

# TRENDS



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## HP's Design Focus Will Pay Off

Design Is A Source Of Operational Efficiency And Product Differentiation

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### EXECUTIVE SUMMARY

Most firms believe that designers can make products better. At HP, the chief marketing officer (CMO) also believes that design investments can pay off in improved operational efficiency: faster product cycles, lower product costs, lower marketing costs, and higher retail sales. This has driven HP's design team to create and share reusable design elements for products, marketing materials, and retail packaging. The next step? Create new "design impact" metrics that link standard design elements to operating metrics and give managers and executives the tools to measure the impact of design on business performance.

### AT HP, DESIGN IS MOVING FRONT AND CENTER

Forrester recently met with HP's Vice President of Design, Sam Lucente, to learn about HP's approach to experience design. Lucente, who reports into HP's CMO, Cathy Lyons, joined HP in 2003 to spearhead what he sees as a five-year transition to make design a core competency of the company. Forrester was impressed with the scope and depth of HP's design activities:

- **Industrial design.** HP's breadth of products means that industrial design is critically important to product differentiation and consistency. To help, Lucente and industrial design chief, John Gunther, have partnered to build a library of standard design elements, including colors, shapes, fairings, bezels, and input controls that are now incorporated into PCs, printers, cameras, projectors, TVs, and remote controls. HP estimates that reusing these design elements saved \$34 million on a new server rack system.
- **Marketing materials.** Lucente's team has built standard marketing collateral elements — like logos, colors, page layouts, and paper — that can be easily adapted for print and online marketing materials. These creative elements are available to every product group and world region. The benefit is faster collateral development, higher quality, and a more recognizable HP presence. HP estimates \$160 million in savings during the past 18 months in marketing materials and more efficient vendor management.
- **Retail packaging.** Retail packaging is often a consumer's first experience with a product. Instead of leaving this critical interaction to every product team, HP has created consistent package designs to make sure that the first glance draws a consumer in and that the packaging provides a path for the eye to follow to delve into details. These retail packages are now used by all consumer product groups, thus speeding the rollout time and improving the retail experience.

### HP Is Aiming Design At A High-Quality “Look And Feel For Me”

Design experts articulate the role of design in three product layers — interface, interaction, and infrastructure.<sup>1</sup> Lucente and the HP design team began their work with the interface layer, but are now incorporating standard design elements in the interaction and the infrastructure layers as well. The three layers must work well together to achieve HP's goal of “Radical simplicity, better together”:

- **The interface layer delivers a consistent look.** The interface layer encompasses product materials, hardware buttons and layout, and software menus. HP has already saved millions of dollars by building a consistent logo “jewel” that now appears on more than 250 million shipped products.
- **The interaction layer offers consistent behavior.** The underlying interaction layer defines the workflow and the way the product works. HP's design goals in the interaction layer are to provide a consistent response to user actions. For example, HP is making the consumer photo management workflow consistent across the camera, PC, and printer.
- **The infrastructure layer enables a “look and feel for me.”** HP's ultimate design goal is to allow a company or consumer to tailor his HP product experience to his specific needs: for example, to have a printer send its “out of toner” alert automatically to an outsourced help desk or allow a consumer to create a profile that tailors the experience based on his level of expertise. This requires an infrastructure layer of reusable software objects to support customization in the interaction and interface layers.

### DESIGN BRINGS BENEFITS BEYOND BEAUTY

Despite the tremendous success of well-designed products from companies like Apple, Toyota, and Target, design has all too often been an afterthought. However, in today's complex and competitive markets, design is more than a nice to have — it is a critical product differentiator and source of competitive advantage. At HP, a corporate commitment to design will pay off in:

- **More usable products.** Consumer electronics is undergoing a massive wave of “featuritis” — cramming features into a product in the hope that some consumer will use each one. This leads to products with features that are hard to figure out and that most consumers never use. In contrast, HP's six-button navigation control, available today on its projection TVs and expected on every remote control and hardware interface, is intuitive, easy to remember, and extensible through software menus. The result is products that are easier to use straight from the box.
- **Faster product development.** In a world where innovation is paramount, the ability to bring better products to market faster is key. Beginning with a library of reusable design elements gives product designers both guardrails and a head start, greasing the path to market. Rather than flailing about in search of yet another navigation control or enclosure layout, product teams can focus instead on the features and engineering of the product.

- **More coherent brand.** The HP brand is encapsulated in every product, service, and customer interaction. Design plays a key role in delivering a consistent brand experience across hundreds of product teams in three gigantic businesses. The benefit of high-quality and consistent design elements in products, interfaces, collateral, literature, and packaging communicates a stronger and more powerful HP brand.
- **Lower operating costs.** The nirvana of an effective design program is to create better products for less money. At HP, both of these goals are possible. One example: Trimming the number of remote control designs from hundreds to just four (already underway) pays off in lower product costs, higher volumes and hence lower component costs, and more control over fewer suppliers.

### HP SHOULD ESTABLISH METRICS TO LINK DESIGN TO OPERATIONAL EFFICIENCY

HP's new CEO, Mark Hurd, has made operational efficiency a centerpiece of HP's strategy. HP managers are honing their metrics and measurement skills to meet Hurd's challenge. What role can design, typically a right-brain discipline, possibly play in this metrics-driven, left-brain business environment? Ironically, design can be a significant *driver* of operational efficiency, if HP adopts a new design discipline — “design impact” metrics that link design inputs to business outputs:

- **The number of reusable design elements/product development time.** By linking the length of time it takes to create a new product to the number of standard design elements used, HP's product teams will begin to identify where reusability accelerates product development — a key step in staying ahead of the competition.
- **The percentage of standard retail packages/retail price protection payments.** This ratio gives account managers a way to link retail packaging to sales efficiency. If it turns out that some kinds of packages improve sales, resulting in a lower level of in-store discounting, then HP has identified a new source of operational efficiency — the shopping experience.
- **The number of standard product interface designs/negative usability test results.** Linking interface design to usability test results will give product managers a direct way to measure the value of reusable designs. For example, this metric might show a big jump up as a product team takes advantage of a new standard interface, but it will also be a useful measurement over the longer haul as designers watch, listen, and learn from products in the field.

### ENDNOTES

- <sup>1</sup> Jenson refers to these same three layers as the presentation layer, task layer, and infrastructure layer. His book describes the relationships between the layers and the importance of all three to a simple user experience. Source: Scott Jenson, “The Simplicity Shift: Innovative Design Tactics In A Corporate World,” Cambridge University Press, 2003.

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