



Professor Robert Austin from the Department of Management, Politics and Philosophy at CBS has studied the Danish company VIPP to explore why some services and products, like the VIPP trash bins, stand out in a crowd.
Photo: VIPP PR photo

The Danish sense of ‘design better’

Professor Robert Austin from the Department of Management, Politics and Philosophy at Copenhagen Business School heads up the newly established Design and Entrepreneurship cluster of the Entrepreneurship Platform. In his view, Denmark is one of the best places in the world to understand how companies become good at the deep and multifaceted sense of ‘design better’ that makes products like VIPP’s trash bins stand out. He believes that there are new textbooks to be written about managing creative businesses, and that some of this work involves flipping ideas around to the opposite. ‘In the industrial society, outliers were something companies tried to kill off. Today, harvesting valuable outliers is at the core of innovation,’ he argues.

By Irene Houstrup

INTERVIEW One of the things that puzzled Harvard professor Robert Austin when he first came to Denmark in 2005 to study the business of design was how the Danish company VIPP could sell trash bins at prices that were so much higher than other trash bins.

He set out to explore why some services and products, like the VIPP trash bins, stand out in a crowd, and what the companies behind them do to develop or position this kind of products or services. He studied companies like VIPP, Bang & Olufsen and other Danish and international design-based companies. And in 2012, he co-authored the book *The Soul of Design – Harnessing*

the Power of Plot to Create Extraordinary Products, which is based on case studies of these companies.

He discovered, among other things, that VIPP ‘works harder on the intangibles that surround their physical products – the stories, the imagery, the casual associations – than many other companies, and this helps them create meaning for their products. And thus products that stand out as better and more desirable,’ he says.

New cluster brings together design entrepreneurship competencies at CBS

Today, Robert Austin lives in Denmark and heads up the newly established Design and Entrepreneurship cluster of the Entrepreneurship Platform at the Copenhagen Business School (CBS). He believes that with the Danish design tradition and the increasing global competition that Western companies are facing, the combination of design and entrepreneurship should be a natural area of focus for CBS:

‘Design entrepreneurship is about starting up new businesses in the very multifaceted area of design – this could be consumer products, services, consulting etc. Design has been broadening as a field. The Design and Entrepreneurship cluster aims to bring together and leverage the competencies within design entrepreneurship at CBS and create a position of strength that links with the Danish heritage of design,’ he says.



'People all over the world can learn from this part of the world what that very sophisticated sense of 'better' is – the 'design better' that Danish and Scandinavian companies do so well', says professor Robert Austin at Department of Management, Politics and Philosophy.
Photo: Christoffer Regild

Design present everywhere in the Danish society

'For someone coming from the outside, as I do, it is noticeable that design is very present everywhere in the Danish society – from furniture and household products to pavement, street lamps, the organisation of the public sector etc.,' says Robert Austin.

'Danes take this for granted. Design is so integrated in the way things are here, and it is implicitly understood that it is worth making things not only work but also elegant, even beautiful.'

He links this experience to the fact that today Western companies are competing against companies from all over the world, not least China:

'Competing on price alone is not a sustainable strategy for Northern European companies. They have to develop and sell better products and services. And design plays an important role in this notion of 'better' – it doesn't just mean function.'

Many Danish companies have a unique, embedded understanding of design

In Robert Austin's view, companies in Denmark are generally better at understanding how to compete based on this nuanced notion of what makes a product or service better:

'Denmark is one of the best places in the world to understand how companies get good at this deep and multifaceted sense of better. In the case of VIPP: When you argue that a trash bin is bet-

ter, and enough better to be worth the price they charge, you are getting into a sophisticated notion of what you mean by 'better'. It is not just that it functions better as a trash bin. It includes the aesthetic factor, but it's not only that. Design means many things: processes, production design etc. It's not just function, it's not just aesthetics, it's many things combined,' he says, and continues,

'People all over the world can learn from this part of the world what that very sophisticated sense of 'better' is – the 'design better' that Danish and Scandinavian companies do so well.'

Case studies provide a deeper understanding

Robert Austin emphasises case studies of companies or organisations as one way of developing a deeper understanding of what it is that some companies do better or different.

For instance, he teaches a course about managing in the creative economy, where parts of the course are based on case studies of Danish design companies such as e-Types, VIPP, Bang & Olufsen etc.

'Cases are real stories about what happened in a specific company, and this is both relevant and inspiring for other companies. Another interesting thing is that we are looking at examples, asking people to discover the relevant management principles for themselves. By looking at, say, three cases we can begin to abstract principles that can provide us with a deeper understanding of the underlying development,' he explains.

Flipping ideas around to the opposite

Robert Austin argues that with the need to shift to competing on something other or more than price, the need to understand how to manage a creative business based on the notion of 'design better' is more urgent than ever before.

'There are differences between the way you would manage an industrial business and a creative business. There are new textbooks to be written about managing creative businesses – from product development and marketing to how we run a design team, manage people, how we design processes in business etc. There is a gap right now,' he says, and adds,

'Some of this work will involve flipping ideas around to the opposite. For example, a lot of challenges about getting people to be productive in an industrial firm are about convincing people to fit in, so that the overall system works smoothly,' he says. 'If you need to shift into an innovation mode it's not about fitting in anymore. We have spent years getting variations out of processes so that we could be more efficient, spent years managing averages. But innovation is not about averages – it is about extremes, about outliers. Innovation is not about getting everybody to conform or working as cogs in a machine, it is about finding at least one person who has a better idea, maybe even so weird that we don't appreciate it in the beginning, and then create the processes to take that idea to innovation. In the industrial society, outliers were something we tried to kill off. Today, harvesting valuable outliers is at the core of innovation.'

enter Entrepreneurship Research and Education Magazine

enter Entrepreneurship Research and Education Magazine is a new online magazine from the Entrepreneurship Platform at CBS. enter aims to offer quick and accessible insight into entrepreneurship research and knowledge at CBS and to bring the research and educational landscape at CBS into a more intense dialogue with business and society.

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CBS ENTREPRENEURSHIP PLATFORM

Copenhagen Business School (CBS) established the Entrepreneurship Platform in spring 2013. The platform integrates and coordinates entrepreneurship research, education and outreach activities at CBS and is a single point of entry for entrepreneurship at the Copenhagen Business School.

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