



SEE DESIGN

Sharing Experience
on Design Support
for SMEs

Case Study of Good Design Support Practice

This case study is a snapshot of activities taking place during the lifespan of the SEEdesign project from 2005 to 2007. For updated information please contact the organisations directly.

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Denmark

Lightyears

Danish Design Centre (DDC)

DDC®

This case study is slightly different to others in the SEEdesign Library. It provides an example of how design can transform the fortunes of a company.

A few years ago, there was a company in the small town of Aalestrup, Denmark which was struggling to survive. Now, it is an international market success based in the bustling Port of Aarhus. The key to this success? Design.

Lightyears was founded in 2004. In 2005, the company received the Danish home design magazine Bo Bedre's Furniture Award. Production is outsourced to partners in China and Europe and has an export rate of about 50%. The main office in Aarhus has a staff of ten. Lightyears works with external designers.

The walls in the busy main office of Lightyears in the Port of Aarhus feature press clippings of praise for the company's lamps from some of the most renowned design magazines in the world, including English Wallpaper and German md.

"When we first set out, my product manager said that once one of our products had made it into md, he would retire a happy man. But even though md has done a full three pages on our first product series, I have been able to talk him into staying on," says Lars Østergaard Olsen, managing director of the flourishing company.

TAKING A CHANCE

Outlook: Bleak

The outlook was anything but bright three years ago, when Lars Østergaard Olsen took over as managing director of the failing company. Under the name Horn Belysning, the company was Denmark's second-largest in the 1980's, with an annual turnover around 13.5 million euros. The customers included FDB (Danish Consumers Co-operative Society), various German retail chains and IKEA. The product line was a mix of the company's own production and lamps bought and manufactured in China. 7 euro rice paper lamps sat alongside the 1000 euro

"Kongelys" Lamp, but the bulk of the product line consisted of anonymous standard items from China.

"The problem with that business concept was that it was far too easy to copy. It was too easy for the customers to make the trip to China themselves and cut out the middleman," says Lars Østergaard Olsen, and that is exactly what happened. The customers began buying straight from China and dropped away, one after another.

FLOGGING DEAD HORSES

When Lars Østergaard Olsen took over, the development had been going downhill for years, and turnover had dropped by two thirds. It was time for a turnaround.

"In order to succeed in business, you have to offer something that is better than or different from the competition, otherwise you'll disappear in the crowd," says Lars Østergaard Olsen. "And you have to quit flogging dead horses – no point in continuing to push products that don't really sell; they have to go." Step one was a thorough clean-up of the product line to ensure direction and focus. To that end, the company advertised for a Product and Development Manager.

AN OPPORTUNITY IN THE MARKET

And Rasmus Markholt fitted the bill perfectly. He had previously worked with the Italian designer Joseph Forakis and Danish lighting manufacturer Louis Poulsen.

"At first, I was almost embarrassed to say I was working for Horn Belysning, but I could see the potential. It's fun to work in a place that has the guts to take a chance," says Rasmus Markholt.

And Lightyears had guts. An analysis of the lamp market had convinced the new director that there was an opportunity in the market: There was no shortage of cheap, low-quality lamps. And there were lots of expensive, high-quality lamps. But what if you could produce quality lamps cheaper than the competition? Horn Belysning already had the necessary contacts to skilled manufacturers in China. All they needed was quality lamps. And this is where Rasmus Markholt's design experience came into the picture.

HOW TO PICK A DESIGNER

Six pieces of advice from Rasmus Markholt

1. Design Philosophy

You must have your design philosophy in place before you contact a designer. Picking a designer means picking an image. Therefore, it is essential that you know what this image is, and how well it matches the brand that you want to promote. Don't pick designers who say that they can design anything you want.

2. Hand-pick designers

If you are doing a product series that involves several designers, make sure to hand-pick the designers to ensure consistency throughout the series. The best way to manage the product development process is to give the designers an assignment with a set of pre-determined product requirements. You have to know what you want. On the other hand, don't be too cocky to accept unsolicited applications. You could be turning down a future world-class designer

3. Teamwork

Good chemistry between designer and manufacturer is essential. Pick designers who are professional enough to handle criticism. You have to develop a partnership and manage the balancing act between independence and teamwork.

4. Young Designers

It is exciting to work with young designers who have just gone through the artistic phase where usefulness is of absolutely no concern, but who are now ready to work with commercial design. If you manage to find a designer in

the transitional phase between the artistic and the commercial stage, you might develop innovative and marketable design products and achieve a stronger association between company and designer.

5. Trust

First of all, hire someone who understands design. Someone with design experience. Then trust their judgment.

6. Consider The Market

Always include the intended market in your initial considerations. A designer like Utzon will sell anywhere in the world. Consider your target group and the competitive situation. Go for the long term.

DESIGN PHILOSOPHY

Design Philosophy With Consequences

"We defined our design philosophy from scratch," says Rasmus Markholt, "and that in turn led to other important decisions. We decided to relocate to the Port of Aarhus from Aalestrup because the environment here reflects the momentum and energy that defines our profile. That is also why we decided to replace the company name with an English name. From day one, our strategy aimed at the global market."

And it was not just the name that changed. The original product line from Horn Belysning proved incompatible with the new strategy, so it was decided to start over from scratch.

Lightyears' design philosophy dictates certain colours and materials that all designs must stick to. But it is not just about the surface.

"To us, our brand is defined primarily by the fact that we produce light. We don't make lamps for purely decorative purposes. Lighting design is technically complicated. Therefore, function takes precedence in the design of the lamp," says Rasmus Markholt.



A DELIBERATE CHOICE OF DESIGNERS

Once the design philosophy was in place, Lightyears began to draw up a wish list of designers who might help implement the philosophy. Few of them had prior experience with lamp design. Most were furniture designers, so the first task for Lightyears was to teach them to work with light. But the choice of furniture designers was not an arbitrary decision:

“Our strategy was to market the lamps to furniture retailers such as Illums Bolighus, and we wanted to use the name recognition of the furniture designers to gain access to this market.”

CELEBRITIES AND NEWCOMERS

The decision to include the world-famous architect Jørn Utzon as one of the designers was also far from arbitrary. His name would open the door to the international market.

By now, one might think that the inclusion of a couple of fairly unknown names might reflect mere necessity. But this decision too was very deliberate, as Rasmus Markholt explains: “We were hoping to spot up-and-coming designers and help them make a name for themselves. In this way, their name would be more closely associated with us. This has certainly been the case with Cecilie Manz. She was so talented and had done many outstanding designs, but it was the lamp Caravaggio, which she designed for us, that earned Cecilie Manz her first commercial success.”

DESIGN AS A BUSINESS STRATEGY

Design as to sell

“To me, successful design is design that sells,” says Lars Østergaard Olsen. The designers agree, and Lars Østergaard Olsen describes the process of working with the designers as a positive experience all around:

“Some of them are people that you read about in magazines. Celebrities. So of course, initially, I approached them with a certain sense of awe. But they turned out to be incredibly easy to work with. One of the most positive surprises for me in this entire process was the fact that we were able to assemble such a formidable design team although we had yet to make a name for ourselves,” says Lars Østergaard Olsen.

“I am deeply grateful for the trust they showed us, and it’s not that we were able to offer them fat pay checks. On the contrary. Their money comes from royalties, so the designers also had to take a chance that would only pay off if our plan succeeded.”

In the top ten

There is every sign that this chance is going to prove one worth taking for the designers. About a year ago, Lightyears was ready to present the full range of new lamps. They were launched at the Copenhagen International Furniture Fair, and the presentation made the retailers sit up and take notice.

“We had drawn up a wish list of retailers where we hoped to have a presence. And already, we are very close to having reached 100% of them,” says Lars Østergaard Olsen.

And the retailers love the new products. Purchasing Manager of Illums Bolighus, Bo Overgaard, describes the success:

“We have only carried the Lightyears line for about a year, but already, several of the lamps have made our Top Ten list of best-selling lamps. Cecilie Manz’ Caravaggio and Hans Sandgren Jakobsen’s Radon are particularly popular. They are outselling some of the lamps that we have carried for more than ten years.”

BEFORE YOU INVEST IN DESIGN

Six pieces of advice from Lars Østergaard Olsen

1. Make Up Your Mind

First of all, you have to decide if you are going to be serious – you can’t go into this half-heartedly. If you do it, you have to go all the way. The decision must be reflected in all the processes in the company. You must be consistent.

2. Protect Yourself

Protect your immaterial rights, your design. For this, you have to seek professional advice.

3. Be Aware Of The Obligations

There are obligations in working with design, not just to your company but also to the designer whose name is at stake. It takes a serious effort to match, for example, the reputation of a designer like Knud Holscher.

4. Be Aware Of The Side Effects

Design provides added visibility and increased attention, for example from the press. Your company steps out of the shadow of anonymity. You have to be ready for that and able to benefit from the media attention.

5. Pick The Right Staff

Hire people who are right for a design-based strategy, people who understand and appreciate design. Both in the product development department and in the sales department.

6. Take a chance!

Look to the bumble bee – and take a chance! You have to take risks, even if the prospects look daunting. Aim high, go for the gold – and do it! Do it for the joy and pride of working with well-designed products, and do it for the bottom line.

EXPORTS TO 25 COUNTRIES

In the domestic market, things are going well, but already, the export market exceeds it. Today, Lightyears exports to 25 countries.

www.lightyears.dk

THE DESIGNERS

Cecilie Manz
Jørn Utzon
Salto & Sigsgaard
Halskov & Dalsgaard
Hidenori Kuge
Hans Sandgren Jakobsen
Knud Holscher
C F Møller
Strand + Hvass