P&G's CEO Lafley on Branding
Samsung's In-house Design School
Birkenstock's New Urban Chic
Interview with A.G. Lafley
Procter & Gamble CEO A.G. Lafley explains why design is critical to building successful brands.

From Hippie to Urban Hip
Birkenstock is leaving its hippie past behind and gaining a foothold in trendy uptown places.

A Head of the Game
For sports fans who claim to know nothing about graphic identity, take this quiz to learn that you do.

10 Tips on Catalog Design
Ten things you can do to enhance the appearance of your catalog and raise product sales.

Catalogs
With over 10,000 catalog titles in circulation in the U.S., it takes more than good products to grab the consumer’s attention.

Samsung’s Lessons in Design
When Samsung set out to grab the lead in consumer electronics, it first sent its designers back to school.
Procter and Gamble’s A.G. Lafley on Design

By focusing on brand and marketing innovation, CEO A.G. Lafley has elevated the visibility of P&G’s 300+ products as well as the company’s bottom line. Here he tells Peter Lawrence, chairman of Corporate Design Foundation, why design is a core competency at P&G.

Is it true that you once spoke to a group of Wall Street analysts on the importance of design?

Yes. I believe that design is as important as the materials that go into a new product and is critical to innovation and building brand equity. It is part of the communication of a brand name and brand promise. Design is an area where we have to have core capability. We want to elevate it, invest in it and make it a core competence.

P&G’s 166-year success record is convincing. Products like Tide, Crest, Pampers, Charmin and Ivory are more than brands; they are consumer icons. Is there a secret to gaining such strong brand recognition?

I wish there were. We have 13 brands that do over one billion dollars a year in sales. That’s extraordinary when you consider that most of our brands sell for $2-$5 per unit in the store. We are very attentive to brand creation and innovation. We also, generally, have enough sense not to change a brand identity when we think we’ve got it right. If you look at a Tide package from 1946, it was orange with a bull’s eye graphic and the Tide name in block letters. While we have continuously improved and refreshed the package design, the primary elements are the same. When the consumer is responding in a very positive way, we try to identify the design elements that have equity and keep them.

P&G was the first to introduce brand management in the 1930s. Is this how you continue to work?

Yes, we are in the business of creating and building brands, so we have kept the brand management system intact. Basically, P&G is a collection of brands. In the U.S. we are known more by our brands than we are as a company.

A major change over the years is that our brand teams are way more cross-disciplinary. We still have strong functional disciplines, but they are highly integrated into brand teams – and, yes, design does have an important place at the table.

Another significant change is that we are now a worldwide business. Half of our sales come from outside the U.S., so we have global business units that have categories and brand groups within them.

Does P&G market products differently overseas?

The retailing environment is different. The media we use can be different, but fundamentally our global brands like Pantene look the same pretty much every-
Crest is an interesting example because it was introduced in 1955 as a therapeutic dentifrice. It took off when we offered cavity prevention in the ‘60s and continued to grow when we added tartar control. Our more recent effort to improve the consumer experience led us to redefine Crest as “home oral care” and that opened us up to new kinds of dentrifice – flavors, forms and whitening. We had been selling manual toothbrushes and thought it would be great to offer an electric toothbrush-like experience. We got into the SpinBrush for a $83-87 price point. Obviously we want it all to look like one Crest brand on the shelf and in the home. We work hard on the architecture because these products all have different shapes and are shelved in different places in the store.

Since you joined P&G in 1977, how has the marketplace changed?

I have noticed three big changes. First, the power has shifted from the manufacturer and the retailer to the consumer. Consumers are now the boss. They have an incredible amount of choice – innovations, great values, price competition. The marketplace is pretty transparent. It is a great time to be a consumer.

Second, the choice of retail experiences is greater. When I was growing up, there was a Woolworth’s, a Grand Union and maybe a corner drugstore. Now consider all the choices we have in retail format and experience. In our industry, it is very Darwinian. The successful retailers are winning big and the weak retailers are going bankrupt. There is a concentration of retailing power.

Third, innovation, including design, is increasingly important because technologies can be copied so easily.

When I joined P&G, if we had a new technology, we could ride it for a decade and be pretty sure that our competitors would not be able to imitate it or come close to it. In today’s global marketplace, your competitor can get hold of or copy the technology quickly. What really differentiates you in the end is the design and the brand. So while we have improved Tide 50 or so times in 50 years, with new chemistry and technologies, what has built the promise and trust is the Tide brand and design equity.

Does P&G have any sort of environmental philosophy?

We have a sustainability strategy, which is posted on our website. We are leaders in that area and we definitely pay a lot of attention to the recyclability of our packaging, for example.

After you became CEO, why did you have the executive floor completely redesigned to an open office plan?

Three reasons. First, I wanted an environment that would be more collaborative, more in touch, more designed to bring human beings together. P&G executives travel a lot and there is plenty of communication via cell phone and email. I wanted a place that was low tech and high touch. Second, after the 1995 earthquake in Kobe, Japan, which occurred while I was in charge of Asian operations, I became a big believer in open offices. When we redid the damaged office building and technical center there, we went to open offices everywhere, and I believe the arrangement promoted creativity, collaboration, flexibility and speed. Third, I wanted to make a statement that the P&G leadership was going to lead by example. We put the Learning Center on the same floor as the executive offices because I wanted to send the message that learning is so important that the center is right next to the 12 executives that lead this $45 billion worldwide company, and we expect the executives to be in the Learning Center every week or two teaching and coaching.

How large is your in-house design staff?

We have about 80 inside designers, about a third to a half of them we hired from outside design agencies and great design programs. We are also using more outside design agencies then we ever have before, most of the best ones in the world.

What are you using a mix of inside and outside designers? Well, it is just like our advertising and public relations agencies. Although we are one of the world’s largest branding companies, we will never do our own advertising. An agency is going to attract world-class creatives. It is harder for us to do that because world-class creatives want to work across industries, across companies and across brands. The same is true in the design world. Great designers like to design across different industries and across different brands, so design firms will attract the best designers in the world.

What is the role of the in-house design staff?

In-house, we are recruiting people who have design experience and skills and who can be good design facilitators for us to connect the right outside design firm with the right brand and get the right strategy in place. Our in-house designers are also “apostles” – individual design leaders who carry the crusade across our 100,000-person company.

I’ve heard that you have also established an outside design board at P&G.

Yes, we meet with the board three times a year. They help to evaluate and critique where we are going with design in our established businesses and with upstream innovation.

You also launched a new design award within P&G last year, didn’t you?

Yes, we try to find ways to support, encourage and direct our businesses. I wanted to make a statement that design was important. I wanted all of the business units to become capable and best-in-class in design. So we gave an award to the brand that had built its business significantly over the previous year, with great design as a critical element in its performance. The brand that won did a terrific job and it was showing up in great marketplace and financial results.
From Hippie to Hip: Birkenstock Goes Urban

Say “Birkenstock” and most Americans flash on granola-eating hippie nature lovers who are (to put it mildly) not slaves to fashion. Look again. Birkenstock’s new Footprints Architect Collection is winning converts among chic, young urbanites.

older and there was a vacancy in the 20-30 age range. We wanted to develop products to reach them that would not destroy our reputation as a brand, but keep it consistent with our heritage of wellness and comfort.”

To do that, Birkenstock chose fuseproject, a San Francisco cutting-edge industrial design and branding firm headed by Yves Béhar. What drew them to Béhar was a “Design Afoot” exhibition in 2000 at the San Francisco Museum of Modern Art, which invited designers to create their vision of the shoe of the future. Béhar’s entry was a “Learning Shoe” with an embedded microchip that gathered information about the wearer’s walking style over time, so the store could convert the data into a final customized product.

The originality of this ergonomic thinking appealed to Birkenstock executives who went to see the show. Later, in a meeting at Béhar’s studio, they decided “he was a perfect fit,” says Hull. “He understood the marketplace, was very aware of our brand, and was one of the target customers we were trying to reach.”

While Birkenstock wanted a new contemporary look, it was adamant about retaining its signature footbed with its roomy toe-box—the very feature that made the shoes look so chunky—and adhering to “green design” principles, i.e., that all materials be natural, recyclable and biodegradable.

For fuseproject, that required looking at the assignment from the inside out. Instead of starting the design process by considering looks and aesthetic directions, they had to work around a predetermined form. Béhar says that they began by digitizing the existing lasts.
Outsole
Birkenstock strictly adheres to "green" environmental practices, from the source of materials to the manufacturing process. All materials used in its products are natural, biodegradable and recyclable. Plus all outsoles are resoleable.

Footbed
Birkenstock's roomy toe-box footbed remains a key feature in its new Footprints products, but the company has left its name off the shoes in favor of building name recognition for the line.

Created and essentially designed a product that looks more dynamic and fluid and much lighter.

During the process of designing the shoe, fusesproject thought simultaneously about the brand positioning of the new Footprints Architect Collection. "At fuse-project, we have integrated the process of branding into the process of industrial design," explains Behar. The fuseproject staff includes a copywriter/strategist "who helps to analyze the notions of the brand and extract the right stories and words we need to work around in the industrial design process" and a branding and graphic design group that gets involved very early on.

"We don't design just the product, we really design the brand around the product," says Behar.

"Because we had that approach, we were able to rally all the players [at Birkenstock] around the ideas first before we got into the directional stuff. Then we were able to build the entire strategy based on the visuals and forms. Everything became very cohesive as far as creating the attributes of the brand, creating the product from the inside out, and then creating the communications."

For Behar, the brand originated with the product itself. Behar was intent on allowing the shoes to tell the story of what the new collection was about. "To be a good storyteller, we try to bring things up to the surface – expose them and reveal them," he says. The peek-a-boo glimpses of the underlayers—the cork and the cushy gel pad ball in the heel—suggest what makes the shoe special and add interest to the styling. "We felt it was important that the customer be aware that Birkenstock put that much effort into the products," Behar comments.

All together, fuseproject produced 10 styles for women, unveiled in June, and nine styles for men, introduced in September. Over the summer, Birkenstock launched the new Footprints Architect Collection at private events in sophisticated urban locations,
including the Museum of Modern Art in San Francisco and the Kartell Musco in New York’s Soho. The choice of these trendy sites was quite deliberate, allowing Birkenstock to link its name to avant-garde art and fashion venues and further separate its identity from its early laid-back hippie persona. For the launch events, Béhar constructed an awesome architectural piece—a gigantic chandelier made of some 80 dangling Birkenstock shoes. The Footprints website (www.footprints.com) too has the edgy feel of a rock video. The high-tech impact has set off a buzz in the circles that Birkenstock wants to reach.

So have the shoes themselves. The Footprints Architect Collection is featured in the exhibition “The National Design Triennial: Inside Design Now” at the Cooper-Hewitt National Design Museum in New York. It has also been selected among the best designs of 2003 by Business Week/IDSA and given the “Best Casual Lifestyle” product award at the winter 2003 fashi show, “Magic International.”

East Coast Fashion Group trade. Even more important to Birkenstock, young urbanites are buying. The bright red mary-jane-styled shoe model, called Avila, has already sold out.

People are beginning to reconsider what the brand is all about and discovering that style and comfort are possible in a single package.

“Health, wellness, quality of life—that’s what this organization was founded on,” reiterates Birkenstock’s Patrick Hull. Now an employee-owned company, Birkenstock still adheres to these principles. “We want to maintain and grow that by developing innovative products that meet our brand heritage,” says Hull.

Fortunately, Hull adds, “Comfort products have definitely become stylish. When people have to be on their feet all day and their feet bother them, it affects their whole life. More people accept that and are buying more comfortable footwear.” With a contemporary, new look, Birkenstock feels it is first in line to satisfy the growing demand.
A Head of the Game

Here's a quiz for those who claim to know nothing about graphic identity and say they couldn't care less. In football, as well as other professional sports, everyone from the players and coaches to the cheerleaders and fans are decked out in the team colors and logos. It is not only a way to tell the teams apart on the playing field, it proudly demonstrates team spirit and unity. Here, match the teams below to the right helmet. (Note: Helmets with team names are not shown.)

Arizona Cardinals
Atlanta Falcons
Baltimore Ravens
Buffalo Bills
Carolina Panthers
Cincinnati Bengals
Dallas Cowboys
Denver Broncos
Detroit Lions
Houston Texans
Indianapolis Colts
Jacksonville Jaguars
Kansas City Chiefs
Miami Dolphins
Minnesota Vikings
New England Patriots
New Orleans Saints
Oakland Raiders
Philadelphia Eagles
San Diego Chargers
Seattle Seahawks
St. Louis Rams
Tampa Bay Buccaneers
Tennessee Titans
Washington Redskins

(Images courtesy of the NFL)
Consider these statistics: In the U.S. some 10,000 catalog titles are currently being produced, with a total annual print run of 17 billion copies, according to the Direct Marketing Association (DMA). This year the catalog industry is expected to take in $133 billion in sales, up from $126 billion in 2002.

So the dot-commer prediction that e-tailing would cause the demise of paper-based catalogs and bricks-and-mortar stores was premature. In fact, it’s been the Web-only merchants who have had the harder time producing profits — partly due to the difficulty of luring shoppers to their site. The five-year survival rate of Web-only retailers is low.

In the same way that the introduction of television did not cause the predicted demise of radio, Web retailing has not hurt printed catalogs or stores. It has merely opened up a new channel for reaching the customer. The Web is the third leg of the merchandising tripod. Today most catalogs and retail stores also sell through their websites, and are increasingly using email to alert customers of promotional offers. A recent DMA survey shows that catalog companies now generate about 30% of their sales through the Web. People see the item in the catalog, then go online to order or to the local store to buy.

Catalogs offer numerous advantages over other sales channels, including the ability to target likely buyers on a national level and put the sales pitch literally in their hands. Catalogs reach a broader audience than an individual bricks-and-mortar store and, when thoughtfully presented, they provide an interesting and enduring sales piece that customers can peruse and consider at their leisure before placing their orders. The vehicle used to sell with — i.e., the catalog — is also an effective direct mail advertising piece to draw business into stores.

These advantages make this marketing channel seem like a no-brainer — except for the monumental challenge of competing against the 10,000 or so catalog titles currently filling mailboxes across America.

So what makes certain catalogs stand out when others are tossed immediately in the trash bin? Why do some catalogs inspire confidence and convince you that it is safe to buy their products based solely on a photo and written description when you cannot touch or test it in person, or talk to a real salesperson? The reason seems to have little correlation to the type of products sold, years in the business or where the cataloger is based. Some catalogs simply look trustworthy, even if the name is unfamiliar.

Here we profile four successful and distinctly different catalog retailers: Neiman Marcus, a 95-year-old company whose brand epitomizes luxury and sophistication; Flor, a 7-month-old residential modular floor covering division of Interface, the world’s largest commercial carpet manufacturer; Planet Dog, a small, 4-year-old manufacturer and retailer of earth-friendly pet products. Design Within Reach (DWR), a 4-year-old retailer of high-end designer furniture. Flor, Planet Dog and DWR all launched their businesses via catalog, then quickly added a Web component. DWR has since opened more than a dozen retail studios in major cities, and Planet Dog expects to open its first store late next year. Neiman Marcus, of course, has long had a presence in metropolitan cities. As different as they are, they share a few traits in common: They are keenly aware of the needs of their target customers and adept at speaking to them in a compelling voice and manner. Importantly, they have made effective use of design to communicate the integrity of their brand.

Even during this recent economic downturn, the catalog business has been growing steadily. People like the convenience of being able to shop 24/7 and appreciate access to products not available in their local stores. But it takes more than good products to make a successful catalog; it is essential to establish credibility through design.
Neiman Marcus’ The Book

To call Neiman Marcus (NM) books "catalogs," is not to give them their due. Elegantly styled and photographed, the full-page images, often promoting a single product, are arresting to view. NM creative director Amy Adams says that is exactly the goal. "We want to give them an art book quality, create coffee table publications that will extend their shelf life and make them hard to throw away." The 95-year-old luxury retailer produces a total of 11 catalogs a year, which go out to their very best customers. A hallmark of NM catalogs is the inclusion of well-written articles profiling famous fashion designers and celebrities. With some catalogs running upwards of 240 pages, Adams recognizes "that it is an investment to look through them. We want our customers to think it is time well spent and to keep them engaged from start to finish."

Men Like “Real People”
The men's catalog features well-known authors, actors, chefs, athletes and the like (Anthony John Irving, shown here) modeling apparel and profiled in feature articles.

Snook Preview
The Little Book is a miniature version of the Big Book, complete with full-bled photos, gatefolds, inset pages and articles. Produced twice annually, it is used to preview fall fashions and to launch the resort season in the spring.

Sneak Preview
The Book for Women
The Book for women is produced seven times a year, using all new photography each time. Every detail conveys impeccable style and taste, from the fanciful interpretation of NM’s butterfly symbol to the elegant use of premium coated paper.

Book Within The Book
Cosmetic products, which require longer text and a different kind of photography, are presented as an inset.

New in the NM Book Program

Designer Article
Every issue includes a major feature article on a noted designer whose line is carried by NM. This story begins under the gatefold. Gatefolds, die-cuts, short-sheets and other special techniques are used in virtually every book.

Editors Content
Men are less likely to pore over fashion catalogs than women, so the men's edition has an editorial tone evocative of GQ magazine, complete with a Table of Contents.

Ask Mr. McWilliams
Each men's issue has a section where NM's vice president of men's fashion offers helpful tips.

Small, Medium and Large
NM's catalogs are printed in three sizes: a large-format fashion book for women, a mid-sized book for men, and a little preview book. All are perfect-bound.
Interface Flor

Although Interface is the world’s largest maker of commercial carpet tiles, its new residential brand, Flor, was unknown. In going to market, it considered setting through flooring dealers or big box retailers, but opted to sell direct through catalogs. Chip DeGrace, vice president of marketing, explains, “We felt that if we started with an audience we knew—designers and those who were design sensitive—they would be accepting of a new format. We could lead with the story, context and brand and not leave it up to traditional channels that would probably compete it to carpet. Design professionals like the print medium. They like to keep it around, hand it off to others and tend to revisit whatever contents are in the book.” Designed by Robert Valentine, the first catalog launched last spring.

Close-ups of Textures
All the information needed to place an order is on the last spread, which also includes swatches showing a full-size view of textures.

Options in Context
The creative modular possibilities of mixing the colors, textures and variations of Flor rug squares are shown in various patterns and placed in a room.

Tabled Format
The large tabloid size suits the need to present an expansive view of flooring products and also let the catalog be mailed at lower newspaper rates.

Lived-in Look
A tight budget restricted the use of human models, so a warm lived-in look is suggested with pets, slippers and personal belongings.

Lifestyle Shots
The catalog features every room in the house to show how the product could complement the decor, whether traditional or trendy.

Product Tester
Product testers—the 16 dogs owned by the Planet Dog staff—are introduced by name, giving customers a reassuring sense that the company cares for pets as much as they do.

Wanna Go Out?

Stylish and Friendly
The presentation of leashes and collars has a fashion feel with their silhouetted images and relaxed and friendly attitude.

Rudy

Social Responsibility
Part of Planet Dog’s brand integrity is reflected in its mission to sell eco-friendly pet products and support animal welfare and natural environment causes. Ten percent of its profits go to philanthropy.

Planet Dog
Founded by Alex Fisher and Stewart Maloney in 1999, Planet Dog was launched as a wholesale catalog marketing pet products made from eco-friendly recycled and natural materials. Its first catalog, featuring 40 products, had just a 20,000-copy run. Four years later, it produces six catalogs, marketing 175 products, annually (four retail, two wholesale), with a print run of 400,000 copies. In addition to a brisk catalog and online business, its products are carried by a range of upscale retailers from Bloomingdale’s and L.L.Bean to garden, sports and gift shops. President Stephanie Volo, who came out of the fashion industry, asked designer Melanie Kuhn to create a simple and elegant catalog. “We could have ‘square-inch’ our catalog and filled every page with 50 items, but that is not who our customers are or what they expect,” says Volo.
Design Within Reach
In introducing a unique furniture resource for design professionals in 1999, Design Within Reach (DWR) founder Rob Forbes chose to sell through a branded catalog rather than establish a storefront location. "We wanted to have a reach that extended to the entire design community in the U.S.," he explains. "Catalogs allowed us to build a national awareness quickly. Very few mediums allow you to do that. This graphic medium is also a great way to show products in different real locations and communicate stories behind the products through biographical information about the designers." Forbes adds that the catalog format also suited the way interior designers worked—i.e., collecting tear sheets of products they want to remember. Although Forbes had substantial credentials in retail and catalogos, DWR was a new name in the business. The credibility established with the first catalog relied heavily on the quality of the design. Especially when considering high-end furniture, customers needed assurance that this is no fly-by-night operation. Forbes says that the authority with which products were presented in the catalog was critical to building confidence and trust.

Premiere Issue
Designed by Pentagram, the premiere issue communicated DWR's unique marketing strategy right on the cover. The words on the wrapped chair sent a double message—to look inside the catalog and to anticipate fast product shipments.

Silhouette Views
Furniture diagrams pick up the vernacular of architectural spec sheets.

Classic to Ultra Modern
In the first catalog, the gatefold gave an at-a-glance view of the range of DWR's product offering and a sense of DWR's grasp of 20th-century design.

Designer Bios
Profiles of furniture designers impart another level of information about DWR products and also show an appreciation and knowledge of fine design.

Location Stories
Showing the product in use helps customers see and consider different possibilities. Identifying the actual location of the photographs adds credibility to the product stories.

A Public Thank You
In the premiere issue, founder Rob Forbes thanked those who helped launch DWR. The list of names—from Bellini, Citterio, Gehry and Graves to Starck—also showed that the fledgling company had the support of the industry's leading designers.

Detailed Information
The design enlarges details worthy of further notice and organizes information in a grid so it can be accessed quickly.

Graphic Covers
Cover designs are intended to communicate the strong design ethic of the company.

Functional Hints
Secondary photos provide added product information such as stackability, lever locations and other noteworthy features.
Six years ago it was unthinkable that Samsung could pose any threat to leaders in the consumer electronics business. The Korean conglomerate was hardly known for breakthrough products, its global reputation was based on manufacturing memory chips and selling cheap, knock-off microwaves and TVs through discount retailers.

Fast-forward to 2003. Samsung is setting the industry standard for innovation and cutting-edge design in VCRs, DVD players, TVs, LCD monitors and mobile phones. The sheer pace of new electronic product offerings is staggering: This year Samsung launched 100 new products in the U.S., including 53 new TVs. Over the past five years, Samsung has earned 16 industrial design awards; last year alone it won five from Business Week/IDEA, a total matched only by Apple Computer.

So what changed? The roots of Samsung’s transformation began in 1994 when Samsung chairman Kun-Hee Lee set out to reposition the company to sell superior-quality branded electronic products at higher price points. To do that, he felt Samsung had to nurture a global design vision that would produce products with greater international appeal. Although the Samsung Electronics unit had a sizable in-house design staff and worked with the world’s leading design consultants, the results were inconsistent at best. In search of the reason, Chairman Lee asked a Japanese design consultant to audit the strengths and weaknesses of Samsung’s design program. The conclusion was that Samsung already had a staff of world-class designers; the problem was in the process.

Chairman Lee, who had lived in Japan and the U.S. during his college years, concurred. In a book, speeches and newspaper articles, he urged Samsung managers, and South Koreans in general, to see the opportunities and profits resulting from good design. Believing that Samsung Electronics’ design impetus would have to be developed from within, he sent a 17-person delegation to the Art Center College of Design in Pasadena to discuss the possibility of creating an internal design institute in Seoul. Among those attending from Art Center were Gordon Bruce, a well-known industrial design consultant who was then serving as Art Center’s liaison in Japan, and James Miho, a noted graphic designer who was then chairman of the College’s Graphic, Packaging and Electronic Media Department.

Following the meeting, an Art Center team paid a return visit to Samsung facilities in Seoul, during which...
time Bruce was asked to serve as chairman of Product Design and Miho as chairman of New Media for the soon-to-be Innovative Design Lab of Samsung, now known as ids. Bruce recalls that Chairman Lee honored them with an invitation to his home for dinner.

"While we were sitting in his living room, Chairman Lee asked us to educate his designers and make them more mindful of relevant global and cultural issues."

Bruce adds that Chairman Lee sought to raise creativity levels by 3% [i.e., increase sales results by 3%].

Chairman Lee backed up his request by constructing a $10-million, eight-story building in Seoul to house ids. A select group of "students" was chosen from Samsung Electronics' designers to participate in the inaugural program. In the first three years of ids, the students came out of the company's best ranks of 250 industrial, transportation and multimedia designers. In the fourth year, employees in marketing, engineering and other related departments were invited to join. Classes were taught in English, in accordance with Chairman Lee's belief that it is a necessary skill in global business. (Before classes began at 9 am, students had already logged in two hours studying English.) For a full year, the Samsung staffers were paid their normal salaries to study six days a week.

Bruce says that, initially, the plan was to follow Art Center's standard western curriculum, but after moving to Seoul, Bruce and Miho quickly realized that courses based on an American (or even European) program would not meet the real needs of the Korean designers.

A key reason, Bruce says, was because the Neo-Confucian Korean culture taught that it was disrespectful to ever question the "master," so the substantive dialogue between student and teacher was absent. Bruce saw changing that attitude as critical to changing the way Samsung employees approach design innovation. Then too, Bruce adds, "I was teaching people with 10 years of experience who had already won

**GOOD DESIGN CREATES BIG SELLERS**

In a come-from-behind lead, Samsung is leapfrogging over established competitors to capture the hearts and pocketbooks of consumers. Its consumer electronics and telecommunications products are winning international prizes for design innovation and engineering excellence. Whereas only a few years ago, Samsung sold its appliances under the label of other companies, today the brand gives cachet and credibility to the product.

**DVD TO GO**

As portable as a laptop, the DVD-L100 is less than an inch thick, with a full-sized lithium-ion battery designed into the hinge, a built-in MP3 player and photo navigational controls, and a reverse angle display.

**SYNCMASTER FLAT-PANEL MONITOR**

Samsung designers put hinges on the back of the screen and stand so users can easily adjust the height and angle of the monitor or hang it on a wall. It will also fold flat, making it possible to fit the monitor into a smaller box for economical shipping.

**AERODYNAMIC DESIGN**

The rounded corners of the GSM T100's clamshell design improve the phone's grip, and the dual display shows time/date, battery life, caller ID and reception quality on the outside, with Internet access on the 128x160 pixel screen inside.
design awards. It's not like teaching them how to do marker sketches. That was not going to serve them."

In the end, the ids curriculum was kept flexible but specific. "We didn’t teach them how to design, but focused on the foundation of what design is all about," says Bruce. "This addressed a lot of issues."

One of those issues involved drawing upon national heritage as a source of inspiration. "The Koreans want to look like everybody else. They want to take a little bit of Japan, a little bit of America, a little bit of Italy and put it all in one, so that it gives this sense of ‘leading edge-ness,’" Bruce says. "We wanted them to see that they need to seek their own soul and use that excellence. What is it about Korea that makes it special? Designers can often develop processes based on abundant design research, ethnographic observation, ergonomics, marketing, engineering, manufacturing, etc., but if they have no understanding about where they stand in the continuum of cultural history, all the processes in the world will not help achieve relevant solutions."

In starting upon that path to self-discovery, Samsung designers would first need to look beyond Korea. "To understand who you are, you need to get out of your environment," Bruce stresses. "I think it was Einstein who said, 'I don’t know who discovered water, but it wasn’t a fish.'"

Bruce and Miko created a global design workshop where ids students traveled extensively, experiencing history in museums and observing daily life in places like New York City, Florence, Athens, Beijing, Mexico City and Washington D.C. That exposure helped Samsung designers strengthen their understanding of consumer behavior around the world, while nurturing an appreciation for what was uniquely Korean.

Course offerings also included fundamentals like ergonomics and mechanical engineering. "A shortcoming of the Samsung designers was that they viewed their craft in terms of form, not content," says Bruce. "They had limited communication with the company’s engineers who, because of that, had final say in executing an idea. A recent change is that design teams now collaborate closely with Samsung market researchers, engineers and manufacturing experts. Samsung's Creating New Business group constantly runs focus groups and conducts user research to ascertain consumer taste as far out as five years in the future.

"Because of design's unique characteristics, designers should be able to respect each other's opinions and share their ideas without any hierarchic restrictions," says Kook Hyun Chung, vice president of Samsung Corporate Design Center. "In the beginning of the program, designers cared a lot about their positions (like assistant designer, designer, senior designer or principal designer) and were unable to discuss their ideas with those in other positions. However, as they went through the ids program, they opened their minds to others and changed their attitudes."

Today Samsung Electronics has 380 designers, almost double the size of its staff five years ago. What's more, compared to Samsung's former strategy of using an unrelated collection of design offices and consultants, it has achieved greater control by selecting fewer, more appropriate consultants. The company now has four design centers outside Seoul in San Francisco, London, Tokyo and Los Angeles, with another center opening in China soon.

A keystone in Chairman Lee's declared "design revolution," the ids program has been part of a larger strategy aimed at addressing a changing marketplace. "In the 21st century, companies became unable to differentiate their products only by technologies or quality of a product, and design was considered as
design awards. It’s not like teaching them how to do marker sketches. That was not going to serve them.

In the end, the ids curriculum was kept flexible but specific. “We didn’t teach them how to design, but focused on the foundation of what design is all about,” says Bruce, “This addressed a lot of issues.”

One of those issues involved drawing upon national heritage as a source of inspiration. “The Koreans want to look like everybody else. They want to take a little bit of Japan, a little bit of America, a little bit of Italy and put it all in one, so that it gives this sense of ‘leading edge-ness,'” Bruce says. “We wanted them to see that they need to seek their own soul and use that excellence. What is it about Korea that makes it special? Designers can often develop processes based on abundant design research, ethnographic observation, ergonomics, marketing, engineering, manufacturing, etc., but if they have no understanding about where they stand in the continuum of cultural history, all the processes in the world will not help achieve relevant solutions.”

In starting upon that path to self-discovery, Samsung designers would first need to look beyond Korea. “To understand who you are, you need to get out of your environment,” Bruce stresses. “I think it was Einstein who said, ‘I don’t know who discovered water, but it wasn’t a fish.’”

Bruce and Miho created a global design workshop where ids students traveled extensively, experiencing history in museums and observing daily life in places like New York City, Florence, Athens, Beijing, Mexico City and Washington D.C. That exposure helped Samsung designers strengthen their understanding of consumer behavior around the world, while nurturing an appreciation for what was uniquely Korean.

Course offerings also included fundamentals like ergonomics and mechanical engineering. “A short-

coming of the Samsung designers was that they viewed their craft in terms of form, not content,” says Bruce. “They had limited communication with the company’s engineers who, because of that, had final say in executing an idea.” A recent change is that design teams now collaborate closely with Samsung market researchers, engineers and manufacturing experts. Samsung’s Creating New Business group constantly runs focus groups and conducts user research to ascertain consumer taste as far out as five years in the future.

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one of the most important factors to succeed," says Samsung's Chung.

That was the message when Samsung launched its first branding campaign in April 2001. While competitors emphasized features and functionality, Samsung's fashion-forward TV commercials showed off the company's cool sense of style. The spots showed MP3 players and cell phones launching users into a psychedelic landscape of good times, a place "where design awakens all your senses." The pitch worked: Brand awareness and preference in the U.S. - which had been one of Samsung's weakest markets - increased from 56% to 74% over the life of the year-long campaign.

In its overhaul of marketing, Samsung Electronics wins praise for instilling a sense of common purpose and strategy. The company consolidated its global roster of ad agencies from 53 different entities to one -"Samsung has shifted its distribution channels from budget alternatives to higher-end retailers." - FCB Worldwide, New York. Internally, Samsung installed a new collaborative system that weaves strategy initiatives around the globe through different consumer touchpoints ending at retail point of sale. Samsung's executive vice president of global marketing operations, Eric Kim, is credited with bringing American flair to a country not known for marketing glitz. Born in Korea, Kim grew up in the U.S. before returning to Korea in 1999 to take the top marketing job.

Earlier this year, Interbrand declared Samsung as the world's "fastest growing brand" for the second year in a row, ranking it as the 25th largest brand, up from 42nd place in 2001. "Samsung has successfully made brand building the key focus of its marketing strategy, including product development, selection of distribution channels and channel marketing as well as external and internal communications," underscores Jan Lindemann, Interbrand's global marketing director.

The new emphasis on branding also extends to products themselves. Previously, for instance, Samsung would manufacture appliances for the label of other companies; today 75% of its products are sold with the Samsung logo. In addition to product design and marketing changes, Samsung has shifted its distribution channels from budget alternatives to higher-end retailers like Best Buy and Circuit City.

In recognizing that speed to market is critical in attaining the competitive lead, Samsung Electronics has stripped layers of bureaucracy needed to win approval for new products, budgets and marketing plans, accelerating its ability to respond to new opportunities. Samsung says it now takes an average of five months to go from concept to product rollout, compared to 14 months six years ago.

As a result, Samsung stands out from competitors by its quick response to both technological improvements and fickle consumer tastes.

"Intellectual assets will determine a company's value in the 21st century. The age when companies simply sell products is over," says Chung. "In the new era, enterprises have to sell their corporate philosophy and culture. An enterprise's most vital assets lie in its design and other creative capacities...Let us focus our strength in developing unique designs that reflect the Samsung philosophy and soul."
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Throughout their prodigious careers, Charles and Ray Eames experimented with new materials to create affordable quality furnishings that could be mass produced. With their introduction of the molded plywood chair, issued by Herman Miller in 1946, they proved that ergonomic comfort could be expressed in the most elegant, simple way. Charles Eames’ interest in molded plywood began even while a student at Cranbrook Academy of Art. He and Eero Saarinen collaborated on a molded plywood chair that won first place at a Museum of Modern Art (MOMA) competition in 1940. As innovative as it was, it did not address plywood’s tendency to splinter when bent into acute angles.

Charles and Ray were still puzzling over this problem in the early 1940s, when a doctor told them that wounded GIs were being maimed when their metal leg splints cracked. That inspired them to make a cast of Charles’ leg to mold a plywood splint, which they marketed to the U.S. Navy through their Plyformed Wood Company (sold in 1943 to Evans Products). The Eameses also helped the military develop molded plywood stretchers and airplane pilot seats, while continuing to experiment on chairs and toys.

At the war’s end, they turned their research into actual products, which they unveiled at a MOMA exhibition in 1946. Among the pieces was a plywood chair using separate seat and back panels contoured to the shape of the human body. It caught the attention of Herman Miller’s legendary design director, George Nelson, and the famous Eames furniture line was born.

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