

DEVELOPMENT OF DESIGN CONSULTANCY BUSINESS AND ITS SIGNIFICANCE FOR CLIENTS FROM NEWLY INDUSTRIALISED COUNTRIES

Özlem ER

INTRODUCTION

Received : 10. 6. 1996

Keywords: Design Consultancy, In-House Design, Newly Industrialised Countries, Technology Transfer.

In the advanced market economies, companies choose to commission professional designers to carry out design work externally at an increasing rate, rather than employing in-house design teams on a permanent basis. This paper first explores the historical development of the design consultancy business and sets out the reasons behind the preferences of companies either to use external or in-house design expertise. It then looks at the issue of using external design expertise from the industrial development perspective of a group of developing countries defined as Newly Industrialised Countries (NICs). By identifying the kind of expertise provided by design consultancies from an industrially advanced country (Britain) to NIC clients, it explores the use of design consultancy expertise in a technology transfer scenario. The paper ends with concluding remarks.

In recent years, a significant body of knowledge has been built into the management of design consultancies/individual consultants-client relationships. Studies in this area have been partly the result of the increasing tendency on the part of clients to commission design work to external professionals (e.g., Morris; 1993; Bruce and Docherty, 1993; Bruce and Morris, 1994; Ingols, 1996; Aldersey-Williams, 1996).

Commissioning of design work to external sources of expertise has generally been looked into from the perspectives of the role of design in competitiveness and 'how best to manage design and designers (in-house/external)' in industry. However, beyond the arguments developed within these perspectives, the use of foreign design consultancies by developing country clients has different aspects. It has been firmly established that in the industrial development strategies of NICs, design has a role with increasing importance (Kim, 1989; Er, H. A., 1993; Er, 1995). Since design consultancies are agents providing skills and expertise for different industries, and NIC companies try to develop indigenous capabilities mainly by continuous technology and knowledge transfer via various mechanisms, it would be expected that consultancies take part in such transfers. A recent study by the author looked into the increasing use of external design expertise from a development point of view trying to identify the kind of roles design consultancies from a developed country play, for clients from a particular group of developing countries (Er, 1995). The main emphasis of the mentioned study was on the question of whether the commissioning of design consultancies related to the long-term planning/strategies of NIC clients.

In the following three sections, the emergence of design consultancy as a business sector and the reasons behind the increasing tendency of using external design expertise will be explored. Further sections will set the significance of using design consultancy expertise for NIC clients with reference to the findings of the above mentioned research study.

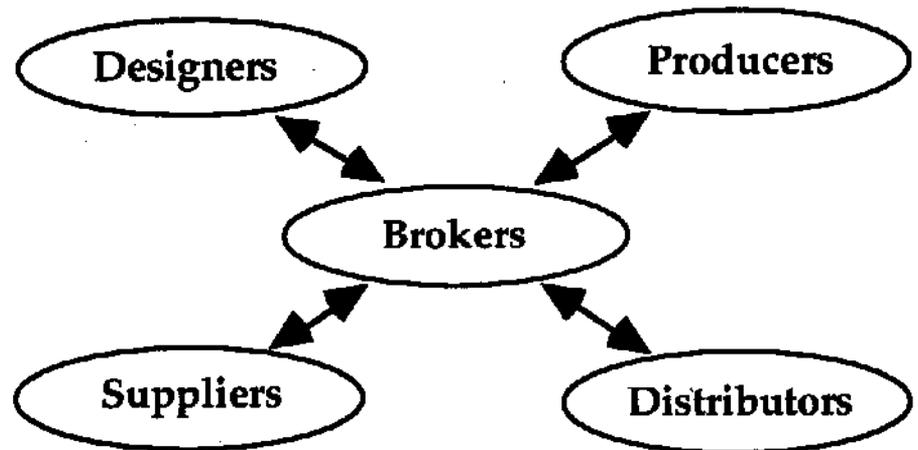
DESIGN CONSULTANCY AS A BUSINESS SECTOR

Design consultants are professional designers or groups of such designers who hire their design expertise and skills to client companies to help analyse design problems, recommend relevant solutions and, if needed, help to implement their findings and suggestions... (Chung, 1989).

Consultancy is the ultimate form of separation of design work as a specialised area of expertise (Sparke, 1983; Lewis, 1988). The concept of the 'consultant designer for industry' appeared in the USA in the late 1920s (Sparke, 1983). The development of design consultancy profession is closely linked to the role played by mainly American designers to stimulate demand for mass produced products. During the late 1920s and 1930s American manufacturers faced competitive pressures derived from a declining domestic sales record rather than from international competition. This created a need to differentiate products in order to win market share from competitors and to stimulate greater total consumption throughout the economy (Meikle, 1988). It can be said that the market-oriented use of design to increase sales graphics provided designers of that time with high status. The famous designers of this era such as Raymond Loewy, Walter Dorwin Teague, Henry Dreyfuss, and Norman Bel Geddes were 'all outside consultants who tended to be hired by chief executives and who worked day to day at the highest levels of the company, where they could feel its pulse' (Wassermann, A. S. quoted by Meikle, 1988).

By 1963, sixteen American design firms had established offices abroad and more than thirty were serving foreign clients from the United States. Manufacturers in twenty two European and Latin American countries and in Japan had contracts with American designers for projects almost equally divided between packaging and product development (Pulos, 1988).

Figure 1. A Dynamic Network;
Source: Miles and Snow (1986).



Following the USA example, design consultancies have developed in other countries. In Britain, Design Research Unit (DRU) founded by Milner Gray and Misha Black in 1943, was the first modern design consultancy. By 1988, British design consultancies were employing more than 30,000 people becoming an industry in its own right (Myerson, 1992). Despite the negative effects of the economic recession which started in 1990, British design consultancy sector remains strong with an international client base.

In parallel with the development of design consultancy as a serious business, an increasing trend towards the use of external design expertise in product development/outsourcing of design expertise has been noted (Whipp and Clark, 1986; Westamocott, 1992; Morris, 1993; Bruce and Morris, 1994; Quinn and Hilmer, 1994). This trend is also a result of the restructuring schemes of many large corporations from the 1980s onwards.

INTERNATIONALISATION OF DESIGN CONSULTANCY BUSINESS

The rapid development of design consultancy business in the 1980s can also be related to the internationalisation of economic activity and production. In fact international strategic alliances and international subcontracting are long established forms of inter-organisational relationships. However, it is now being suggested that new organisational forms containing elements of both strategic alliances and subcontracting networks are emerging. These dynamic networks or flexibly integrated organisational forms involve complex relationships between firms each of which performs a specialist role within a coordinated network (Dicken, 1992).

[The major components of such a dynamic network] can be assembled and reassembled in order to meet complex and changing competitive conditions... Business functions, such as product design and development, manufacturing, marketing and distribution typically conducted within a single organisation, are performed by independent firms within a network... Because each function is not necessarily part of a single organisation, business groups are assembled or located through brokers (Miles and Snow, 1986; Dicken, 1992).

An example of dynamic network organisation is given by Dicken (1992). It belongs to a US toy manufacturer, Lewis Galoob Toys, Inc., a multimillion-dollar company in the mid-1980s.

A mere 115 employees run the entire operation. Independent inventors and entertainment companies dream up most of Galoob's products, while outside specialists do most of the design and engineering. Galoob

farms out manufacturing and packaging to a dozen or so contractors in Hong Kong, and they, in turn, pass on the most labour-intensive work to factories in China. When the toys land in the US, they're distributed by commissioned manufacturers' representatives... In short, says Executive Vice President Robert Galoob, 'our business is one of relationships'. Galoob and his brother, David, the company's president, spend their time making all the pieces of the toy company fit together, with their phones, facsimile machines, and telexes working overtime (Business Week, 3 March 1986 in Dicken, 1992).

In the specific case of a design consultancy, a similar example is provided by Marples (1992):

PID (Product Identity Design) have an office in Hong Kong. Toy designs are sent out by fax or courier and the manufactured toys are shipped back and sold on to Tesco in the UK.

Another industrial design consultancy defines itself as an integrated strategic design agency with its own OEM (Original Equipment Manufacturer) liaison in Asia (Design, February 1993).

It should be mentioned that communications technology is the driving force behind the globalisation of the markets as well as the operations of many companies including design consultancies. Rawsthorn (1992) reported that most design companies especially the large ones were investing heavily in information technology which helps to strengthen client relationships by providing facilities such as direct computer links.

The following section explores the reasons behind the preferences of companies either to use external or in-house design expertise.

EMPLOYMENT PATTERNS OF DESIGNERS

There are several and sometimes different views on the most effective way of employing designers for companies (Lewis, 1988; Roy *et al.*, 1990). Lewis (1988) indicates two of them as American and Danish-Swedish ones. While the former opinion considers that a strong dependence on external consultancy sector indicates poor quality in-house design, the other suggests that the use of design consultants prevents the loss of creativity.

In Quinn and Hilmer's view (1994), a firm's core competencies involve 'activities such as product or service design, technology creation, customer service, or logistics that tend to be based on knowledge rather than on ownership of assets or intellectual property per se'. A trend towards outsourcing of core competencies such as R&D and product design might lead to their loss in a company.

In a similar vein, Roy *et al.* (1990) point out some possible problems in the case of complete substitution of in-house design skills by external expertise. Some other sources emphasise the nature of the product design and development process that needs long-term, in-house relationship with industry as a difficult one to get from outside (Sparke, 1983; Gorb, 1978). According to Walsh *et al.* (1992),

the main reason for employing a design consultant (in Britain is) either a general lack of in-house skill, or lack of a particular skill for example, designing in plastics, graphic design for a brochure or software development. The foreign firms were more likely to employ consultants for design and development as a matter of principle or company strategy, in order to maintain a flow of fresh ideas.

A leading design consultant, Kenneth Grange, argues that the ideal arrangement of product development in a company may be entirely in-house, entirely external or a mixture of the two:

It all depends on the traditions of the company; on its commitment to design; on the strengths or weaknesses of its in-house staff; and above all, on the personalities involved... But heavy reliance on design consultants can only work if, like Olivetti, Deere and Wilkinson, the client appreciates the level of financial commitment required for the consultants to attend all the meetings that are necessarily involved in the planning and execution of product development (Reported by Lorenz, 1986).

In a similar vein, Walsh *et al.* (1992) relate the successful use of design consultants to their proper management at senior level with an understanding of design, and to the integration of the consultant's work with the work of in-house staff. Either having indicated some problematical factors or not, these studies and several others mention the advantages of the use of external design consultants (Pilditch and Scott, 1965; Lewis, 1988; Moody, 1980; Pilditch, 1987; Chung, 1989; Morris, 1993). Chung (1989) lists them as follows: Professionalism, creativity, objectivity, flexibility, efficiency, economy, reliability, ease of access to various levels of management, specialised resources including equipment and variety of choice. According to Morris (1993) on the other hand, the most significant reasons for a company to enlist the help of an external consultant are:

1. To solve a short-term problem on a project
2. To relieve the workload on an in-house department
3. To access fresh, new ideas
4. To access specialist help
5. Because of the lack of in-house expertise.

Referring to the evidence of his research Moody (1980) states that 'all the firms prefer to employ a consultant industrial designer and the reasons for their preference are similar. Even if firms had enough projects to warrant employing an in-house designer, a consultant is in any event preferred'. According to Moody (1980), industrial designers are employed primarily for their practical skills and knowledge. However, usually the in-house personnel who are employed for their practical skills have the status of technicians.

They carry out instructions from higher levels of authority, their movements are closely controlled, opportunities to foster outside contacts are virtually non-existent, they have little or no influence on a firm's policy.

On the other hand consultants generally have a status which gives them direct access to policy-makers. Therefore, he concludes that an industrial designer's position as a consultant outweighs the impediment of the practical nature of the tasks he performs.

Having mentioned the necessity of employment of industrial designers on a regular basis in industry, Ughanwa (1991) also stressed the tendency of addressing external design expertise in industry. According to him the services of design consultants for various reasons, including their wide-ranging experience and expertise, cost reduction, saving in time, *etc.*, may be preferred to employing industrial designers in-house. In the same vein, Black (1983) also emphasised the necessity to stimulate the staff designer and mentions the usefulness of consultant designers for such a task:

As a stimulant, catalyst and particularly as an irritant, the consultant designer is unequalled when brought into close proximity with the staff designer. It is in this role of goad, crutch, critic (and sometimes inspirer) that the consultant can be most useful to large-scale industry... If he is of the right calibre, the consultant designer brings an analytical approach to the problems presented, unbridled by the traditions of common practice of the industry (Black, 1983:179).

A survey of 221 product, engineering, industrial and graphic design projects in small and medium-sized UK manufacturing companies that received a small government subsidy to employ a design consultant revealed that 'the development of new or improved products, packaging etc., using professional product, engineering, industrial and graphic design expertise can be an excellent commercial investment' (Potter *et al.*, 1991:57). The mainly small and medium-sized firms which constituted the sample of this study were able to engage a professional design consultant for 15-30 days at zero cost or at a subsidised rate to help in the development of new or improved products, components, packaging, product graphics or technical literature under the Department of Trade and Design Council's Funded Consultancy Scheme/Support for Design (FCS/SFD) programme between 1982-1986.

According to the results of this survey, one of the indirect benefits of undertaking a project involving a professional design consultant was that this experience enabled firms to learn how to use professional design consultants.

Three-quarters (75%) of firms reported learning one or more design management lessons. Of these 15% learned the importance of choosing an appropriate consultant; 33% the importance of a clear and detailed brief (results are only as good as the brief); 10% the importance of regular contact with the consultant during the project; and 16% learned other lessons such as ensuring that consultants are aware of manufacturing constraints (Potter *et al.*, 1991).

At an increasing rate since the 1980s, the services of design consultancies encompass market analysis, concept development, testing and manufacturing stages (Sparke, 1983; Chung, 1989). Similarly, a tendency of expansion and deepening in the role of designers is noted by various sources (Sparke, 1983; Chung, 1989; Blaich, 1988; Bernstein, 1988; Bahnsen, 1988; Dunn, 1993). Fujimoto (1991) points out the direction of this tendency as follows:

In the contemporary design management paradigm... the designers' mission is expansive and proactive. They interpret customer needs and translate these concerns into a total product concept; they give visual expression to these ideas and share their synthesis of the issues with the development team; they become the vehicle for cross-functional coordination and a key evaluator in realising a successful final product.

The change in the consultant's role was also stressed by Dunn (1993):

In the 1980s consultants would recommend and then implement change for their clients. Today, consultants are facilitators, not front-seat drivers. They are being hired to help companies manage change themselves, to hold their clients' hands, to give them 'ownership' of the changes (Dunn, FT, Sept. 14, 1993).

SIGNIFICANCE OF USING DESIGN CONSULTANCY EXPERTISE FOR NIC CLIENTS

According to a dictionary of economics a Newly Industrialised Country (NIC) is one which is not a developing country but has not yet achieved the status of the advanced countries (Penguin Books Ltd., 1987). The most significant common characteristic of NICs is that they have explicitly attempted to develop their economies on the basis of industrialisation (Dicken, 1992). According to Er, H. A. (1993), the fact that makes NICs interesting in terms of design research is their being the only developing countries which attempted and succeeded, at least in some sectors, to establish an industrial design activity.

What makes NIC firms different from developed country ones are the former's starting of operation in an environment with a number of scarcities

It is possible to make a list of scarcities faced by NIC companies, though it must be mentioned that these vary between companies and also among different NICs (Er, 1995).

In general, NIC companies lack:

- . financial resources
- . innovative design skills
- . technology
- . product development capability from scratch
- . engineering know-how
- . a strong market identity/image/reputation
- . a strong supplier base producing at world class quality
- . a sophisticated customer profile in the domestic markets

To overcome the disadvantages posed by the kind of scarcities listed above, a company could follow various paths. Such a company could make use of various knowledge and technology acquisition mechanisms such as joint ventures, licensing, imitation, subcontracting, reverse engineering, person-embodied transfers through academic institutions, etc. Also, the companies which have accumulated sufficient capabilities in products, processes and in organisational functions such as marketing could try to break into world markets through different market entry mechanisms. Subcontracting relations of various kinds (*e.g.*, Original Equipment Manufacturing contracts) are among such mechanisms.

RESEARCH METHODOLOGY

The study that the present paper is based on, was carried out in two stages. The first stage was of an exploratory nature and consisted of a postal survey of 56 British design consultancy companies specialised in product design, and interviews undertaken in seven consultancy companies which were chosen from the respondents of the postal survey. The study's focus on the operations of British design consultancies stemmed from the fact that Britain has a strong design consultancy sector which is acclaimed internationally (Hancock, 1992). Several research methods were considered in the light of the aims of the mentioned research study.

An exploratory study was needed to gain a picture of the field that is studied. The first aim was to acquire some basic knowledge of the operations of British design consultancies in NICs and identify some companies to carry out detailed studies. Secondly, the aim was to find out about the characteristics of consultancy work concerning NIC clients. Thus, the quality of data that the researcher expected to reach at these two stages were different.

It was befitting for the aims of the research to gain breadth first. A survey that would be carried out by postal questionnaires was thought to be the most appropriate method for collecting basic exploratory information. The limitations of quality and quantity would not matter so much at this stage of the research since more data was planned to be collected at later stages of the study. Interviews on the other hand, would be suitable at the second stage of the exploratory study. By using the interview method, knowledgeable and willing respondents of the postal questionnaires could be questioned on their answers and new questions could be asked about the subject area being explored.

According to Kinnear and Taylor (1983), the design of an exploratory study is characterised by flexibility in order to be sensitive to the unexpected and to discover insights not previously recognised. A loosely structured interview schedule with emphasis on open-ended questions would provide this flexibility.

It was decided that a combination of unstructured and focused approaches with emphasis on open-ended questions would be suitable for the purposes of the exploratory stage of the research project.

All of the interviews were recorded and transcribed in full. Analytic procedures were applied in order to analyse the interview data qualitatively.

As vehicle design and development projects were found to represent a major part of the consultancies' work in NICs, the second stage of the study focused on the automotive industry. In the second stage, case studies were carried out in four British design consultancies selected from the combined findings of the initial study and a focused literature survey on the automotive industry.

The present paper is based on the interview findings carried out at the first stage (i.e., the exploratory stage) of this study vis a vis the nature of the work carried out by British design consultancies for NIC client bodies.

NATURE OF THE RELATIONS BETWEEN UK DESIGN CONSULTANCIES AND NIC CLIENTS

The cooperation examples identified between the UK design consultancies and NIC clients are as follows:

- . Consultancies are linked with NIC manufacturing companies within subcontracting networks (via UK/multinational companies, partners of NIC clients).
- . Although the initial link was established between the consultancy and the NIC manufacturer via the principal company in subcontracting relations, cooperation continues between the former two on autonomous terms.
- . Consultancies are commissioned directly by NIC manufacturing companies.
- . Consultancies are used by governmental bodies for managerial and technological expertise directly.

- . Foreign design consultant is used by a marketing company for the development of an innovative new product.
- . Foreign design consultant is used for educative purposes (person-embodied knowledge transfer).
- . Consultancies are linked with NIC manufacturing companies through multinational partners of the latter.

British design consultancies were found to have connections mainly with East-Asian countries (including India). This finding is in harmony with the economic growth record of this region over other developing countries.

The kind of services and expertise provided by the consultancies where research interviews were conducted (seven companies) to a number of NIC clients on the basis of particular projects are presented in **Table 1**.

Table 1. Consultancies' expertise for NIC clients on the basis of particular projects.

Company A	Product design
Company B	Lecturing and tutoring on design practice
Company C	Product design and engineering skills Standardisation and simplification of product components Introduction of new but at the same time suitable manufacturing techniques to the client's particular needs Introduction of new but at the same time suitable materials to local conditions Liberating the client to be dependent on certain components and the manufacturer of those components Helping the client to have a differentiated product which can be sold independently
Company D	Turning around a government product and process development laboratory into a market-oriented laboratory Teaching management and business processes Teaching about organising business functions Help on the project basis Teaching and training on the job Hands on design and project review Review of the role of an existing government institution and building up a new institution Process consulting Comprehensive approach to the requirements of clients
Company E	Product design Prototype building by using CNC facilities Producing detail drawings for manufacture
Company F	Re-engineering of vehicles to suit the highly regulated developed country markets Developing turn-key programmes from concept clay modelling through engineering, testing development and building prototypes Providing production engineering technology Carrying out modifications on existing car models to suit local conditions Building up production facilities Staff training Carrying out functions of product development in a piece-meal fashion and other functions such as testing and prototype building Bringing a standard of European engineering Acting as middlemen between parties searching for suitable materials or component manufacturers Providing specialist expertise such as finite element analysis, chassis development, etc. Assistance in recruiting and training in-house design and engineering teams Assistance in applications engineering
Company G	Providing cost-oriented design solutions appropriate to local conditions

According to the above presented overview, the expertise of UK design consultancies for NIC clients shows itself in the below identified points:

- . Provision of innovative design skills and innovative thinking
- . A comprehensive understanding of the complete product development process
- . Expertise to develop products (new or redesign)
- . Knowledge of standards which are in use in the developed countries (help in overcoming market entry barriers)
- . Introduction of component manufacturers befitting to the needs of NIC clients
- . Introduction of new manufacturing techniques
- . Introduction of technologies befitting to the special needs of the clients
- . Provision of specialist expertise
- . Assistance in recruiting and training in-house design teams
- . Assistance in applications engineering
- . Provision of R&D expertise
- . A broad view of R&D strategy at national and corporate levels and R&D implementation at organisational and project levels
- . Advisory consultancy work at strategic management level

The types of work undertaken by the British design consultancy companies for NIC clients were categorised in Table 2.

Table 2. Types of Work Undertaken by the Consultancies.

	Company A	Company B	Company C	Company D	Company E	Company F	Company G
Process consulting (teaching, training people, making them understand what the implications of change are)				√			
Management of product development process			√	√		√	
Adaptive redesign/Design improvement	√		√	√	√	√	√
Training		√	√	√		√	
Transfer of design and engineering technology			√	√		√	
Transfer of technical skills		√	√	√		√	√
Transfer of management skills			√	√		√	
Product differentiation (market-oriented)	√		√	√	√	√	
Product adaptation to domestic market conditions (cost-oriented)	√		√	√	√	√	√

The findings presented above suggest that the expertise of British design consultancies has been used mostly in projects of product differentiation/adaptation. Product differentiation is essential when an NIC company producing licensed products wants to follow an independent marketing strategy. On the other hand, adaptive redesign/product adaptation is often necessary when a product originally developed for sophisticated markets to be produced and marketed in NICs. The consultancies have rarely been commissioned for new product development projects. Besides, the use of design consultancies is not confined to product development projects. The types of consultancy work range from mainly an advisory role in the capacity of a visiting lecturer, to help in the generation of national R&D strategies, to building up production facilities, to reorganising existing research institutes. Among the employers of design consultancies, there are government institutions and educational bodies as well as domestic market oriented companies.

The evidence provided by the study of British design consultancies as demonstrated in the above tables indicates a major role which design consultancies of an advanced country can play for NIC client bodies that is of being marketing agents. Apart from this major role, the findings also imply a secondary role which occurs as a by-product of the process of working together of consultancies and client bodies. In the following sub-sections these roles will be explored.

CONSULTANCIES AS MARKETING AGENTS

From the findings of the study presented in this paper, it is possible to identify the following scenarios of foreign design consultancy use as marketing agents by NIC clients.

Products which are designed for sophisticated market conditions might need some changes to be marketed in domestic markets. Such a need would stem from particular features of the local market such as the requirements of the climate or cultural preferences. In such a case if the local company is not able to materialise the adaptive redesign work with its own resources, design consultancies might be called in. In the case of production under licence agreements the parent company would provide help in finding suitable consultancy companies for the required work.

On the other hand, when a local company which has been manufacturing a product under licence wants to start marketing this product under its own name through its own channels, it has to carry out changes in the licensed product sufficient enough to avoid legal problems with the licensing company. This kind of work, which is redesign for product differentiation enables the manufacturing company to follow an autonomous production and marketing strategy.

If an NIC company wants to start exporting, it needs help to meet foreign market specifications and consumer preferences. In the case of exporting through sub-contracting relations, it is very likely that the principal companies/buyers from developed countries would provide the required help. In such a case, design consultancies can be commissioned as part of a team of companies providing specialist expertise in areas where potential exporters need help. This group of companies would generally be brought together by the initiative of the principal companies, implying the existence of indirect relations between NIC manufacturers and design consultancies. However, at a later stage, where NIC companies have accumulated considerable expertise, they would want to launch own brand products and market them autonomously. This time, design consultancies can be commissioned directly by NIC clients to receive critical information on the target markets.

From the research findings, British design consultancies are found to have been engaged in assignments in all of the above identified scenarios in relation with NIC clients.

CONSULTANCIES AS AGENTS OF ORGANISATIONAL LEARNING

From the research findings, it appears that foreign design consultancies also have a role as agents of organisational learning. This role occurs as a by-product of the process of cooperation between design consultancies and the commissioning NIC clients, and thus can be labelled as being indirect.

A company passes through a process of learning in moving from the position of having basic capabilities to the level of maturity. Though it should be mentioned that not all companies would try to reach the level of maturity unless there are internal and external stimuli to justify such a goal.

As a general point, the research findings reveal the existence of an idea on the part of the consultants that, due to the specific pattern of industrialisation (an industrial experience based on imported technologies) and also the effect of the culture (East-Asian particularly) showing itself in certain attitudes, NIC clients have problems/difficulties that are more complex compared to clients from European countries. At operational level, such problems are the source of differences between the ways consultancies operate in NICs and in Europe. Thus, the consultants think that, beyond providing effective design solutions as they do for all their clients (from NICs and other countries alike), they provide 'a comprehensive understanding of the product development process' and that they approach client problems in a comprehensive way. For one particular consultancy the private sector in NICs and their needs at project level were not in their agenda at a considerable scale as the private sector mostly have been pursuing dependent production strategies. Instead, this consultancy has been giving services at strategic management level to the public sector (in their case state-owned research institutions) due to the level of development of the private companies in NICs (Table 1, Company D row).

The consultants find industrial design a narrow definition to explain the kind of expertise that they provide to NIC clients. They claim that they are providing alternative ways of approaching design problems, the tradition of innovative thinking, an up-to-date understanding of the product development process, as well as introducing the latest best practices in the product development process (such as simultaneous engineering) to their clients.

Another important point to note is that for an NIC client to hire a design consultancy company from a high wage economy is an expensive decision. One consultant mentioned this aspect by saying that they discount their rates in order to establish a presence in the so called NIC markets. Another one stated that 'any commercial endeavour does not want to continue paying extortionate rates to designers', they would rather build up their own in-house teams'. Moreover, since the cost of hiring design consultants is very high for such clients, they would not want to go on paying high amounts of money over and over again. Thus, the clients' expectations are not confined to the general benefits of consultancy use which are listed in several studies (*e.g.*, Chung, 1989; Morris, 1993) such as their being a source of fresh, new ideas, *etc.* It appears that what they look for is to gain the utmost benefit from the consultancy use, in other words to achieve technology and skills transfer. In cases where the consultancies are hired for product design and development services, the clients tend to evaluate the value of using consultants not only in terms of the end products, but the process leading to the end products. They try to learn from this process, and see it as an investment in technology transfer. Even if the demands of a client from a consultancy are of a limited scope, the process of collaboration has an educative side for the client.

SIGNIFICANCE OF USING DESIGN CONSULTANCIES BY NIC CLIENTS

In the light of the research findings presented in this paper, it is possible to form a list of attributes which explain the significance of using design consultancy

expertise for NIC clients. Design consultancies of an advanced industrial economy may be useful to NIC clients with the following attributes:

- . Consultants have specialised knowledge, skills and resources that NIC clients lack (standards, regulations, product and production technology, market information, materials, prototype building, tooling, testing facilities, computer technology, *etc.*)
- . Consultants know people/have contacts that NIC clients do not (suppliers, brokers, *etc.*)
- . Consultants can teach NIC clients what they need to know (how to manage the design process, latest practices in product development and management processes, *etc.*)

In other words, consultants help to remedy deficiencies in skills and in firm-level capabilities which vary in degree according to different NIC clients.

CONCLUDING REMARKS

The subject of using external design expertise has generally been studied from the perspectives of commercial benefits of design and 'how to manage design and designers (in-house/external)' in industry. However, beyond the arguments developed within these perspectives, the use of foreign design consultancies by companies from Newly Industrialised Countries has far reaching dimensions. It has been established that in the context of the development strategies of these countries, design has a role with increasing importance. In this context, foreign design consultancies offer an alternative source of expertise which can be used at different stages of organisational development for different purposes. At an advanced level, such a process involves the use of design as a competitive business tool.

The use of foreign design consultants by NIC clients also pose managerial problems. In countries such as Turkey, where design management is a newly emerging issue, the management of foreign professionals and to receive maximum benefit from their work appear to be difficult tasks. Case studies are needed to explore the experience of local companies or other client bodies of working together with foreign design consultants in order to provide guidelines for local managers. As Turkish companies have increasingly been using foreign design consultants/consultancies since 1990s, the need for such studies seems to be more urgent. It would also be beneficial to carry out studies in the context of each different NIC by local researchers, similar to the ones that were undertaken on the management of external design expertise in the developed countries context. Further studies are also needed to look at the use of foreign design consultants from the perspective of NIC clients, especially at the question of what is the most appropriate way of gaining product design and development capabilities for NIC companies.

TASARIM DANIŞMANLIK HİZMETLERİNİN GELİŞMESİ VE 'YENİ SANAYİLEŞEN ÜLKELER' AÇISINDAN ÖNEMİ

ÖZET

Alındı : 10. 6. 1996
Anahtar Sözcükler: Tasarım Danışmanlık Hizmetleri, Firma İçi Tasarım Hizmetleri, Yeni Sanayileşen Ülkeler, Teknoloji Transferi.

Son yıllarda firmalar, tasarım işlevlerini kendi içlerinde yürütmek yerine, gittikçe artan bir oranda firma dışında, profesyonel tasarımcılar ya da tasarımcı grupları ile yerine getirmeyi tercih etmektedirler. Bu gelişmeye paralel olarak, tasarım alanında danışmanlık hizmetleri veren firmalar ya da serbest tasarımcılar ve onların müşterileri arasındaki ilişkilerin nasıl yönetilmesi gerektiğine ilişkin önemli bir bilgi birikimi oluşmaktadır. Bu yazıya temel olan çalışmada, tasarım işlerinin firma içi ya da dışı kaynaklarca yerine getirilmesi konusu, genellikle tasarımın piyasa rekabetinde artan önemi göz önüne alınarak firmalar açısından en çok katkı sağlayacak şekilde nasıl ele alınabileceği incelenmiştir.

Batı ülkeleri bağlamında firma dışı kaynaklara artan ölçüdeki yöneliş, başka bir bağlamda 'yeni sanayileşen ülke' firmalarının bir teknoloji transferi senaryosu içinde ünlü batılı tasarım danışmanlık firmalarından hizmet sağlamaları biçiminde de gözlemlenmektedir. Bu aynı zamanda tasarımın, firma stratejilerinde rekabet faktörü olarak artan öneminin yeni sanayileşen ülke firmalarının da kabul görmesine ve bu çerçevede tasarım yeteneklerini artırma isteklerine uyumlu bir gelişmedir.

Yeni sanayileşen ülke firmaları, Batılı tasarım danışmanlık firmalarını endüstriyel gelişme stratejileri çerçevesinde hangi amaçlarla kullanıyorlar? Bu yazı, dışarıdan (firma ve ülke dışı) tasarım hizmeti almanın, gelişmekte olan ülke firmaları için nasıl bir önem ifade ettiğini, gelişmiş bir tasarım danışmanlık sektörüne sahip İngiltere örneği ile ortaya koymaktadır. Bulgular, gelişmiş ülkelerin tasarım danışmanlık firmalarının yeni sanayileşen ülke firmaları için oynadığı en temel rolün pazarlamada olduğunu göstermektedir. Tasarım danışmanlık firmaları, gelişmiş pazarlar için üretilmiş ürünlerin yerel pazar koşullarına uyarlanmasını, ya da lisans altında üretilen ürünlerin ihracat amacıyla farklılaştırılmasını hedeflemektedirler. Ayrıca bu firmalar, müşteri firmaların ihracat yapmayı istedikleri gelişmiş ülke pazarlarına girebilmek ve başarılı olabilmek için gereksindikleri yardım ve bilgileri sağlamaktadırlar. Bunların dışında bulgularımız, tasarım danışmanlık firması ile müşterisi arasındaki ortak çalışmanın bir yan ürünü daha bulunduğunu göstermektedir. Bu da, müşteri firmanın teknolojik yetenekler kazanma ve geliştirmesi yanısıra organizasyonel öğrenme sürecinde edindiği becerilerdir.

Gelişmiş pazar ekonomileri içindeki Batılı tasarım danışmanlık firmalarının, yeni sanayileşen ülkelerdeki müşterileri için sağladıkları başlıca üç noktada toplanabilir:

1. Tasarım danışmanlık firmaları, yeni sanayileşen ülke firmalarının sahip olmadığı bilgi, yetenek ve kaynaklara sahiptirler. Bunlar standartlara, düzenlemelere, ürün ve üretim teknolojilerine, pazar bilgisine, malzemelere, prototip geliştirme ve test olanaklarına, bilgisayar teknolojilerine ilişkin olabilir.
2. Tasarım danışmanlık firmaları, üreticiler, araçlar, uzman kuruluşlarla ilişkiler açısından yeni sanayileşen ülke firmalarından üstün bir konumdadırlar.

3. Tasarım danışmanlık firmaları, yeni sanayileşen ülke firmalarının bilmek istedikleri şeyleri öğretebilirler. Bunlar ürün tasarlama ve geliştirme sürecinin yönetimi, üretim ve ürün geliştirme süreçlerinde yeni metodlar olabilir.

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