

# Building on porter's value chain model for design management



Building on porter's value chain model (1985), design management creates value at three different levels: management of design activities, integration of design function into all business processes and decisions to the design vision within the company vision and strategy (Sinha, 2002).

### *What is Design?*

“ Design is a process of seeking to optimise consumer satisfaction and company profitability through the creative use of major design elements (performance, quality, durability, appearance and cost) in connection with products, environments, information and corporate identity” (P Kotler, GA Rath, 1984).

It involves a wide range of professions in which products, graphics, services, interiors and architecture all take part. Design is a problem solving, systematic, creative and a coordinating activity (Borja de Mozota, 1998). It is a creative and management process.

Design is a process that has four essential characteristics (Walsh et al, 1992). The 4C's –

- Creativity: the creation of something new
- Complexity: decisions on large number of parameters and variables
- Compromise: Balancing multiples and conflicting requirements
- Choice: making choices between many possible solutions to a problem at all levels

### *Why is Design Important?*

Design enhances products, communication, environment and corporate identity. Design objective is to create high satisfaction for target customers and profits for the enterprise. It is an important strategic tool in firm's unending search for a sustainable competitive advantage.

“ Design seeks to discover and assess structural, organisational, functional, expressive and economic relationships with the task of enhancing global sustainability, environmental protection, giving benefits and freedom to entire human community, supporting cultural diversity despite the globalisation of world.” (Borja de Mozota, 2003). Designers play an important role in how companies use information, how product information is documented and communicated (Lawson 1990, vossoughi 1998, French 1994). Design involves finding and identifying problems as much as solving them (Lawson, p. 136, 1994).

### *What is Design Management?*

Peter Gorb, 1990 defines design management as “ the effective deployment of the design resources available to a company by line managers in order to help the company achieve its objectives”. Design management involves managing the creative process within the corporation and managing the company according to design principles. it is about managing the processes of innovation and design.

“ Design management analyzes the diverse elements necessary for the successful integration of design as an essential component of design strategy” (Gianfranco Zaccai).

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“ Creativity is a process which results in a novel work that is accepted as tenable or useful or satisfying by a group at some point in time” (Stein 1956). Creativity has been considered as a type of problem solving (Matlin, 2002). Puccio, 1997 illustrated that creativity contributes to effective leadership and discovering new and better ways of solving problems, the effective use of human resources and the rapid growth of competition in the business.

Design is regarded as a creative process. The process has five phases, each having a different objective and corresponds to the production of visual outputs. (Borja de Mozota, 2003) These design phases are identical no matter what the design project is.

## PHASES

## OBJECTIVE

## VISUAL

## OUTPUTS

0.

Investigating

Idea Brief

1. Research

Concept

Visual concept

## 2. Exploration

Choice of style

Rough of

ideas,

Sketches,

Rough

of

presentations

## 3.

Development

Prototype

detail

Technical

drawings,

Functional mo

del, 3-D mock

up for

visual correct

ness

## 4. Realization

Test

Documents of

execution,

Prototype

5. Evaluation

Production

Illustration of

the product

The design process (Borja de Mozota, 2003)

In preliminary phase, the idea is generated and the problem is identified which can be solved by the design. In phase 1, the designer analyzes the positioning of product and discovers the technical and functional parameters of the project. In phase 2, the designer makes rough sketches of different possibilities using all his creative resources for the clients. Selection is made between different solutions which are to be developed in phase 3. In phase 3, the selected solution is formally represented in three dimensions. The model is used for various tests and the final model is then adopted ending the creative process. In phase 4, the designer works on realization of a prototype for the project. This requires the collaboration of different departments. In phase 5, tests are launched in three different directions: technical control, calculation test, and marketing evaluation.

FCUK

French connection, also known as fcuk, founded in 1972 by Stephen Marks was designed to create fashionable clothing aimed at a broad target market. French Connection offers a fashion-forward clothing range with a quirky spin on design, priding itself on quality and affordable prices. Fcuk represents <https://assignbuster.com/building-on-porters-value-chain-model-for-design-management/>

French Connection United Kingdom, and is the casual French Connection clothing range; it has developed into a brand name which is highly renowned and an acronym that relates to the French Connection logo. The French Connection brand operates in the fashion-orientated high street retail market offering a fashion-forward range of quality products at affordable prices. Customers, typically aged 18-35, appreciate that the brand is at the leading edge of high street fashion and offers quality and style in its products. The design teams are based in London and products are manufactured in specialist facilities in Europe and Asia (Fcuk. com, 2009). French Connections' operations cover several distribution channels, from their own retail outlets, wholesalers in North America, franchises, mail order, to concession stores in a variety of department stores such as Selfridges. French Connection is now one of the most recognisable fashion brands on the high street with a global reach, operating in over 30 countries, with over 1, 000 stockist's worldwide (fcuk. com, 2009). In February 2001, French Connection paid £23 million pounds sterling to its US joint venture partner ' Best of All Clothing' who had been operating the 24 French Connection stores before the buyout. Now French Connection holds complete independent ownership.

#### Product/service offering

The company design ranges of products for both men and women from underwear to outerwear, casual wear to suits, denim, accessories and children's wear. French Connection has expanded into new markets at a phenomenal rate and the product range is now hugely diversified. The

company began by selling clothing to the men's and women's market, <https://assignbuster.com/building-on-porters-value-chain-model-for-design-management/>

originating as a fashionable clothing range, and has now extended its brand in recent years to include fashion accessories, make-up, toiletries, even condoms and not forgetting more recently alcoholic drinks. Brand licensing plays an important part of the company's strategic plans for expansion with licensing deals revenue. The company has developed into a brand licensing company rather than solely a fashion retailer. The brand had even expanded into radio, with the launch of FCUK FM. The core plan behind the idea is to target 18- to 35 year old to the brand in the future. Fcuk follows a specific pattern to achieve its organisation goals. FCUK advertised " Scent to bed" in publications, print ads in magazines that included cosmopolitan, Marie Claire, Maxim and FHM whose readerships were primarily consisted of girls in their early and middle teenage years. Fcuk remained convinced that the campaign was right for its target market. Focus remains to produce fashion-forward products to build on the success of the ladies' wear ranges (Fcuk.com, FY09 presentation).

## USPs

French connections controversial ad campaigns with the " fcuk fashion" developed the brand's bold, and witty attitude that has made customers think; with a desire to be innovative, distinctive and yet be affordable and accessible. Their adverts are not like the usual fashion advertising, they leave it open to interpretation of the customer. Fcuk witnessed a sudden fall in late 1980s, but it became one of the hottest brands in England in late 1990s and early 2000s, thanks to its controversial marketing campaign and subsequent rebranding. FCUK has always adopted out of the way advertising and selling techniques, for example their logo FCUK, or the eye catching <https://assignbuster.com/building-on-porters-value-chain-model-for-design-management/>



visuals on the high streets. ' Accessories such as hats, sunglasses, backpacks, fragrances and the company's new cosmetics line complement the brand's fashion' (Plunkett 2009). The fcuk logo works as a unique selling point for the brand and separates it from its competitors. Also the exclusive designs, customer satisfaction and service provided by the employees are the unique selling points of the brand. French connection has become synonymous with style and fashion. It strives to maintain the brand credibility and its uniqueness in the market. Innovation and creativity are the characteristic of the designs and the company blends high quality with exciting ideas as well as affordability.

### Multi -Channel Strategy

Apart from the store network such as mail order and the internet the company uses a number of other lucrative channels. With e-tailing, French Connection realised how important their online business is, where they were adamant to win the rights to fcuk. com. In addition to these varied channels deployed, French Connection also grants licenses to retailers worldwide in order to expand their business into new markets. French Connection is aware of the volatility of expanding into new markets. Therefore they are more cautious and get involved with their licensees to follow progress.

### FCUK and the Market

French Connection operates as a multiple specialist fashion retailer, competing against the likes of Zara, H&M, Top Shop, Miss Selfridge, Next, River Island and Warehouse. This industry is highly competitive with numerous international brands fighting in the segment. As like all other <https://assignbuster.com/building-on-porters-value-chain-model-for-design-management/>

fashion retailers FCUK has monitored the progress of the Spanish clothing brand Zara. Due to Zara's lean production and efficient logistics, it has taken over a huge share of the market. To compete with them, the design and production teams at FCUK now only commit to less than sixty percent before the launch of the season . The company acknowledges that speed-to-market is crucial in order to give customers what they want, when they want, at the price they want. It sells its products at higher price points than the likes of Zara and H&M. However during its marketing may have been, French Connection's clothes were in reality considerably less interesting than those stocked at faster-growing rivals Zara and H&M, and the truth finally caught up with the company in 2004. That year, sales began to slow significantly, encouraging the company finally to drop the FCUK slogan from its advertising. That tactic failed to arrest the decline in performance. In May 2009, French Connection announced that like-for-like sales in the UK and Europe rose by 2% during the 3 months ending 16th May, thanks to a strong performance in the women wear sector. Total retail sales in the UK and Europe were up by 8% over the period. French Connection said that women wear had continued to show growth, but that menswear remained difficult (mintel. com).

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Conclusion

French Connection has set a personality to its brand, which is exciting and original; this is considered to be exceptional with the number of different <https://assignbuster.com/building-on-porters-value-chain-model-for-design-management/>

brands in the high street. The key to their success is a combination of their stylish clothing range, affordable pricing, merchandising, and controversial advertising. As the brand is continuously innovating itself, they aim to create more fashionable clothing ranges by taking the opinion from important people in the fashion industry. The advertising will remain innovative and creative but will focus more on the clothes itself; creating a unique look that is distinctively, French connection. The brand celebrates individual fashion whilst constantly developing products, market and future goals to expand