

Designing of dollars

Design



Designing of Dollars Great product design is absolutely critical for most consumer products companies. But how do these companies know when a design feature will pay off, especially when every dollar counts? How so they make those tough decisions? That is the challenge that faced Chuck Jones, chief designer for home appliance company Whirlpool. He knew he had to come up with a better way. Chucks realization that the whole process of making design decisions needed to be improved came after a meeting with Whirlpool resource allocation team.

Chuck wanted to add some ornamentation to a Kitchen Aid refrigerator that was being redesigned, but it would have added about US\$5 in extra cost. When the team asked him to estimate the return on investment (that is, would it pay off financially to add this cost?), he could not give them any data. His " trust me, I am a designer" argument did not sway them either. Chuck resolved to improve the approach to investing in design. His first step was to survey other " design-centric" companies, including BMW, Nikkei, and Monika. Surprisingly, only a few had a system for forecasting return on design.

Most of them simply based future Investments on past performance. Chuck said, " No one had really figured this stuff out. " With so many smart, talented people in the field, why had no one been able to come up with a good way to make those decisions? According to two accounting professors, one reason is that it is incredibly difficult to discern design's contribution from all the other business functions (marketing, manufacturing, distribution, etc.). And even the design profession could not agree on how to approach this problem.

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Despite the obstacles, Chuck continued his quest to find a way to objectively measure the benefits of design. What he eventually concluded was that a focus on customer preferences would work better than a focus on bottom-line returns. If his team could objectively measure what customers want in a product and then meet those needs, the company could realize financial returns. Chuck's design team created a standardized company-wide process that puts design retypes in front of customer focus groups and then gets detailed measurements of their preferences about aesthetics, craftsmanship, technical performance, ergonomics, and usability.

They chart the results against competing products and the company's own products. This metrics-based approach gives decision makers a baseline of objective evidence from which to make investment decisions. Design investment decisions are now based on fact, not opinion. The "new" decision-making approach has transformed the company's culture and led to bolder designs because the designers can now make a strong case for making those investments. Discussion Questions: 1 .

Would you characterize product design decisions as structured or unstructured problems? 2. Describe and evaluate the process Chuck went through to change the way design decisions were made. Describe and evaluate the company's new design decision process.