That's where our design program began."

Concerned that "some hack" would devalue the effectiveness of his logo, Rand, an avowed curmudgeon who died in 1997, introduced Mansuetu to Phillip Burton, telling him that with Phil he'd be in good hands. Burton, who Rand had taught at Yale, had studied in the Swiss school of typography. Thanks to that background, Burton is the kind of designer who enjoys puzzling out the nuances of complex information problems.

Morningstar had a vexing one: the redesign of the company's core product, "the page" — a dense, constantly updated sheet of data, graphs, charts and analysis for a given mutual fund. Burton, an associate professor of graphic design at the University of Illinois at Chicago, agreed to work with Morningstar as a design consultant, which he continues to do.

"When I first saw the page, I said, 'This is a catastrophe,'" recalls Burton. "You can't have a page with type in all caps, with different point sizes, with different weights. Information design is not the kind of thing people find flashy. It's dealing with lots of data. The job is to make things clear."

In tackling the project, Burton needed a like-minded associate on staff at Morningstar. He introduced Mansuetu to David Williams, a designer for the Museum of Contemporary Art in Chicago who had been a student of his at Yale. Williams was hired as the company's design director.

"We started out saying, 'There's a tremendous truckload of stuff on this page,'" Williams remembers. "We had to look at what groups of data existed. What should

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Mailing Envelope
Sold through subscriptions not in retail stores, Morningstar software products are mailed to customers in utilitarian kraft envelopes, branded with the corporate logo and custom-designed icons used in the product.

Magazine Advertising
Morningstar communicates its corporate identity in this ad through the use of its signature red, the logo and the easy-to-understand tone of the text.

Color-Coding Systems
Many customers subscribe to multiple database products, each covering different types of funds. Color-coding enables them to identify the database they want without reading the labels.

Corporate Identity Program
Morningstar has been thorough and consistent in applying its corporate identity to every communications medium. Whether a CD product, packaging, a magazine ad or promotional item, there is a familiar "Morningstar look" that the public has come to recognize. While sophisticated and contemporary, the Morningstar image is kept clean, simple and approachable to reassure customers that its information-intensive products are user-friendly.
The Morningstar Rating
Morningstar's proprietary rating system graphically provides at-a-glance analyses of the historical risk vs. return performance of a fund. The historical risk vs. return performance of a fund is rated with stars.

Quantitative Data Tables
This timeline presents six types of data about each fund in a single graph, including historical investment style, average stock percentage, performance growth, benchmark growth, management changes, and performance within its category.

Category Rating
This gauge shows how a fund is rated within its peer group of funds over a three-year period.

Typographic Styling
A standardized system of rules, fonts, type sizes, and weights divides and articulates levels of data and information on the Page. This system influences the typographic decisions on other Morningstar products.

Potentiated Binder Design
Morningstar engaged an industrial design firm to develop a binder that could handle more than a thousand pages of information. The first true binder innovation since 1913, the Morningstar binder flies flat when open and closes easily without having to be shaken to shut properly.

The Page
Designers at Morningstar have spent countless hours analyzing ways to compress voluminous amounts of information onto a single page in a clear and accessible manner. A model for the industry, the Morningstar Page integrates numerous graphic devices to give investors at-a-glance information about the performance of a fund. To keep the layout clean and open, gratuitous design styling is absent; every graphic element contributes valuable information to the reader.

Sit next to one another. How type drives layers of information. How layers of information drive the problem.

But unlike other more visually driven designers, Williams and Burton found they had to collaborate closely with the Morningstar editors who developed the content of the page.

"Much of our design understanding of the information comes from discussion with our editors about the meaning of relationships between data," Williams says. "If editors and designers are doing their job, this information is displayed in a way that is intuitive and easy to understand. There is a logic to its sequence that, hopefully, the user understands."

The designers stripped away existing heavy black rules that gave the information a crowded, cramped look. They wanted the consistency of a single typeface and set out to find one with all the weights and styles necessary. The font also had to possess a good, clear set of numerals. Serif numbers weren't right for this kind of data, Burton and Williams agreed. They didn't want to mix up a sans serif face with serif numbers either. They finally selected Univers, a typeface "that embodies a lot of integrity because in the 1957 original, designer Adrian Frutiger created 21 versions of the type," Burton says.

"The amount of data influences point size," he explains. "I tried to use as large a type size as I could without squeezing the type onto the page. You need to have enough air and weight on the page to read. Rules, and how you use them, are dictated by the nature of the information. Serif versus sans serif type, rag versus justified columns? You use what's best to resolve the problem. The only one absolute is you have to know the problem inside out."

Eventually, the typographic handling of the data has come to define Morningstar's corporate image. In addition, the company has incorporated user-friendly details like a star-rating system and piecharts.

"We try to present the information in formats that are appropriate for the type of information," Williams says. "That means not obscuring what the data is trying to say with a meaningless illustration or an inappropriate graph such as one of those 3-D doughnut graphs. We try to be as clear, appropriate and to the point as possible. That goes for the overall layout of a spread and the presentation of information in the sequence that readers intuitively want to receive it."

The "page" became compelling proof that design could be a powerful point of difference for Morningstar. "It may be hard to appreciate the true beauty of our page until you actually use it to select a mutual fund," says Mansueto. "Try picking a fund using it and then try picking a fund without it. You'll see a huge difference. It's a wonderful example of strong design."

The page's transformation also became a rallying cry around the company. Mansueto upgraded the look of the rest of the business's packaging, marketing materials, interiors, internal forms, even coffee cups. Turning to the industrial design firm Fitch, Morningstar design manager Robert Soto also set out to create a special binder to accommodate the more than 1,000 pages offered by the company. With such a large volume of sheets, traditional three-ring binders wouldn't lie flat and it was cumbersome to read and flip through the pages. In addition, when placing the binder back on the shelf, customers found that they first had to hold it up and shake vigorously to get the pages in alignment. Fitch's design received the first new binder patent since the original was created in 1913. "I appreciate that it lies flat and all that," remarks Burton, "but it also sends a message about the company with regard to its concern for design."

Last fall, Morningstar began work on its web site. As with the "page," the problem required a deep balance between diverse elements like data, news, features and user chat areas. Web technology added further challenges affecting navigational ease and user-friendly interactivity. The site, launched in February, quickly
became one of the most popular financial service destinations on the Web, Mansuetto attributes that success to the way the design process has evolved at Morningstar and how it has been integrated into the company’s editorial, marketing and business practices.

“David [Williams] and his design team were thoroughly involved in our web site’s development from the initial development meetings. It made a huge difference,” Mansuetto says. “Design has made a large contribution in terms of how our site is structured, how the information is grouped and the navigational scheme. We’d like to extend this type of design involvement more throughout the company.”

“The absolute need is to know the content, not to just design in an aesthetically pleasing way,” Williams concurs. Effective packaging of content and visuals has helped make Morningstar one of the hottest companies in the financial services industry. “The brand that has emerged as dominant in the 1990s is not Fidelity, Putnam or even Merrill Lynch – but instead is Morningstar,” states a recent Bernstein Research report. “Equity funds rated with four or five stars by Morningstar have received 80-100% of all net (mutual fund cash) inflows… the brand name that truly influences behavior is Morningstar.”

Such praise is a handsome payout on the gamble Mansuetto made when he first established design as a high priority at the fledgling company.

“In our industry, with the kind of look we are fostering, there was always the risk we might be perceived as looking flip and immature by deviating from the typically institutional way of doing things,” he acknowledges. “But I think there’s a certain cachet to that. I like the aura – it’s like that of a young Silicon Valley company. Design has allowed us to stand out; to look different and show that difference boldly. That fresh look reflects our fresh way of doing business, whether it’s design or our approach to methodology.

“I’ve always liked companies like Starbucks, Nike and Esprit, which developed a strong sense of design,” he adds. “It makes them special in the way they represent themselves to the world, and it has paid off, whether through personal user satisfaction or in bottom-line results. Design has been a huge part of our success. It’s given us our distinctive edge over the competition.”

Electronic Program

With nearly 8,500 mutual funds to report on today, Morningstar is increasingly turning to electronic media to deliver its database products. A single CD can hold hundreds of pages of reports, and the Worldwide Web enables ongoing updates and immediate customer access. Popular graphic rating devices, icons, title bars, and even a licensed type font were adapted from The Page for the electronic media, so that customers would feel “at home” on-line or in print format.

www.morningstar.net

Recently Morningstar has gone on the Worldwide Web. In addition to mutual fund data, the site includes daily feature articles, financial news and a bulletin board social area.

Ascent Portfolio Analyzer

Designers planned screen “spreads” so that pertinent information is shown together. Here, portfolio holdings are listed at left, with compositions by asset class displayed in a colorful pie chart.

Newsletter

Designed as a self-mailer, this newsletter is sent quarterly to Morningstar Principia™ subscribers. Regular helpful tips reinforce the company’s service-oriented image.

Tips on Getting Around in Principia

Regular helpful tips reinforce the company’s service-oriented image.