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Case Study of Good Design Support Practice

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Denmark

Design increased exports - the Case of Blue Comfort

Danish Design Centre (DDC)

Five years ago, the Danish forging company Guldhammer A/S decided to invest in design, driven by the wish to increase the company's exports. The investment paid off: within the first years, the sale of the Blue Comfort vacuum pump increased by 50% and ensured the company's exports in an otherwise stagnating home market for fish farming.

Design increased exports

This case study has a slightly different format to others in the SEEdesign Library, as it highlights how design support in Denmark helped a particular company to improve its product and increase its exports.

It all began in 2001, when Guldhammer's wish to increase exports made the small company contact a business adviser centre and later the Danish Trade Council. In both instances the message was unambiguous: focus on design is essential when aiming for increased export.

In 1994, Guldhammer took over the original vacuum pump from the company Sparco, who wanted to hand over the production to another company. The pump was clumsily constructed and its appearance was everything but appealing, but Vagn Guldhammer did see some potential in the old pump. "We have produced equipment for fish farms since 1977, so the pump was actually a natural expansion of our product range," says Vagn Guldhammer. Therefore, the small forging company bought up the remainder of the production as well as the patent for the machine.

Start of export

When Vagn Guldhammer took over the pump, it had already been exported a little, but he quickly discovered that the appearance of the pump was a

disadvantage when it came to international sales. The customers generally met him with scepticism when they saw the pump, and its appearance made them question its function and quality. In other words, the pump needed to be redesigned so it would leave people with a more positive first impression. The very idea of using design in business development came from TIC Viborg Amt, one of Denmark's 15 business adviser centres, which Guldhammer has been in contact with for several years. When Vagn Guldhammer heard the suggestion, the advantages seemed apparent: "We knew that if we wanted to export to new markets, our product had to signal quality, seriousness and professionalism. We didn't really need new functions, but rather a new image that could help brand us positively."

Why design?

Through TIC Viborg Amt, Guldhammer A/S came into contact with Danish Design Centre (DDC) and the Danish Trade Council. DDC initiated an analysis of the design related problems surrounding the fish pump's construction, functionality, user consideration, market demands etc, and subsequently made a project description describing the design tasks. At the same time, Guldhammer A/S ordered a so-called 'export start kit' from the Danish Trade Council, which gave them the opportunity to learn more about the export possibilities in three chosen markets. In the end, the choice fell on Chile, which is attractive because it is one of the world's biggest markets for fish farming.

In addition, the Danish Trade Council had planned a joint Danish export drive in Chile in March 2002: "We wanted to be ready for that, so we were very busy right away. The design process began in November 2001, and 2-3 months later the end result was ready," says Vagn Guldhammer.

The design process

Guldhammer had never worked with design before, and therefore the forging company needed help from outside. They made contact with the Danish design company 3PART A/S, which had all the necessary competencies in product design, engineering assistance and graphic design that were needed for the project.

Vagn Guldhammer and his wife Birgit were responsible for managing the project throughout the whole process, but both of them were willing to listen to suggestions from 3PART, which was represented by industrial designer Henning Therkelsen and engineer Ole Madsbøl, both of whom are partners in 3PART A/S. "Working with design was completely new to us. Therefore, we were happy that 3PART brought both a designer and an engineer because it showed us that they understood what it was all about, and that they could see all the aspects of the project – the design of course, but also the construction and machinery of the pump. The fact that 3PART had all the resources and competencies necessary saved us a lot of valuable time in the end," says Vagn Guldhammer, who has nothing but good to say about the cooperation with 3PART. In particular, he emphasizes the broad competencies of the design company as a great strength, since it meant that 3PART could do the entire project from start to finish. Besides the pump and the weight, an international website has been developed as well as sales material in Danish, English and Spanish, in connection with Blue Comfort.

The first lines for the redesign of the old pump were drawn at the very first meeting between Guldhammer and 3PART. The meeting took place at the forging company, which allowed the employees at Guldhammer to take an active part in the creation of the new design. "Our needs were really taken into consideration, and the employees' feedback and practical experiences with the first model led to concrete changes in for instance the construction. This gave them a completely different and much more positive relationship to Blue Comfort, than if the changes had just been forced on them."

Creating a new brand was part of the design project as well, one that would signal 'fish farming', 'user-friendliness', 'modernity', 'Danish quality' and 'social considerations', i.e. gentle treatment of the fish. The result was 'Blue Comfort', and the new logo and brand also had to be transferred to the new sales material and the website, in order to create consistency and recognition between the different elements. The official company colour has always been blue, and since this colour fits naturally in the new design concept, it was not changed.

The design process was divided into two different phases. Phase one consisted of a structural analysis, where 3PART went through the fundamental structure and construction of the original pump, with the intent of determining the necessary improvements. In this phase there was also a meeting where both parties went through the details of the project and the production of the new pump and weight. Phase two was about the very design concept, and here 3PART presented an almost finished project with respect to design, construction, materials, production and costs. This project only went through minor changes and ultimately led to the production of the first prototype of Blue Comfort.

The design process was very intensive and characterized by close contact and dialogue between Guldhammer and 3PART. This meant that Guldhammer had to invest a lot of resources in the project, but the end result made it worth the effort: "The design project with 3PART has been incredible, and we are very happy with the result. We have not only gained a saleable product, but also a consistent look that includes the name Blue Comfort, printed sales material and a website, where all the components support one another and create recognition", says Vagn Guldhammer. He emphasizes that people show great interest in Blue Comfort, even if it does not necessarily lead to sales, and feedback from customers, agents and other interested parties is always positive.

The result

Blue Comfort is not significantly different from the original pump. All the original functions have been transferred, but the machine has been improved in a number of areas: the construction has been altered, it is easier to operate and maintain, the pump system and technical parts have been optimized and the machine is now able to meet certain new standards regarding noise and air pollution. Other than that, the difference is primarily in its appearance.

The new pump and weight can be used together or separately. In the design process, the focus has been on the appearance, functionality and quality of the whole, which is why the materials are rustproof and heat electroplated, to ensure long life, and the machine is easy to handle and operate.

“Now people always respond positively to our product, with respect to its appearance, function and quality,” says Vagn Guldhammer. In the course of two years, sales of the pump increased from 20 units a year to 30, which is a 50% increase.

Guldhammer expected to sell close to 50 pumps a year, but today the company continues to sell about 20 pumps a year. This means that sales have actually fallen to the original level. Naturally, the market for fish farming plays an important role in the sale of Blue Comfort, and factors such as more competition and tightening of environmental requirements have a major influence on the development of the industry and the tendency to invest in it. During recent years, fish farming has been under financial strain in Denmark as well as other countries, and therefore people are not as willing to invest in new machinery as previously.

“Any future development will not happen in Denmark, but rather in our export markets. We only sell about one machine in Denmark a year, the rest are exported,” says Vagn Guldhammer. Today it is thanks to the exports that the company even produces pumps. “If we hadn’t invested in redesigning the pump, we wouldn’t have been able to sell it in the world market, and with the way the market is in Denmark today, it is the export alone, which ensures the economic yield of Blue Comfort. That is why design has been essential to the business area,” says Vagn Guldhammer.

However, Guldhammer has great expectations of the export markets, especially Hungary, the UK and also Poland. “In the mid nineties we sold around 3-5 fish pumps a year, so even though sales have fallen now, all in all it is still a fairly good increase, which we can only be happy with,” says Vagn Guldhammer, who sees a bright future ahead, since interest in Blue Comfort increased towards the end of 2005.

Blue Comfort has also brought on changes within the company. Today, more

and more employees are working with fish farming and the production of Blue Comfort, rather than servicing agriculture.

Last but not least, Blue Comfort has led to a general increase of publicity and interest in the company. During the last few years, several articles have been written about Guldhammer and Blue Comfort in both national and local newspapers and journals, and recently there was an item about the small forging company on local Danish television.

Expenses

Vagn Guldhammer estimates the price of the company’s design investment to be around DKK 400-500,000 including the actual design concept and the production of the first machine. On top of this is the time that Vagn Guldhammer, his wife and their assistants spent on the project. There have been a few other expenses, such as trips to fairs etc, and market analyses ordered from the Danish Trade Council.

The future

Today, Guldhammer has sales departments in Germany, Norway, France, the UK, Hungary and Chile. The latter three are new since the launch of Blue Comfort, while the former were established before the redesign. The sales departments are not organisationally connected to the company in Denmark, but work as sales agents through local companies.

Recently, Guldhammer has ordered an analysis of the possibilities of exporting to the Polish market. Poland is an attractive export market because the fish farming sector is developing positively right now. In the long term, Vagn Guldhammer wishes to expand his business to the Eastern European market, but he is aware that it can be disadvantageous to focus on many different markets. “We would rather work to gain an even stronger position in our current markets, than focus on too many new markets and thereby lose overview and control, or blindly export to markets that turn out not to be worth it,” says Vagn Guldhammer. The first export markets were not chosen on the basis of a strategic decision, but rather on the basis of the existing export of the original pump. However, the penetration of the new markets is far more purposeful and deliberate. The decision to penetrate a new market is made on the basis of a market analysis performed

by the Danish Trade Council, which examines the size of the investment, general market conditions and whether there are potential collaborators in the market.

“It is a good idea to spend money on a market analysis, and we have been very happy with the result,” say Vagn and Birgit Guldhammer, who on the basis of a market analysis of Canada decided not to enter this market. “The report simply showed that the market was too small for us, and that there were too many elements in our product that needed to be changed in order for it to suit the Canadian market,” says Vagn Guldhammer. Blue Comfort is designed so that it can be used in basically the whole world without any major changes. The only thing that needs adjustment is the power supply, which is an almost insignificant part of the production.

Today, Guldhammer has an export consultant attached, who establishes and manages the contact to the agents in the international markets.

Guldhammer is continuously communicating with 3PART about minor alterations of Blue Comfort, and Vagn and Birgit Guldhammer are definitely not dismissive of the idea to develop more products in the future, where design plays an essential role. For instance, the company is considering expanding Blue Comfort to a product line, where the design is the unifying element. “We have great experiences that will help us the next time we decide to get involved in a project similar to Blue Comfort. The result has exceeded our expectations so we look forward to developing new products where design is a natural part from the very beginning,” say Vagn and Birgit Guldhammer.

Advice from Guldhammer A/S

- Recognize your own limitations and seek help from outside the company.
- Find the right partner for the job.
- Avoid misunderstandings – make sure you speak the same language and are on the same page.
- Take an active part in the whole process.
- Be open to input and suggestions.
- Make sure you and the designers have the same expectations of the project.
- Be ready to invest the necessary resources – both financially and time-wise.

- Be patient with respect to both the process and the result.
- Get employees involved in the process – practical experience and opinions can contribute to a better product, just as it is important for employees to feel part of the project.
- Be enthusiastic and interested – be actively involved in the process from start to finish.

Facts about Guldhammer A/S

Forging and plumbing company which specializes in servicing agricultural and fish farming production
11 employees
Six international sales departments
Founded in 1975 by Vagn Guldhammer

Guldhammer A/S
Baunevej 24
DK-7470 Karup
Denmark

www.bluecomfort.com