

# Design house partnership

Life



‘ I can’t believe how much we have changed in a relatively short time. From being an inward-looking manufacturer, we became a customer-focused “ design and make” operation. Now we are an integrated service provider. Most of our new business comes from the partnerships we have formed with design houses. In effect, we design products jointly with specialist design houses that have a well-known brand, and offer them a complete service of manufacturing and distribution.

In many ways we are now a “ business-to-business” company rather than a “ business-to consumer” company. ’ (Jim Thompson, CEO, Concept DesignServices (CDS)) CDS had become one of Europe’s most profitable homeware businesses. Originally founded in the 1960s, the company had moved from making industrial mouldings, mainly in the aerospace sector, and some cheap ‘ homeware’ items such as buckets and dust pans, sold under the ‘ Focus’ brand name, to making very high-quality (expensive) stylish homewares with a high ‘ design value’.

The move into ‘ Concept’ products, The move into higher-margin homeware had been masterminded by Linda Fleet, CDS’s Marketing Director, who had previously worked for a large retail chain of paint and wallpaper retailers. ‘ Experience in the decorative products industry had taught me the importance of fashion and product development, even in mundane products such as paint. Premium-priced colours and new textures would become popular for one or two years, supported by appropriate promotion and features in lifestyle magazines.

The manufacturers and retailers who created and supported these products were dramatically more profitable than those who simply provided standard ranges. Instinctively, I felt that this must also apply to homeware. We decided to develop a whole coordinated range of such items, and to open up a new distribution network for them to serve upmarket stores, kitchen equipment and speciality retailers. Within a year of launching our first new range of kitchen homeware under the “ Concept” brand name, we had over 3000 retail outlets signed up, provided with point-of-sale display facilities.

Press coverage generated an enormous interest which was reinforced by the product placement on several TV cookery and “ lifestyle” programmes. We soon developed an entirely new market and within two years “ Concept” products were providing over 75 per cent of our revenue and 90 per cent of our profits. The price realization of Concept products is many times higher than for the Focus range. To keep ahead we launched new ranges at regular intervals. ’