

Finding your sculpture

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“You can’t live, let alone paint, when you’re being pressured by patrons,” complained Michelangelo. If he’d lived today, he would surely have recognized the conflict we often face as designers between our ideals, our artistic ideals, and the business and commercial demands of our clients. It’s a pity we can’t use Michelangelo’s method of dealing with troublesome clients or their employees. When the Pope’s project manager kept pestering the artist to show him how far he got with the Last Judgement in the Sistine Chapel before he was ready, he got his own back. When the painting was finally revealed, the horrified project manager saw himself clearly portrayed among the damned in Hell! When he complained to the Pope, he was told, “Sorry, there’s nothing I can do. My authority doesn’t extend to hell. You’ll just have to put up with it.”

1. The eternal paradox

It seems artists and their patrons, the proponents of Beauty and Bounty, have always been in conflict. They have always had different ways of looking at things, different priorities. They are, you might say, part of the eternal Ying and Yang.

On the one hand, artists strive to achieve intangible artistic ideals. They’re searching for beauty, perfection, and inspiration. They seek to give tangible form to the intangible. They aim to advance civilization by lifting the spirit. But – as Maslow realized – the spirit can only be raised if the body is whole and safe from danger. Artists may be able to survive in a leaking attic for a while, but at some point they do need to eat.

On the other hand, artistic patrons – and even more so business people – are primarily concerned with wealth – generating it, accumulating it, spending it, making a profit, achieving a very tangible commercial advantage.

But to do that, they normally need to provide people with things of value. That value may initially be a functional value, based on the utility of the product or service. But at a certain point, more is required. To create unique value that stands out and attracts a premium reward in the market place, an element of ‘beauty’ is required. By beauty here, I mean some quality that arouses a sense of the perfect fit, when something is felt to be ideal in all respects – it does what is supposed to in the best possible way, challenging current thinking and taking us beyond what was already known, while at the same time being consistent with the highest moral and ethical values.

So we see that, paradoxically, the proponents of beauty and bounty each need the help of the other in order to achieve their aims. The artist needs the business person; the business person needs the artist. That means they have to work together. But the problem is: they speak two different languages. They need to find a common language and common ground.

2. Elective affinities

The ideal patron/artist relationship is one of an enlightened partnership: it's a question of elective affinities – they need to find the best possible fit between their different ways of seeking to advance civilization.

The same is true today of the relationship between business and design. They need to be able to find a common goal, an idea or objective that lies beyond the present, beyond the temporary – a goal that goes beyond a single transaction or a specific product. And when they have found this common goal, they need to pursue it and implement it, there where they can have most impact. Together they need to take on the responsibility for leading us away from mediocrity. In other words, design and business need to connect not just at a commercial level, but at a higher level, as well.

- A good example of how this cooperation has worked between companies and designers in the past is the American firm of furniture manufacturers, Herman Miller. This company partnered with many of the 20th century's top designers in the field – George Nelson, Gilbert Rohde, and the Eames brothers, to name but a few. And it also pioneered the concept of sustainable design in the field of furniture.
- Another example is the Italian firm of Olivetti, where designers, including artists and architects, were intimately involved with product development long before that degree of integration became recognized as “best practice”. That tradition was continued by Ettore Sottsass, and is still carried on today by Michele De Lucchi.
- And in any list of partnerships that have successfully managed to bridge the gap between art and business through design, we should probably also include names like Alessi, Lalique, Apple...

In all such cases, business and design have managed to find a common language and a common purpose, together managing to bridge the gap between Beauty and Bounty.

3. Reconciling Beauty and Bounty at Philips

Let me now turn to how we have been trying to bring together Beauty and Bounty at Philips over the past 15 years or so by stimulating the same sort of elective affinity that I have just been talking about.

3.1 Background

First, we need to sketch in a bit of background. Royal Philips Electronics was founded in 1891. And for most of the first century of its existence, it was very successful as global, technology-driven company, first making light bulbs, and later expanding into a wide range of products from X-ray equipment to vacuum cleaners, radios and TVs, and electric shavers. Along the way, it invented the audiocassette and the Compact Disc. But by the 1980s, the company had lost sight of its primary aim – to make people's lives better through technology – and had, like many other companies at the time, fallen in love with technology itself. The means had become the end.

3.2. Paradigm shift

Around 1991, therefore, Philips was forced to re-examine what it was doing. The CEO at the time, Jan Timmer, decided the company needed to make a paradigm shift, away from seeing technology as an end in itself and back towards seeing it purely as a means to improve people's lives, providing solutions that can have a positive impact on the quality of life.

4. The opportunity and the plan

It was at that point that Timmer invited me to head up Design at Philips. I saw an opportunity for Philips to become a platform for Innovation for Good, with a capital G. I realized that, by working from a design perspective, we could stimulate and guide the paradigm shift that Timmer had in mind. At that time, Philips was a vast organization, employing more than 130,000 people around the world. Changing the direction of such a massive entity was not something that could happen overnight. It would require a clear vision of the direction to be taken, and a clear plan of action to bring it about.

We needed to think carefully about two things. First, and most importantly, the people who were going to be involved in this shift, both those who would be carrying it out (i.e., the people within the company), and those who would be on the receiving end of it, as consumers. Second, we needed to think carefully about the enabler, the tools and methods we would need to make the shift happen.

5. Establishing a common purpose

With regard to people within the company, we needed to rally everyone around a new, common purpose, changing the company's value system. We had to show people – in effect, educate them – that we *can* set our ambitions higher than the purely material, the purely commercial.

5.1 Convincing the financial sceptics

The first step in that process was to convince Philips's employees, especially the financial community, that serving Good (with a capital "G") – or the pursuing the ideals of Beauty – can generate a commercial return in business. You *can* advance civilization by improving the quality of life *and* make money: the two are not mutually exclusive. On the contrary, doing the right thing ultimately should never fail to deliver profitable growth. Although it may not always seem obvious in the short term, in the longer term fulfilling people's needs is always good business. We therefore sought to change the culture from the 'inside-out' viewpoint to the 'outside-in' viewpoint, giving people a new motivation to combine in their work the ideals of Beauty and Bounty.

5.2 Creating a culture of Innovation for Good

The second thing we needed to do was to create a culture of Innovation for Good within Philips. Rather than innovating simply because we can, because we have the technological know-how, we should be guided in our innovations by what will really improve the quality of people's lives in ways that *they* feel is relevant and meaningful to them, again shifting the viewpoint from 'inside-out' to 'outside-in'. This culture of

Innovation for Good, based on the real needs of people rather than the capabilities of technology, needed to become embedded within the company, and actively exercised, so that it would become a natural, constant and persuasive element in everything Philips was doing.

We worked to achieve this by specifically getting people to change their views in six ways.

- First, we stressed the importance of understanding people, gaining insight into their hidden needs and aspirations.
- Second, we urged them to escape the myopia of the markets that Philips already served, and take a broader view. Were we engaged in making vacuum cleaners or providing people with a clean house? Were we involved in making coffee-makers, or in offering sociability and lifestyles? And so on.
- Third, we tried to get people to view the company and its divisions not as silos, but to see the company as made up a set of competences that can be combined and recombined in many different configurations, across divisional boundaries. And to that set of competences as being a set that can be added to by other competencies – which we can either develop internally or get from outside the company.
- Fourth, we encouraged people to ask naïve questions: to step outside traditional patterns of thinking.
- Fifth, we encouraged them to think beyond the product itself, to take into account the customer interface, the places where we meet with customers and the channels through which we come into contact with them. Traditionally, the main channel had been retail stores: were there other options, perhaps?
- And finally, we needed to develop a sense of pride, not only in the company's technological achievements (which were clear), but also in the fact that Philips was capable of being 'cool' and of being a company that does the right thing by people.

6. Setting up the framework

So, with these goals in mind, I set about reorganizing Philips Design (or Philips Corporate Industrial Design, as we were still known).

6.1 Strategic Creativity

Essentially, we needed what I call Strategic Creativity: developing a vision and then being creative about how to get us from where we are now, to where we want to be in the future. And having done that, we needed to communicate to people, authentically and sincerely, what we stood for.

6.2. Developing and communicating the Vision

So we developed a clear Vision and a Mission, to make explicit exactly what we stood for. This was the vision and mission that we drew up in the first few months:

We believe that good design is about creating products that satisfy people's needs, that empower people and make them happier and which do so without destroying the world in which we live. We strive to create value, for our customers, our shareholders and society as a whole by delivering competitive High Design solutions.

To change people's existing mindset and values, you also need to explain your Vision and Mission to people – both within your own organization and beyond. Back in May 1992, I addressed this organization, gathered in Ljubljana, in a keynote address called *Flying over Las Vegas*. In it, I laid out my plans for the next fifteen years – it was basically my manifesto.

- *Paradise Regained*

I emphasized that quality was more important than quantity; and that people were more important than things. We needed to make technology serve people, rather than the other way round. I also stressed the need for an ecological approach to design, and the need for a new ethic. I described the ideal we were aiming for as a “Paradise Regained”, a world of “happy objects and happy people”, in which people live at peace with each other and their environment – but not in a static world, because individuals continue to grow and achieve personal fulfillment. This Paradise Regained is what we might now call the world of sustainability. I sketched some ways in which designers can work – and indeed in some cases were already working – towards the realization of this utopian state.

A year later, in a keynote speech I gave at the ICSID meeting in Glasgow, called *Chocolate for Breakfast*, I warned of the dichotomies that are growing between rich and poor in the world, and how we, as designers, needed to do our best to bridge that gap.

- *Communication*

Essentially, the Vision and Mission we established in the early 1990s and the message I was conveying in these presentations are the same principles that still guide us today. And I have made a point of reiterating this message to different audiences, both within Philips and outside it, whenever I have the opportunity – in interviews, talks or books – because I believe it's vital to let people know what you are doing, and why you are doing it. Only then can you be sure of the broad level of support you need in order to make it happen. And it's important to convey your message with mutual respect for those you are talking to. As designers, we could not tell anyone else in the company what to do: we could only try to persuade and convince by example, and by showing respect for, and trying to understand, the needs and concerns of our partners within the company. I believe this communication effort over the years was vital in achieving a change in values within the Philips organization.

- *Wider context*

In this way, I also tried to place our work as designers in the context of the world around us, including developments in politics, history, demography and the condition of our planet. I think today most people would agree that all our lives, whether as designers, managers or consumers, are now directly affected by such factors – factors that we once thought were largely external to our work, but which we now understand are an intrinsic part of what we do.

6.4. Develop a strategy and methodology

I realize that most of the principles I was talking about then are basic ones that many people – especially nowadays – could readily subscribe to, at least in the abstract. But it is very easy to pay lip service to such principles in Vision and Mission statements, and then neglect to act on them when it comes to everyday work. I was determined that we would really follow through on our principles. And of course I was extremely fortunate to be in a position at Philips to make sure, at least within Philips Design, that we did that.

- *High Design*

That's why, in more practical terms, I shaped a strategy and a methodology, or set of enablers, that would help us achieve our ambitions. I called this new approach "High Design". High Design was new type of design methodology that would enable us to deal with the various complexities we work with – technological complexity, the complexity of the consumer markets, the complexity of the environment, the complexity of the business context, and so on. High Design, in other words, was a design approach that was appropriate to a high-tech world, and a highly complex world. And in order to help us tackle this complexity, it was necessarily multidisciplinary and research-based.

6.5 Get your organization in line with the strategy

At the same time as devising a strategy and methodology, we also needed, of course, to reshape our organization to be in line with this.

- *Set up multi-skilled teams*

We needed to develop multi-skilled teams, in a sense creating within our design community, a sort of multi-person Leonardo da Vinci. As the archetypical Renaissance individual, Leonardo was able to encompass many different skills, insights and understanding within himself. We couldn't replicate that in one person, but we *could* try to do that within one organization. So it was with that in mind that we developed multi-skilled, multi-disciplinary teams to work on our projects.

- *Develop a research program*

At the same time, we developed a research program, to establish a research base and a set of research competences that would enable us to understand people better. We wanted to move design beyond the purely intuitive, and establish some sort of "science of design", trying to take a more objective approach in understanding what effect design has on people, and how it can improve their quality of life. We took on board people from many different disciplines – cultural anthropologists, ethnologists, behavioral psychologists, sociologists, trends researchers, and so on. And with them, we developed evidence-based knowledge and competence in core fields of design and related areas.

- *Educate yourself*

Of course, we also needed to educate ourselves, within Philips Design. It was not simply a question of educating the rest of the company: we needed to find out and develop ourselves. That's why all our people follow a cultural training program, with regular updates, so that they can keep at the forefront of developments.

- *Integrate into the business*

We also realized we needed to lead by example. As designers, we were not in a position to tell other people what to do. We had to persuade, we had to convince, we had to argue, we had to show people what could be done, what was possible, and where we should be going. And that also meant that we needed to fully integrate into the business process.

6. Put people at the heart of it all

As I said, the main message was that we needed to put people at the centre of what we were doing. I was very lucky in that, in my childhood, I learnt a great deal about just what this meant in practice from my grandfather. He was a tailor in a small town in Italy, and as a child I used to play in his workshop when he received customers, discussed with them what they wanted, what sort of occasion they were going to attend and wear their new clothes. I saw him interact with people, find out, listen, ask and show them options, try to find out as much about them as he could. And tailor-make, literally tailor-make, something specifically for that one person. This gave me an enormous boost, an inspiration that has somehow underpinned my work at design ever since. High Design means studying people in all their facets. It means putting people at the centre, finding out what people want. It then means finding out and exploring what we need to be able to do in order to give people what they want. The role of design here is essentially to create better solutions, create new value for people, and to serve as a lighthouse for them, guiding them in the direction that they want to go in.

7. Developing a culture of Innovation for Good

7.1 Integrative innovation

To show people what our approach could achieve, and how it might deliver profitable growth, we developed a concept of integrative innovation. This involves combining insights from trends research, and knowledge about people, with knowledge about technological trends, in order to create innovative – and relevant – product concepts. We then present these, in highly tangible and realistic form, to the public, such as opinion leaders, the press or consumers. The aim is to trigger feedback, and also to prepare people to look out for our new ideas in the future. In this way, we laid the foundations for the “co-design” approach that we have since expanded and developed further.

7.2. Projects

We must have done more than twenty-five of these projects, both big and small, over the past 15 years. To mention just a few: *Workshop** (on the office and working environment), *Television at the Crossroads* (on new applications of television), *New Objects*, *New Media*, *Old Walls* (on integrated multimedia in the home), *Culinary Art* (on

how we could enhance the mealtime experience), *La Casa Prossima Futura* (about the domestic environment in general), *Pangéa* (on a mobile environmental research vehicle), *New Nomads* (on wearables), *City People Light* (on urban lighting), *Living Memory* (or LIME) (on networked contacts within a city neighborhood), *Pogo* (about helping children to create stories) – and of course, the mother of them all, our landmark and award-winning project, *Vision of the Future*, from 1995. Our most recent project of this type, called our *Next Simplicity* focuses on a healthy lifestyle. In addition, we have been working on several projects that explore innovations for what C.J. Prahalad calls “the Bottom of the Pyramid”, including a smokeless woodstove for India, and a batteryless light.

7.3 Results

These were all innovative, visionary projects, with the aim of giving tangible form to what Good (with a capital G) might mean to people – in terms of striking innovations that can significantly improve the quality of their lives. Gradually, more and more people within the company began to see what this approach could deliver. And, as a result, they increasingly started coming to Philips Design to ask us to develop something similar for their own line of business – to such an extent, in fact, that our integrative approach to innovation has now become accepted throughout the company as the way forward for innovation at Philips.

Our approach has also given rise to a number of very practical tools and products, including the use of personas in product creation. Second, besides many other products, it also laid the foundations for one of our most striking projects to date – the *Ambient Hospital Experience*. This is a commercial project we undertook for a hospital in the United States, which had asked Philips to help them develop a new radiology department. The aim was to develop a setting in which patients – particularly children – would feel less anxious when undergoing scanning, so that the whole process could be carried out more efficiently and effectively.

In the process, we talked to hospitals both in Europe and North America about what the ideal total hospital experience might be like – and what is actually feasible. We looked at the major trends in healthcare, and the specific situation in radiography departments. We applied our psychological skills to understand patients’ reactions, and our ethnographical skills to understand the staff’s situation. We then drew up a rich array of personas, representing everyone involved.

In our process of engineering the imagination, we then generated concepts, fine-tuning them in a detailed co-creation process with nurses, children, radiographers and hospital administrators.

The result was a dynamic environment within the radiography department in which children or other patients can choose their own preferred soothing environment. Depending on their choice, colored light is cast on the walls and other surfaces, and animations are projected onto these surfaces. For example, children are asked to keep still as long as a seal swims back and forth.

While waiting, children can play at scanning a variety of soft toys, and print out a copy to take home and show their friends. The scanner itself is as open as possible to reduce claustrophobia, and during the scanning, the patient's family can follow what's going on and talk to the child from the waiting area.

All in all, this makes a much pleasanter and more efficient environment than the traditional hospital department, and the feedback from the hospital and from patients has been very positive.

Such pioneering projects are doubly important because they have a flagship status both for our internal Philips clients and for ourselves. This hospital project has resulted in a lot of new business for Philips Medical Systems – so Bounty is pleased. And of course, in responding very directly to people's needs in a potentially frightening situation, it satisfies Beauty, as well.

The right attitude

To gain the confidence of our business partners, I believe it is important for us to show the right attitude towards them. Throughout these projects, our attitude was one of competence and expertise, but also of modesty – helping, explaining, listening and learning, creating and presenting examples of what we meant.

8. Partnering with outside companies

I mentioned that, as a design group, we recognized the need to approach projects in a multi-disciplinary way, simply because of the complexity of the challenges we faced. In the same spirit, we also pioneered within Philips the idea of partnering with outside companies whose competences and capabilities were complementary to our own. One of the earliest of these projects was with Alessi, with whom we developed the Philips Line of kitchen appliances. Others followed in various fields – with Levi Strauss, for instance: we developed a multi-media jacket with them, in the process learning about fibers, textiles and tailoring requirements. We designed multimedia furniture with Leolux. And gradually, Philips divisions began to pick up on this idea of joining forces with others, leading to successes such as the Senseo coffeemaker (with Douwe Egberts), the PerfectDraft home beer tap (with Grolsch), the Cool Skin shaver (with Nivea), and so on. In this way, projects that had originated as ways of raising our own levels of expertise and understanding became successful commercial propositions in their own right. And the concept of Innovating for Good was delivering profitable growth.

9. Sharing skills

Incidentally, as part of this process, our designers also developed the skills required to bring people together from varied backgrounds, companies and disciplines and then manage them towards successful innovation. And we are now marketing these skills and this knowledge, either directly to external clients who wish to engage in similar partnerships, or more generally in the form of advanced seminars and courses, if people want to get that expertise in-house.

10. From supplier to partner to leader

So now, to sum up, what has been the overall result of our efforts?

By taking the approach I have described, Design has repositioned itself in the value chain at Philips. From being a pure supplier and service provider, we've now become accepted as an intellectual partner and a strategic leader. We are now respected, and listened to at the highest levels in the organization. Our influence has grown, and we take our full share of accountability within the company.

Sense and Simplicity

Perhaps the most obvious external sign of this is the Philips tagline, "Sense and Simplicity". This tagline, which was introduced in 2004, encapsulates the guiding principle that now lies behind Philips products – that they should be relevant and meaningful to people (that is, "make sense" in their lives), and provide easy access to the benefits being offered, no matter how complex or advanced the product's underlying technology may be. It is completely focused on people. The people-based approach that was introduced in the 1990s by Philips Design has now become the No. 1 driver of the company's work.

Value Proposition House

In the same way, no product is developed within Philips today except on the basis of what we call a Value Proposition House, a product creation process that specifies the consumer insight on which the product is based and the marketing approach to be taken. In other words, the approach to product creation at Philips today is very much 'outside in', not 'inside-out'.

Space for new business development

New business development within Philips is now also based on discovering meaningful benefits for people, including those that are still latent and that people themselves do not yet know about. Our multidisciplinary, High Design approach is geared to discovering such potential benefits, and then developing innovative products that will provide them.

A set of competences

Philips has become much more focused over the past 15 years. It has slimmed down from 9 divisions to just 4, and now focuses on Healthcare, Lifestyle and Technology, as its three primary areas of competence. This enables it to decide which competences it still needs to attract or develop. In this way, the company has recently made a number of acquisitions in the fields of healthcare and wellness, and is developing a wide range of products, services and solutions, especially for consumer healthcare, based on the cross-divisional deployment of competences.

Consumer interface

Finally, the company's view of its traditional customer interface is being changed by new experiences in marketing to emerging markets. For example, we have developed a smokeless woodstove, particular for rural communities in India. There are few retail stores of the traditional type in such areas, so we are working together with and through

NGOs, government departments and specially trained local entrepreneurs to sell to these – for us quite new – markets. It is also important that our provision of products and services in these areas is sustainable: a challenge that is also being taken up.

All in all, I think we can say, with some justification, that the paradigm shift we set out to accomplish has now been largely achieved. The company's values have shifted from being technology-based to being human-based. And innovation at Philips is no longer technology-driven, but people-driven.

11. Taking responsibility for the future

The struggle between Beauty and Bounty is a timeless one. Michelangelo encountered it in the sixteenth century, and we still encounter it today. Both Beauty and Bounty need to continue to search for that perfect fit, the provision of benefits that people really want.

Looking back, we can see that many of the benefits that were once limited only to the happy few are now being extended to an ever-growing percentage of the world's population. And can see that, when this process is done in the wrong way, the result is pollution – both semantic pollution (in the sense of an overload of information and options) and environmental pollution.

What we now need to do is to make sure it is done in the right way, so that it leads to a higher level of civilization – in effect, to Paradise Regained.

Within this key challenge of Innovating for Good, each of us has our own, smaller challenge to meet. And we need to do it here and now, in the field in which we can have most impact, within our own company, for instance.

As Michelangelo put it, “Every block of stone has a statue inside it – it is the task of the sculptor to discover it.”

I wish you happy sculpting!

Thank you very much.