

Latin American markets as design labs

Mercados latinos como laboratórios de design

Carlos Teixeira

teixeirc@newschool.edu

Assistant Professor. Parsons The New School for Design. School of Design Strategies. 66 Fifth Avenue, 826. New York, NY 10011, USA.

Abstract

With the emergence of dynamic consumer markets in Latin America, such as those in Brazil and Mexico, designing and marketing goods and services has become more complex than ever. As a way of engaging with these intellectually-demanding projects, research-oriented designers choose to sell their expertise through consulting services. Because most universities in Latin America do not have access to these complex design projects, they lose the capacity to attract highly-qualified designers who have research interests. Consequently, in Latin America, strategic design consulting firms, not universities, are leading the research and development of new design tools, methods, and processes. However, because they lack incentives for sharing their know-how, consulting firms do not invest in transferring lessons learned. Nevertheless, this can be improved if design schools in Latin America can partner with consulting firms to develop, experiment, and diffuse new design techniques and strategies that can be used by design consultants when confronting demanding projects. This study aims to discuss the scope and feasibility of such a partnership.

Key words: design knowledge, Latin America, innovation, laboratory.

Resumo

Com o crescimento de mercados consumidor na América Latina, tais como no Brasil e no México, projetos de design e marketing de bens de consumo e serviços tornaram-se mais complexos do que nunca. Como uma forma de colaborar em projetos de criação de alta complexidade intelectual, designers com experiência em pesquisa vem optando por negociar os seus conhecimentos através de serviços de consultoria. Tendo em vista que a maioria das universidades na América Latina não têm acesso a esses projetos, elas perdem a capacidade de atrair designers altamente qualificados com interesse em pesquisa. Assim, na América Latina, empresas de consultoria em design estratégico, em vez das universidades, estão a pesquisar e desenvolver novas ferramentas, métodos e processos de design. No entanto, devido a falta de incentivos para compartilhar o seu *know-how*, empresas de consultoria não investem na transferência de conhecimento. Porém, este quadro pode ser melhorado se escolas de design na América Latina investissem em parcerias com empresas de consultorias, com o intuito de desenvolver, experimentar, e difundir novas técnicas e estratégias que podem ser utilizadas por designers estratégicos, quando confrontados com projetos de alta complexidade. Este estudo tem o objetivo de debater o potencial e a viabilidade de tais parcerias.

Palavras-chave: conhecimento de design, América Latina, inovação, laboratório.

Design expertise in emerging markets

Given the increasing demand for strategic design expertise in emerging markets such as Latin America, in which Brazil and Mexico are two main examples, universities, companies, and consulting firms are unaware that they are all competing for a limited pool of design experts specialized in business innovation. Experienced designers and highly-qualified academics with business know-how are few, and design schools have been slow to include business literacy in design education, creating a shortage of strategic design experts. Nevertheless, when companies that compete in emerging markets invest in product and service innovation, demand for local strategic

design expertise grows, attracting experts to work as consultants, thus tearing them away from academic positions.

Attrition of design experts from universities and design schools poses a problem for the future of economies dependent on innovation. It lowers the quality of education for future design professionals, limits the capacity to develop research, and inhibits the sharing and diffusion of new design practices. If all players with vested interest in emerging markets ignore and fail in resolving these issues, they risk losing their competence for innovating locally. Although attrition might be difficult to stop, eliminating the barriers to experts in terms of sharing their know-how is possible, but only if universities and design consulting

firms in emerging markets decide to share resources and collaborate in innovation-driven projects. Such a partnership would not only amplify knowledge sharing, but also improve the local design know-how, increasing the quality of products and services in emerging markets. Once universities, design firms, and companies acknowledge the importance of collaborating for developing and sharing strategic design practices, they would support initiatives that codify and diffuse practices from highly qualified experts, limited until now to a few design consulting firms.

Local design know-how as a strategic asset

The capacity to envision new ways through which knowledge sharing of design could happen in Latin America is directly related to our ability to understand how and why expertise in strategic design in emerging markets becomes a valuable 'asset'. However, scholars are still trying to better understand how strategic design can be defined; more specifically, to recognize where and when it happens and how it develops and manifests. João de Souza Leite, a well-respected academic and professional pioneer of design in Brazil, exemplifies this discussion. During a lecture in 2005 entitled "O design como gestão e a gestão do design", about design practice in the context of business strategy, Leite (2005) stresses that one of the key elements integrating these two areas is the development of common concepts, methodology, and strategies for confronting multifaceted and paradoxical situations, like most innovation projects in emerging markets. Furthermore, even if strategic design could be defined, understanding its contribution to innovation remains a challenging puzzle. However, without a definition studies about strategic design would lack rigor, diminishing the chances any analysis and recommendation be successful regarding ways to resolve the shortage of strategic design expertise in emerging markets.

A promising way of investigating this phenomenon is by interpreting the academic and professional expertise accumulated by experienced designers as practices that can be codified and consequently offered as consulting services for the research and development of novel ideas. When seen from this perspective, this interpretation enables scholars to investigate the services offered by design consulting firms as manifestations of accumulated collaborative design expertise that has been codified to be commercialized. Therefore, any research aimed at contributing to this discussion should focus on analyzing where strategic design expertise comes from, where it can be found, who owns it, and who is served by it.

As a way of answering these questions, during the past two years I have interviewed professionals – ranging from junior consultants to senior partners – working in consulting firms in the United States, Brazil, Mexico, and India, who offer expertise in strategic design practices. Through these interviews I am collecting information about the professionals' academic background and experience, details about the projects they work on, and their contribution to these projects. While the analysis of

the data collected through these in-depth, qualitative, and open-ended interviews has provided valuable insights regarding the development, acquisition, and commercialization of design knowledge from a global perspective, in this paper I narrowed the scope of my discussion to the understanding of how academic institutions and the business sector in Latin America share their design expertise. The data source for this analysis has been my interviews with academics, design experts, and business leaders in Brazil and Mexico. Although these two countries cannot be defined as the only representatives of this phenomenon in Latin America, they are the most complex and dynamic examples of a process in its infancy, providing valuable information for envisioning new ways of developing and diffusing the richness of strategic design practices emerging through consulting services in Latin America.

Designing for complex conditions

Innovation-driven projects became a business strategy in Latin America countries because the growth of consumer buying power in the region revealed many small and large new business opportunities, attracting local entrepreneurs, regional companies, and multinational corporations to invest in new ventures. However, as Robles *et al.* (2003) discovered as part of their in-depth study about Latin markets; while these consumer markets became very attractive, because of their size and potential for new businesses, they presented unusual challenges, as the result of being "fluid and fragmented". While such challenges are seen as problems by managers, investors, and entrepreneurs, academics and experienced designers prefer defining such problems as "complex conditions" that require high levels of expertise in order to achieve interpretation and intervention. For example, in an interview given to the magazine *Design to Branding*, published in the January 2009 edition, Charles Bezerra (2009) – a Ph.D. in Design from the Institute of Design in Chicago and executive director of Gad'Innovation, a strategic design consulting firm in Brazil – explains design as a way of thinking, a framework to deal with situations that are complex. Consequently, according to Bezerra (2009), the more complex a situation, the more design is needed. Therefore, with the increase of competition and consumer expectations in Latin America, projects for new products, services, or communication have required higher levels of design expertise, turning the attention of experienced professionals and highly-qualified academics to the still-unseen sophistication of these commercial challenges.

In addition, higher investments in innovation have made design consulting firms a more attractive environment than universities for design experts, thus depriving design schools from acquiring and retaining the most qualified designers. When academic institutions fail to attract experts, their capacity to produce new knowledge becomes limited. Consequently, in Latin American countries such as Mexico and Brazil, a few

strategic design consultants rather than the universities have become the leading developers of sophisticated and advanced design practices, techniques, methods, and strategies for innovation in emerging markets.

In the past three years, strategic design consulting has been a growing practice in Latin America, a consequence of the increasing demand for new and better consumer goods and services in the region. While serving the industry through their design expertise, consultants are developing a unique know-how codified into consulting practices, which are seldom codified into models to be shared openly. In part this happens because uniqueness is one of the main competitive advantages for consultants, giving them an incentive to keep their practices secret. In addition, as they lack incentive in terms of sharing their know-how, consulting firms do not invest in transferring lessons learned. Therefore, if alternative incentives are not offered for design experts, their know-how will remain exclusive, and design in Latin America countries will continue to be deprived from local advancements in design practice and processes, thus encouraging the adoption of foreign models, mostly from developed markets. However, all this could change if design schools and consulting firms stop competing for the same few experts, partnering in new ways through which design academics and consultants could collaborate to incubate, develop, codify, and transfer new models of design practice for innovation in emerging markets. The challenge is to envision a win-win situation in which both universities and consulting firms could benefit as well as augment their design expertise locally and internationally.

Incentives for diffusing design knowledge

If the know-how being developed by consulting firms in Latin America is not being shared among design professionals and academics, innovative strategies and techniques emerging from the uniqueness of these markets will not be known locally and internationally. Consequently, new models will not be available to be compared and contrasted against prevailing models, perpetuating the dominance of certain traditional design practice, regardless of their appropriateness to new contexts, such as the emerging markets in Latin America.

While the leading design consulting firms in Brazil and Mexico are open and motivated to share their know-how, they lack incentives for investing in the costly process of codifying and diffusing their expertise, activities that universities are much more qualified to perform. However, academics in the field of design are too focused on a few renowned design firms and their consulting practice in developed markets. As a result, little attention and investment is dedicated to experimenting with, developing, and diffusing new and effective strategic design practices based on the rich context of emerging markets from Latin America. However, if resources were deployed to research emerging design practices in Latin America, mechanisms by which experts' knowledge can be shared among professionals and academics would

be created, therefore providing design consulting firms opportunities to experiment with and incubate new models of design practice, a vital ingredient for sustaining their competitiveness. Such a new approach views the emerging consumer markets from Latin America as a laboratory in which international academics and local consultants can experiment with new design practices through consulting projects, thus integrating Latin American expertise in strategic design into the global production system of design knowledge.

Design labs: Incubating new practices

To enable collaboration between design consultants operating in Latin America and academics distributed globally, universities in Latin America should host research labs for incubating new strategic design practices, which can then be modeled as consulting services. While design experts from consulting firms would provide professional and technical experience, academics from universities would experiment with new design tools, techniques, and processes. This new collaborative model requires design consultants to spend time on experimental projects, which can be costly for consulting firms, but new consulting services will be developed as the return on the investment.

These labs would offer experimental strategic design practices for innovative projects, looking for a type of know-how and expertise not yet available through consulting firms in Latin America and providing an opportunity for these firms to pilot new services before making big investments. Companies also would need to take the risk of adopting untested practices, which increases the uncertainties of the project, but traditional design approaches are inappropriate anyway for the challenges facing emerging markets in Latin America, thus forcing the companies interested in investing in these markets to explore alternatives.

Projects based on the challenges of innovating in Latin American emerging markets would be the magnet to bring together design consultants, academics and students, and companies to experiment with new design strategies for innovation. In this context, academics' primary goal would be to codify and diffuse new models of design practice from these experimental projects. The labs would be funded through three streams: consulting firms would fund the equipment and yearly operational cost of the lab; universities would provide the facilities for hosting workshops, lectures, and classes while also funding equipment and archiving services; and companies would pay consulting fees for projects, which would be the centerpiece of the lab activities. If multiple contributors would share investments, operational costs, and risks, a wide net of beneficiaries should also share in the rewards, which could include the following:

- For universities: Applied-research projects in partnership with industry;
- For design scholars: Opportunities for researching on strategic design practices;

- For design experts: Experimentation and knowledge sharing;
- For consulting firms: Piloting new consulting services;
- For students: Unique learning opportunities;
- For companies: Linkage to the local network of design expertise;
- For consumers: Better and more tailored products and services;
- For design knowledge: Improvement of the know-how in terms of dealing with complex situations.

Exporting Latin design know-how

Currently, in countries such as Brazil and Mexico, the practice of strategic design has been mostly influenced by American design consulting firms such as IDEO, promoting a process of standardization of consulting services. Publications about the design process, such as the article "Design thinking" by Tim Brown (2008), published by the renowned *Harvard Business Review* in June 2008 is an example of the authority of such a model. While it is true that the adoption of a single model eliminates confusion, optimizing the relationship between companies and consulting firms, and facilitates exchanges between companies and design firms as well as among design firms distributed globally, it also tends to reduce variations of design practice in *lieu* of gaining efficiency and productivity when projects happen on a global scale. Specifically, it eliminates local variations, which has been the case for design consulting firms in Latin America.

For universities in Latin America, the challenges for developing design expertise are even greater than for design consulting firms. Design experts are more attracted to these firms because of the compensation they receive for their expertise, making it difficult for universities to attract and retain them. When design schools lack expertise to attract complex projects, they end up disconnected from the challenges imposed by emerging markets. In addition, most design schools lack research capabilities, making the development of innovative design practices difficult. However, if design schools would partner with consulting firms, new models of design practice can be explored, tested, and diffused. Moreover, such a partnering would enable practices that develop from dealing with the challenges of emerging markets to be transferred to other contexts, enhancing the collective knowledge about design processes and the capacity to innovate. The proposed research labs would reduce the dependency of consulting firms and design schools on imported

models of strategic design practices. Moreover, this partnership would provide the international community of professionals and academics a way of enriching our knowledge regarding design practices by studying its application and performance in a new context, such as the emerging markets in Latin America.

Conclusion

Those who are enthusiastic about the potential of strategic design in Latin America, but concerned with its capacity to shape new models of design practice, should consider new ways through which universities/academics, design consulting firms/design experts, and companies/producers involved in innovation projects can collaborate. Research labs – hosted by universities but funded by strategic design consulting firms, serving companies doing business in Latin America – seem a promising model for developing, codifying, and diffusing new design tools, techniques, methods, and processes, thus contributing to the enhancement of design practices worldwide. Currently, Latin American emerging markets are unique, complex, dynamic, and demanding contexts that deserve attention from design academics and experts, because they provide ideal conditions for developing innovative design practices. When seen from this perspective, if design research labs can facilitate collaboration in emerging markets, they might be able to reduce attrition of design experts from design schools, increase knowledge sharing between academic institutions and the industry, and insert the design know-how being developed in Latin America into the global production of design knowledge.

References

- BEZERRA, C. 2009. Complexidade e Motivação. *Design to Branding*, 5:86-92.
- BROWN, T. 2008. Design thinking. *Harvard Business Review*, June:84-92.
- LEITE, J.S. 2005. O design como gestão e a gestão do design. In: SEMINÁRIO UM OLHAR CONTEMPORÂNEO, Santander Cultural, Porto Alegre. Keynote address.
- ROBLES, F.; SIMON, F.; HAAR, J. 2003. *Winning strategies for the new Latin markets*. New Jersey, Pearson Education Inc., 364 p.

Submetido em: 26/06/2009

Aceito em: 15/07/2009