

# Market Innovation for Furniture Companies

# Peopledesign helps companies change.

We live in an era of great change. It's a new game for business, education, health, and politics, but most organizations do not have a new playbook. To adapt quickly, organizations need to be grounded in a focused philosophy or purpose. Peopledesign has identified a process to respond to these changes and target new goals and outcomes.

We help you get different faster. We work with leaders on design-led innovation, value propositions, brands, audience experience, and change strategy.

**Peopledesign**  
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Grand Rapids, MI 49503 USA  
616 459 4444  
peopledesign.com

Founded in 1997  
9 full-time employees  
Privately held by 3 owners

**Consulting**  
Adobe (Universal Mind)  
Amway Corporation  
Autocam Medical  
Dow  
ESI Ergonomic Solutions  
Fiat USA (Impatto)  
Founders Brewing  
Georgia-Pacific  
Grand Rapids Community Foundation  
Grand Rapids Art Museum  
Guilford of Maine  
Grand Valley State University  
Haworth  
Herman Miller  
HON  
Interface  
Inscape  
Jaguar Cars (Ogilvy&Mather)  
JSJ Corporation  
KCAD/Ferris State University  
Kelley | Uustal  
Lacks Enterprises  
Lorin  
Macatawa Bank  
MPS Multi-Packaging Solutions  
Nestlé (Mr&Mrs)  
Neurocore  
Priority Health  
SitOnIt Seating  
Spectrum Health  
Steelcase  
Whirlpool  
Wilsonart  
Wolverine Worldwide  
X-Rite/Pantone

**Recognition/Teaching**  
ADC Global  
AIGA  
American Marketing Association  
American Center for Design  
Aquinas College  
Communication Arts  
GD:USA  
Grand Valley State University  
Graphis  
How  
IIT Institute of Design  
Inc. 5000  
IxDA  
Metropolis Magazine  
Mexican Design Conference  
Northwestern University  
PDMA  
PRSA  
ReBrand  
RGD Canada  
TEDx  
Type Directors Club  
University of Michigan  
Webby Awards

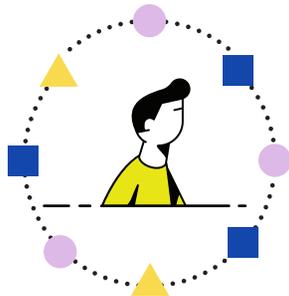
## FIND FOCUS

We help you establish, clarify, and communicate your strategic direction. The goal is to increase the understanding of today to enable a vision for tomorrow.



## CREATE ALIGNMENT

We connect your strategy to audience experience programs that will drive change. The goal is to develop new systems for alignment, integration, training, and measurement.



## INSPIRE ACTION

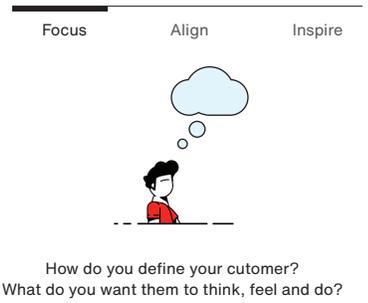
We design and produce new vehicles for communicating and enhancing the audience experience. The goal is to create breakthrough brand experiences.



-  [facebook.com/peopledesign](https://facebook.com/peopledesign)
-  [twitter.com/peopledesign](https://twitter.com/peopledesign)
-  [linkedin.com/company/peopledesign](https://linkedin.com/company/peopledesign)
-  [instagram.com/peopledesign.pix](https://instagram.com/peopledesign.pix)

# Find Strategic Focus

To make a difference in your market, your company, your career, you must find opportunities to make a significant difference in the lives of the people you serve. That means hacking through a jungle of possibilities to find a clear path forward. We will help you explore the possibilities laying dormant in your market to establish, clarify, and communicate your strategic direction. A tighter strategic focus will increase your understanding of today to enable a vision for tomorrow.

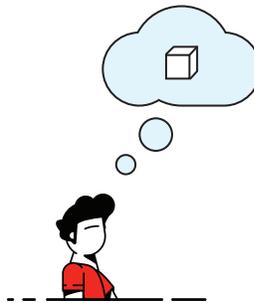


## Strategy—Establish/Clarify Strategic Direction



### BRAND STRATEGY

Where are you going to play? How are you going to win? Building a brand is about leadership and choices. It means addressing what your customers think of you based on their experiences. First, understand your customer more deeply, and think holistically about creating and delivering value. You begin with a few key decisions, and we help you make them.



### PRODUCT STRATEGY

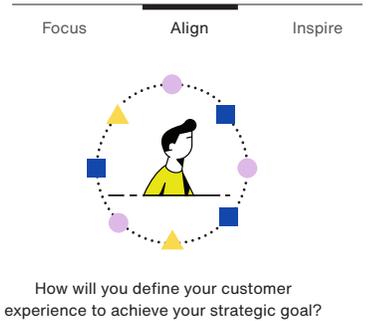
Product and service offerings are brands too. Launching a new product or service often prompts discussions about value propositions and brand value. We can help you clarify value propositions, promote new offerings, and map future positions.

*“Get closer than ever to your customers. So close that you tell them what they need well before they realize it themselves.”*

**Steve Jobs**

# Align Teams and Tools

We build customer experience programs that define ideal customer interactions, and drive change by yielding a plan for today and a roadmap for tomorrow. With a map in place, we create budgets and metrics, find and train the right players, and select the right toolset to move forward.

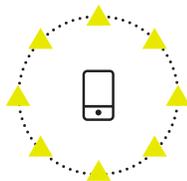


## Systems—Connect Strategy to Tactics



### CUSTOMER EXPERIENCE

Is your team on the same page? How do they communicate between departments, office locations, and shifts? We help develop communication strategies, space design, and messaging to drive alignment through the organization.



### DIGITAL STRATEGY

Creating a digital strategy today can be a source of anxiety for many leaders. Thankfully, we've been a strategic partner to many organizations, helping them create a path, adapt, and surf the waves of change since our inception.

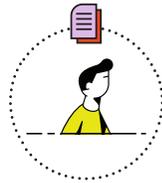
*"We see our customers as invited guests to a party, and we are the hosts. It's our job every day to make every important aspect of the customer experience a little bit better."*

**Jeff Bezos**



### CONTENT STRATEGY

The demands of today's information society and the media and technologies that deliver audience-specific messages requires organizations to have a plan for developing and managing content.



### BRAND STANDARDS AND UX PROGRAMS

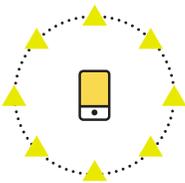
We help organizations design systems and new programs to help enhance strategic initiatives, drive internal change, establish tools that support new processes, and set new standards. Then we document the work and help with knowledge transfer to internal teams, or help with ongoing program management.

# Inspire People to Act

Each customer interaction is an opportunity. When you and all of your resources are ready, it's time to engage the markets you have chosen, whose needs and habits you now know. We can design the user experience, the touchpoints, the interfaces and artifacts that help you to engage and re-engage at the key stages of a customer's lifecycle.

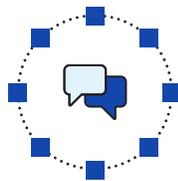


## Artifacts—Create New Precedents



### DIGITAL PRODUCTS

We help you create digital experiences that balance user needs, business goals, and technology opportunities.

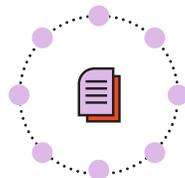


### COMMUNICATIONS INITIATIVES

Communication is not decoration or spin, it's about a sender and a receiver, and the value in the exchange. Good communication humanizes experiences —making them accessible and understandable. Great communication offers a clear message, a story, a narrative.

*“Ideas won’t keep. Something must be done about them.”*

**Alfred North Whitehead**



### CONTENT AND ASSET DEVELOPMENT

Brand leadership creates experiences people remember. Competition for customer attention is often driven by the quality of the content and creative assets that help your message stand out.

Haworth Fern Chair

# Launching a new global flagship product.



# Haworth Fern Chair

Haworth, a leading global furniture company, asked Peopledesign to help re-energize its ergonomic seating offering by launching its new flagship work chair.

## FOCUS

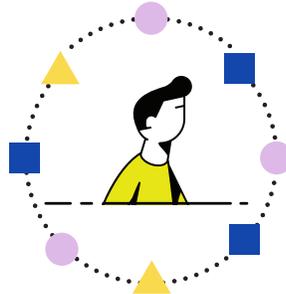
Fern, Haworth's innovative new chair, had the opportunity to break through the competitive static. We worked with the leadership and product marketing teams, analyzed the company, product, customer, trends, and competition, and crafted a refined product position, message, and customer journey.



Product Strategy

## ALIGN

Haworth had a clear opportunity to lead. While Fern's new features are impressive, rather than listing the facts, we focused on emotions and the overall effect of making this product choice at a category and Haworth brand level.



Customer Experience  
Content Strategy  
Customer Journey

## INSPIRE

We developed a message framework that targets decision makers, influencers, and salespeople, to help distance Fern from the competition.



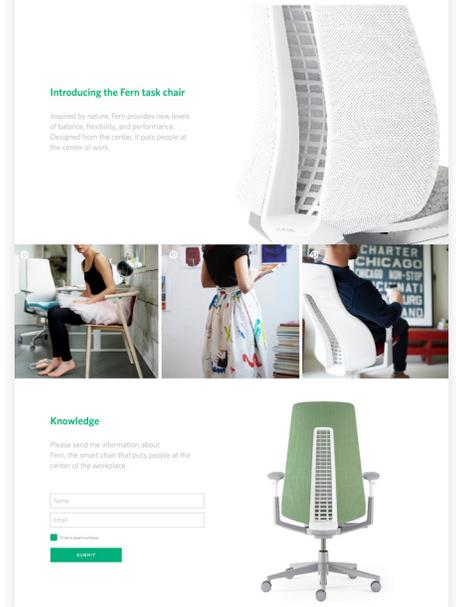
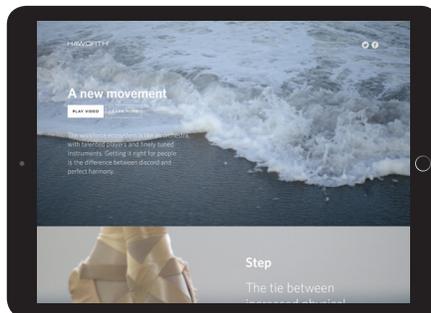
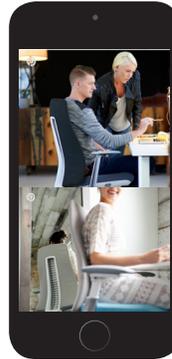
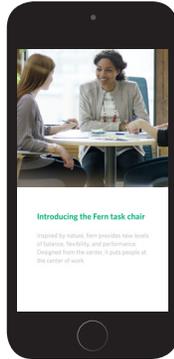
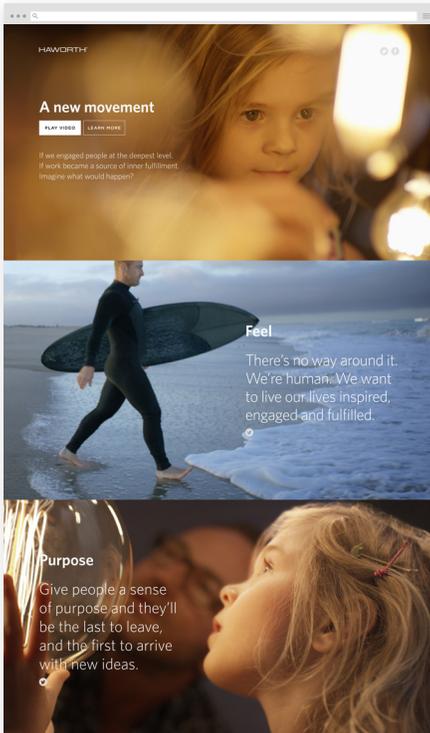
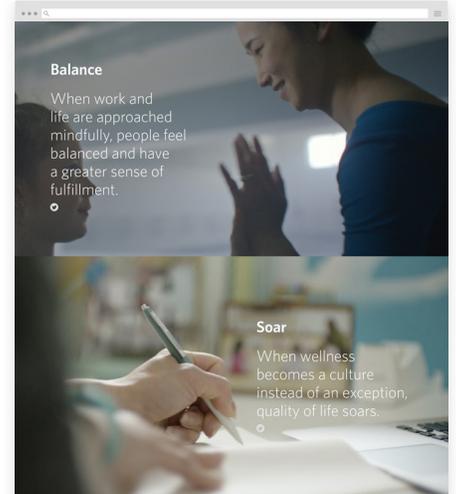
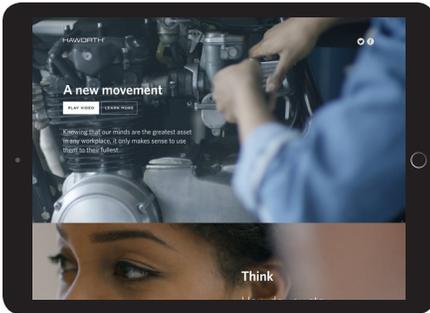
Landing Pages  
Promotional Videos  
Brochure  
Product Renderings  
Photography

*"Peopledesign was fantastic and delivered what we needed when we needed it. They are extremely strategic, creative, and organized. You don't often see agencies excel in all three of these areas."*

**Tracy Harrison**  
Project Leader, Haworth

# Haworth Fern Landing Pages

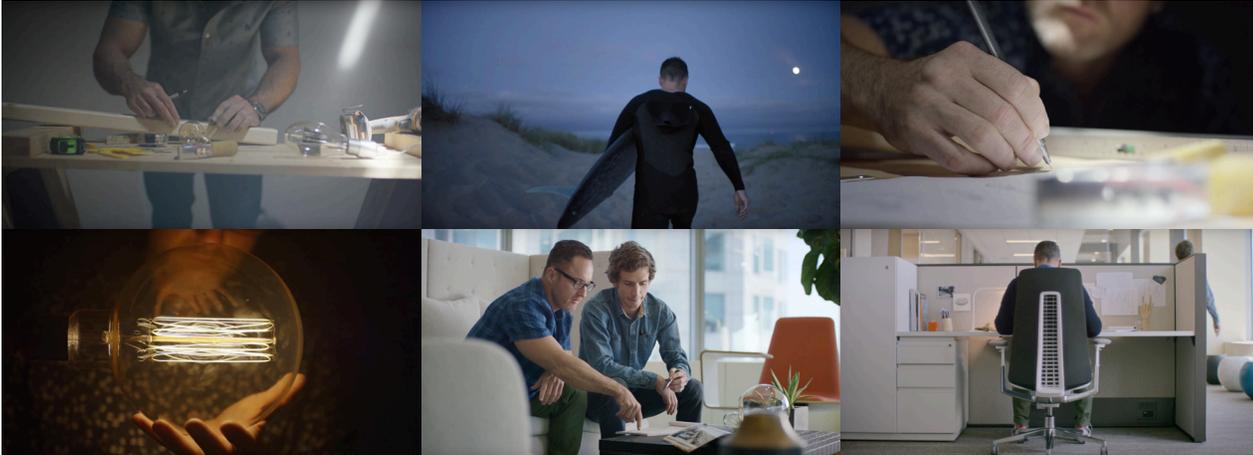
Peopledesign worked with Haworth's digital team to create a campaign comprised of landing pages that promote Fern's targeted product themes and drive toward conversion on the Haworth website.



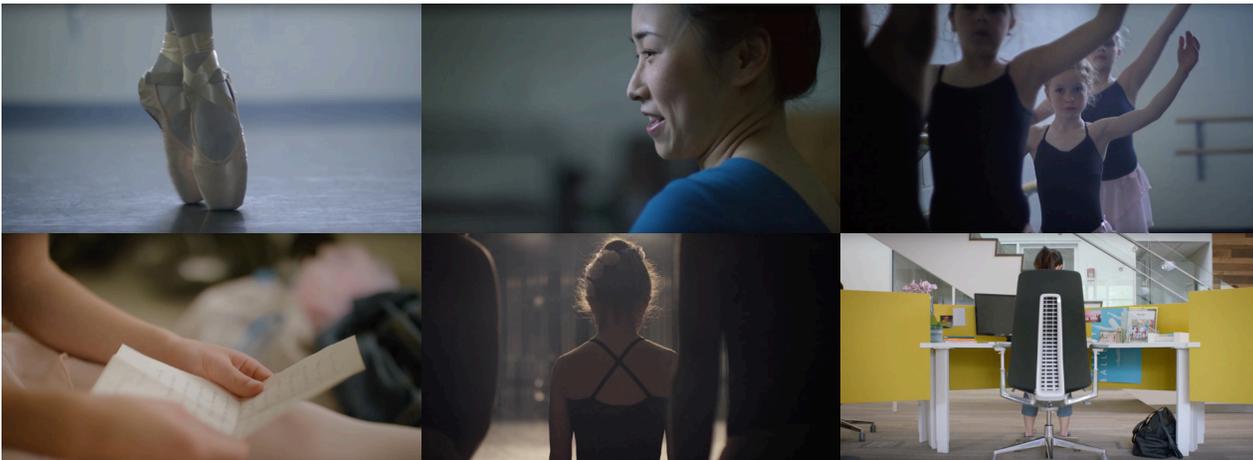
# Haworth Fern Promotional Videos

Peopledesign developed a series of promotional films for the launch of the Fern chair, promoting key messages, and designed to be used on the website, in sales presentations, and social media.

"Emotional" 0:43



"Physical" 0:46



"Cognitive" 0:51



# Haworth Fern Brochure

To introduce Fern, Haworth's new work chair, Peopledesign created a concept-driven brochure to examine how Fern fits the needs of an evolving workplace.



**Disrupting the norm**

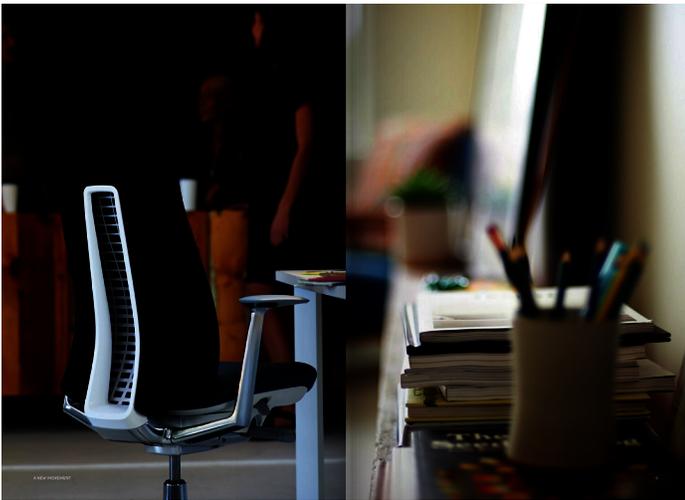
To create a next-generation task chair, Haworth stopped thinking about seating, and started thinking about sitting. We put the person at the center, because we understand that a chair must enhance the sitting experience by making each person feel balanced, centered, and able to move with unprecedented freedom and comfort.

We began with the back.

Because movement is necessary for good health, the chair back is key. Movement is a natural result of today's work processes. We rarely sit still. We stretch, reach, twist, lean forward, recline, get up, and sit back down as we work. Nothing should get in the way—not even ourselves.

Traditional task chairs often limit and even disrupt natural movement. For our engineers and designers this meant rethinking the chair from top to bottom, from the inside out, and the outside in.

The result is an essential shift in the design of the chair structure, and a new seating category: **Dimensional Suspension**.



**Dimensional Suspension**

Dimensional Suspension is a new seating category that allows for a full range of movement. The chair back is designed to support the spine and neck, and to allow the user to move naturally. The chair back is made of a series of flexible, interconnected ribs that provide support and movement. The chair back is designed to support the spine and neck, and to allow the user to move naturally. The chair back is made of a series of flexible, interconnected ribs that provide support and movement.

**Move Back**

**Push Back**

**Wave Suspension System**

The Wave Suspension System harnesses a tubular of structural fibers to provide the spine, feet, neck, and total back support. It naturally allows movement, automatically based on each person's size and shape.

**Seat**

The chair is designed to support the spine and neck, and to allow the user to move naturally. The chair back is made of a series of flexible, interconnected ribs that provide support and movement.

**Ready™**

Each rib is supported to support a different area of the back. From the thoracic region down to the lumbar in the pelvic area, each rib is supported as a person's movement.

**Depth™**

The chair supports the spine and neck, and to allow the user to move naturally. The chair back is made of a series of flexible, interconnected ribs that provide support and movement.

**Flex™**

The chair supports the spine and neck, and to allow the user to move naturally. The chair back is made of a series of flexible, interconnected ribs that provide support and movement.

**Fern Colors**

# Haworth Fern Product Rendering Assets

To support the launch of Fern, Haworth's new flagship work chair, Peopledesign worked with product engineers to create a series of high-resolution product renderings.



# Haworth Fern Photography

To support the global launch and new product positioning for Fern, Haworth's new flagship work chair, Peopledesign created a series of inspirational images, managing art direction, photography, models, and locations.



Interface POP Program

# A new program to shape demand



# Interface POP Program

Interface, a leading global commercial flooring provider, sought to drive and shape demand for a targeted set of products. Peopledesign was hired to partner with company executives to lead the initiative.

## FOCUS

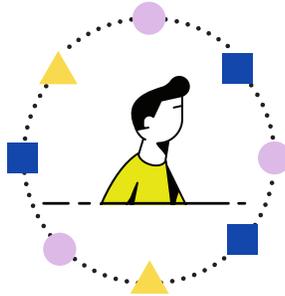
While Interface is a leader in carpet design and progressive concepts such as design biomimicry and manufacturing sustainability, the company sometimes struggled with balancing customer choice with product positioning. As a long-time provider to the specified interiors industry, Peopledesign was in a good position to help forge a new path.



Brand Strategy  
Product Strategy

## ALIGN

We conducted additional customer research and executive interviews to develop a new strategic trajectory. The resulting recommendation was a new program called POP. Interface POP repackages a discreet product offering, builds on Interface brand strengths and leverages a digital product visualization toolset.



Customer Experience  
Digital Strategy  
Content Strategy

## INSPIRE

In addition to reframing the offering, POP is an integrated marketing campaign, featuring a semi-annual catalog and new digital presence.



Catalog  
Digital Experiences  
Product Renderings

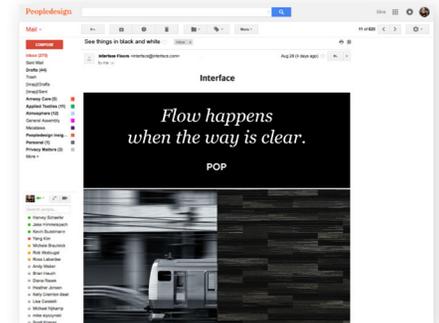
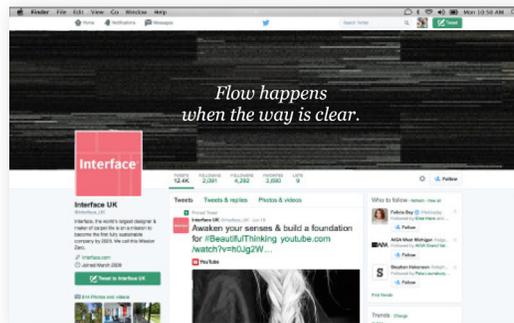
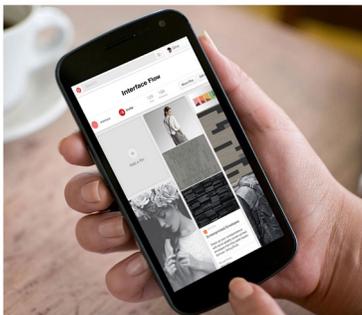
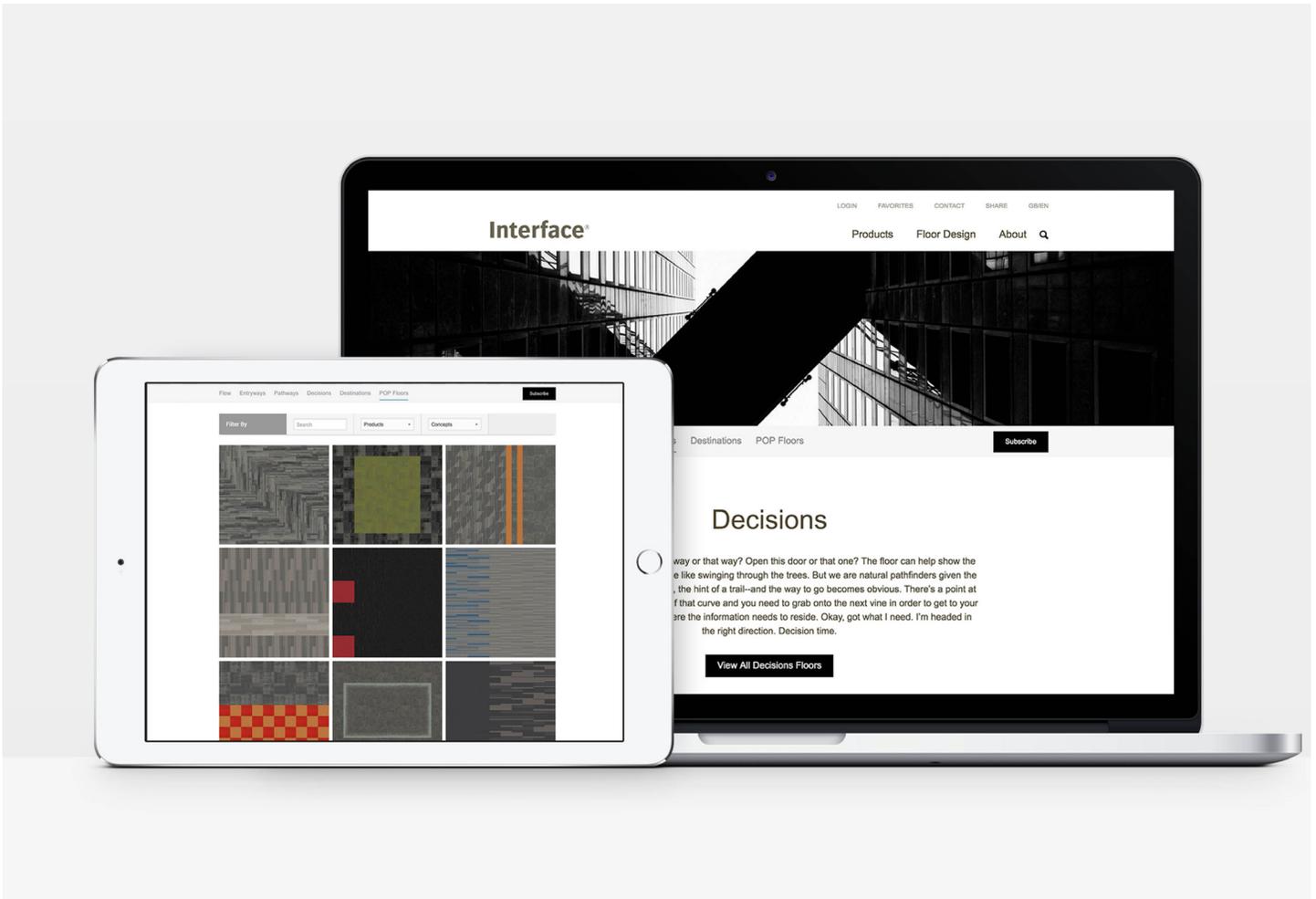
*"I can't believe how well it turned out.  
Looks like we've got a hit!"*

**David Gerson**  
VP Marketing, Interface



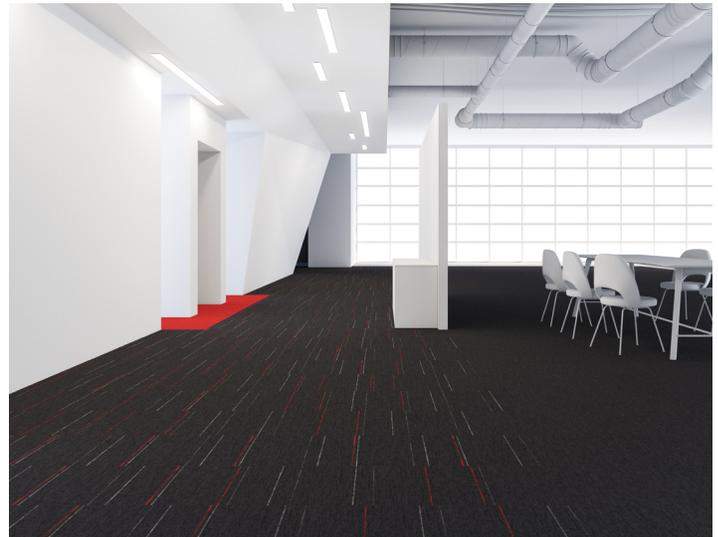
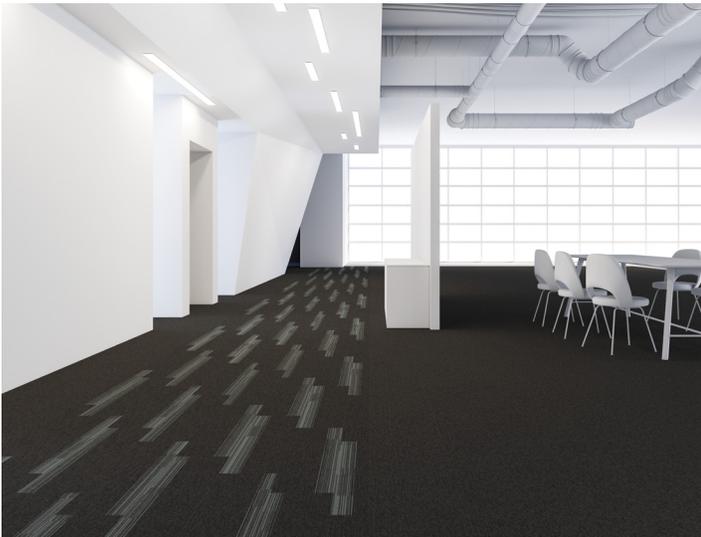
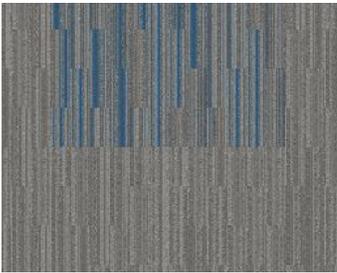
# Interface POP Digital Experience

Peopledesign created the digital presence for the POP program with targeted landing pages and custom product views, designed to align with marketing automation and social media efforts. We created workflows for generating complex floor designs that are actionable starting places for new projects.



# Interface POP Product Renderings

Peopledesign used the digital product rendering toolset created for Interface to generate POP program assets used on the website and the print catalog. Themed POP issues explore the possibilities of expressive modular floor design, re-energizing a muted product palette with purpose.



The HON Company

# Flipping the switch on the brand refresh



# The HON Company

The HON Company is a clear mid-market leader in commercial office furniture, but when it became clear that the brand needed more focus and customer meaning, the leadership team engaged Peopledesign.

## FOCUS

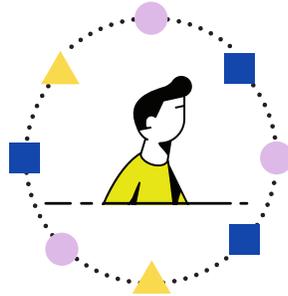
Like most mature markets, contract furniture has been squeezed between higher-end players and ever-cheaper imports. We worked with company executives and conducted customer research to recommend a clear brand strategy which leveraged their past and positioned them for the future.



Brand Strategy  
Product Strategy

## ALIGN

Our work encompassed executive alignment, customer research, and developing strategic roadmap, helping to align marketing, product development, sales, and human resources.



Communications Strategy  
Customer Experience  
Content Strategy  
Brand Standards

## INSPIRE

As a strategic partner through the transformation, we provided practical tools and benchmarks to govern the company's brand identity program, product positioning, and inspirational expressions of a new vision.



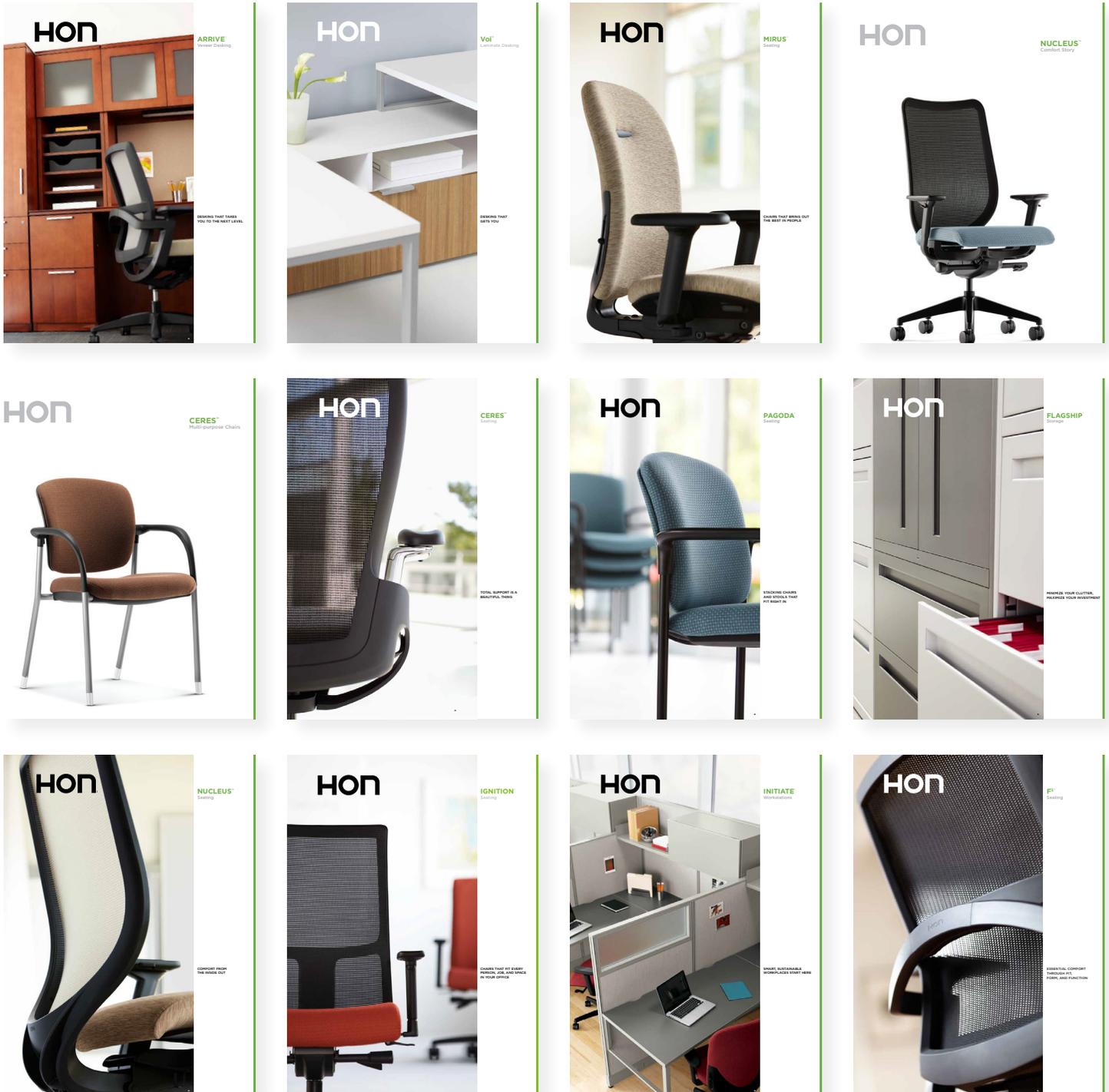
Sales Literature  
Art Direction  
Photography  
Writing  
Video  
Advertising  
Promotions

*"Peopledesign has been a key strategic partner in our branding initiatives. Their work is imaginative, inspiring, and meaningful in building our brand. We rely on Peopledesign to challenge us, provide creative solutions, and develop solutions in a fast-paced environment."*

**Tim Smith**  
Vice President,  
The HON Company

# HON Product Brochures

As a part of a comprehensive rebrand, Peopledesign developed and implemented templates for a new sales literature program for The HON Company. New graphic elements helped tie print-ed literature with other brand communications including showrooms and digital media.



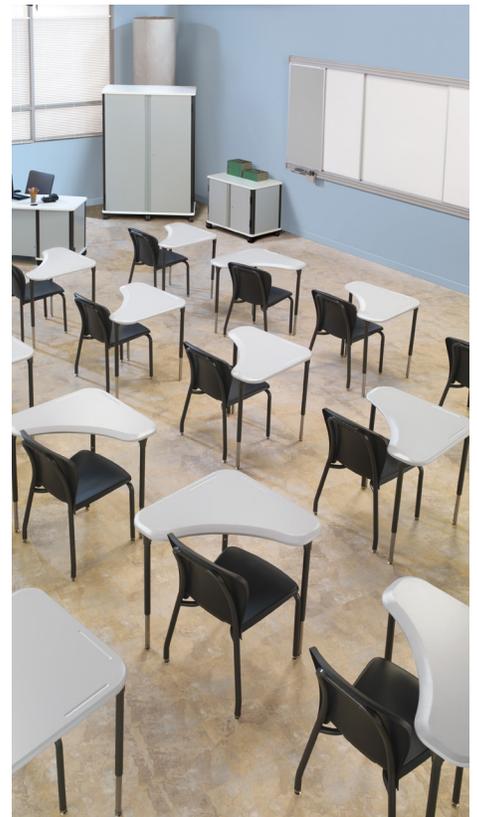
# HON RDY Publication

“HON Ready” was a new internal brand theme for The HON Company created by Peopledesign. We also proposed, created and produced an internal magazine called RDY to help celebrate wins and evangelize the new brand.



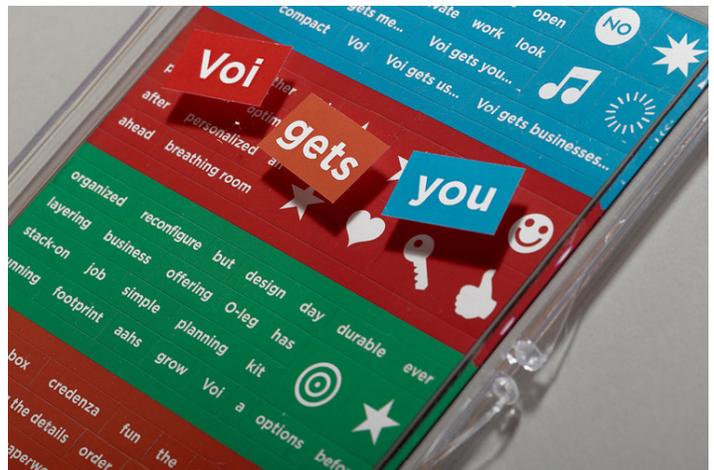
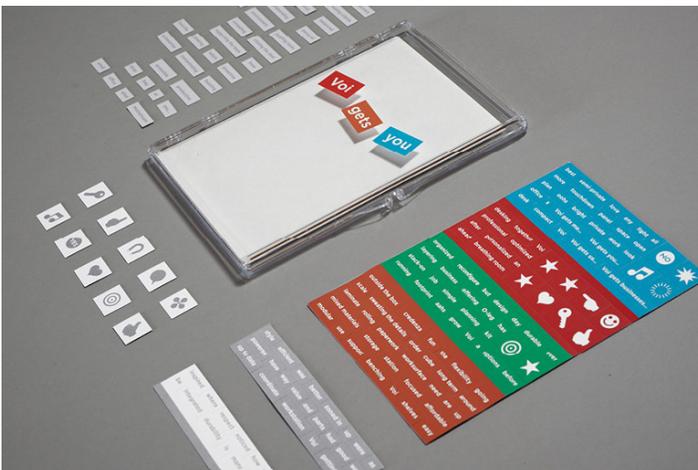
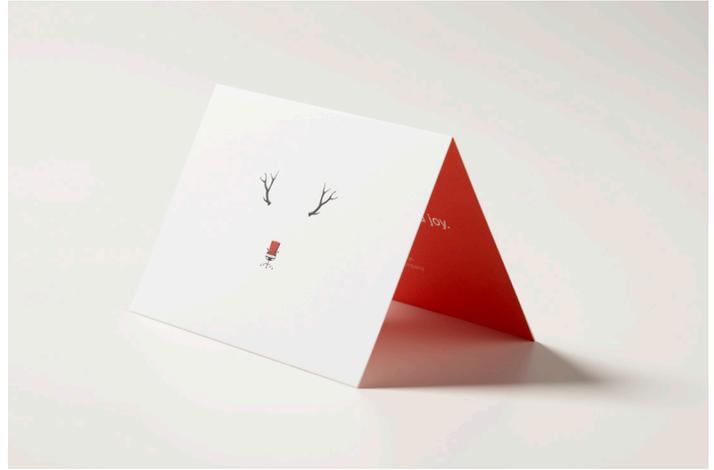
# HON Photography

Peopledesign provided planning and art direction for hundreds of new photography assets in support of a comprehensive rebrand project for The HON Company. We reorganized and re-shot older offerings and helped to promote new ones with a refreshed, consistent look.



# HON Promotions

Peopledesign created a number of sales and promotional material for The HON Company to help capture the spirit and energy of the refreshed brand.



# HON Advertisements

Peopledesign created a number of industry advertisements in support of the new HON brand, focused on company, category, and product-level messages.



# Built Environment Trends

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Peopledesign has been working in the built environments segment for 20 years, helping many of the organizations in the industry plan and launch new products, services, and brands. Here are a few things we've learned, and what may be next.

**Evergreen Trends:** These are trends that have persisted for decades, and are likely to continue into the future. Read about these trends in the pages that follow.

*Privacy and the open office*

*Ergonomics, health, and wellness*

*Branded Environments*

*Market Segments*

*Inspiration from Nature*

**New Trends:** These newer trends reflect larger shifts in markets. Find articles about these topics and more at [www.peopledesign.com/ideas](http://www.peopledesign.com/ideas)

*Era of Choice*

*Design Thinking*

*Brand Meaning*

*Customer Experiences*

*Systems Thinking*

*Team Dynamics*

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## Privacy in the Open Office

*Privacy in office environments is an ever present issue.*

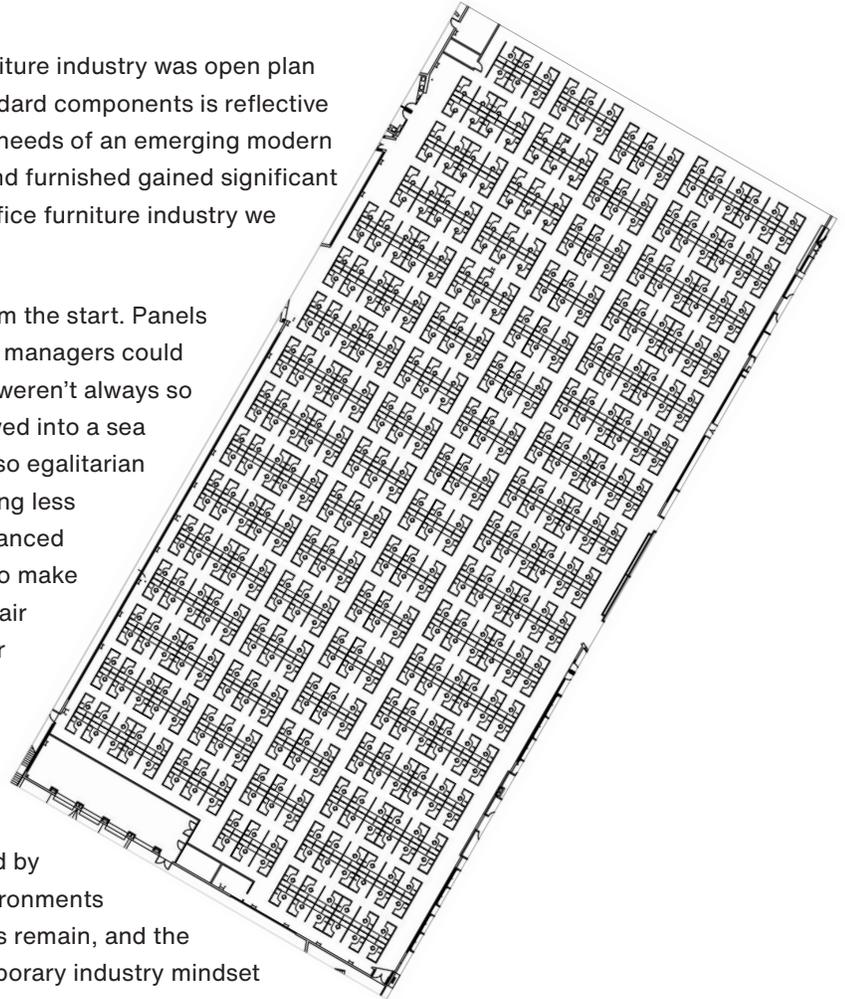
The first innovation which created the modern office furniture industry was open plan office in the 1960s. Viewing an office as a system of standard components is reflective of the industrial era, as organizations scaled to meet the needs of an emerging modern economy. This revolution in how offices were designed and furnished gained significant traction in the 1970s and 80s, resulting in the contract office furniture industry we know today.

Open offices challenged traditional notions of privacy from the start. Panels replaced walls; cubicles replaced rooms. While corporate managers could realize efficiencies in facility planning, office inhabitants weren't always so sure. Managers, who felt they earned private offices, moved into a sea of cubes. These changes were justified in financial but also egalitarian terms. Open plans were viewed as being fairer and implying less hierarchy. Still, furniture makers explored increasingly nuanced product features including acoustical and visual privacy to make up for a less holistic definition of privacy. A kind of armchair behavioral science for the office emerged to address user perceptions about space.

The argument for open plan offices today is that worker proximity leads to better teamwork, productivity, and collaboration, and that casual interactions can benefit company culture. This idea is both celebrated and refuted by business leaders and thinkers. While most corporate environments have made a wholesale shift to open plans, private offices remain, and the number of conference rooms has increased. The contemporary industry mindset is that knowledge workers should be able to select their level of privacy. Empowered by mobile technologies, people are encouraged to move from open spaces to closed ones based on their type of work and preferences.

The financial drivers are clear. The high cost of real estate in urban centers will continue to drive for greater occupancy in smaller spaces. Optimal space utilization is a key goal for all furniture buyers. Panels have all but vanished in favor of simpler desking-based solutions, and new arguments about the necessity of worker focus have made privacy an ever more critical issue.

Office privacy—how it's defined, viewed, and assessed—is among the chief industry issues, and continues today. Innovations in open plan products office design are part of the answer. But, it's not easy. Employment hierarchy, worker productivity, and company culture are not



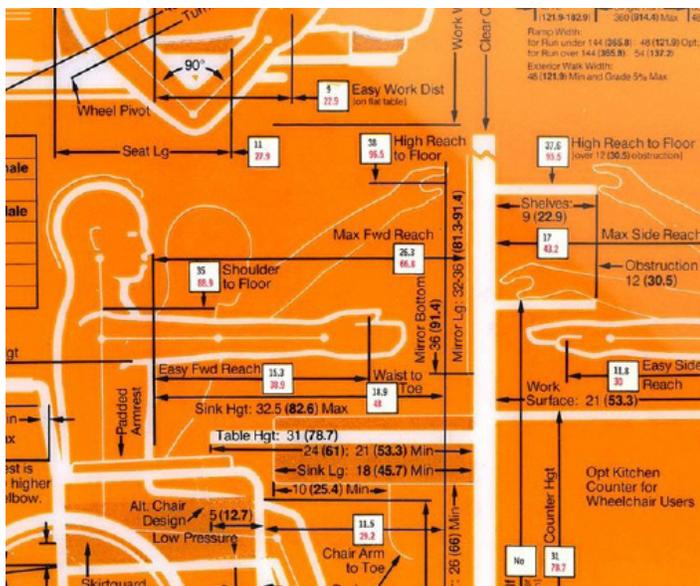
## Office Ergonomics, Health, and Wellness

*The evolution of office ergonomics.*

The second significant innovation of the built environments industry came in the 1980s with the emergence of ergonomic seating. Stemming from broader trends in human factors design, health, and safety, furniture makers began to explore and promote chairs that more directly addressed the physical needs of workers. The emergence of knowledge work, specifically working with personal computers, led the idea that people sitting for longer periods would need greater attention and support to maintain or increase their productivity. Legal and insurance frameworks empowered workers to expect more from their employers.

Furniture makers responded by introducing products with greater attention to human anatomy, variability, and adjustability. New terminology and an understanding of ideal chair proportions and features emerged as furniture makers capitalized on the trend. High-end ergonomic seating products introduced in the 1990s epitomized a desire to support the digital knowledge worker. Since then, furniture manufacturers have continued to launch both premium and more affordable ergonomic seating alternatives.

As ergonomic seating has become commoditized, industry players look to envelope a broader view of human factors and overall employee health. Some employers are increasingly concerned with holistic facility wellness for better productivity and employee retention. Facility providers are looking to address these needs with new product and service offerings. How a company views its facility is increasingly a question not only of performance but values.



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## Branded Environments

*Impressive-looking facilities, from factories to offices, have been points of pride and vehicles for sales assurance for corporate owners and their customers.*



In the last few decades, facility providers have increasingly focused their messages on the potential of the built environment on the perception of a company's brand. Impressive-looking facilities, from factories to offices, have been points of pride and vehicles for sales assurance for corporate owners and their customers.

The knowledge era has led to the race for not only customers but also talent. Employer branding has become a topic for companies to remain competitive. Investing in facilities is one way to attract and retain high-value workers. Office environments are designed for performance, but now, also to reflect strategic goals of the company and its purpose.

Smaller, open plan offices have led some people to work elsewhere. Mobile work, enabled by new technology, has become a kind of competition for company offices. Some employers have started looking at branded environments as a way to compel people to stay in the office to do work. In a sense, a facility is an expression of company culture. As long-term investments, built environments are lagging indicators of how organizations see themselves.

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## Commercial Furniture Segments

*Many built environment providers target market segments for growth.*

While many commercial environment providers started with corporate offices, many facility providers are finding sales opportunities in new market segments. Manufacturer's relationship with various market segments can ebb and flow based on a need for sales. Too often, what is lacking is a serious commitment based on a clear market position. Manufacturers tend to gloss over the unique needs of different markets. Targeted value propositions, offerings, and messages are required to make a real connection and headway with customers.

### Healthcare Environments Segment

Healthcare is a prime example. As with other large segments of the economy like automotive or energy, you can't be part time in healthcare. As fully one sixth of the U.S. Economy, healthcare means a lot of things—hospitals and other providers, insurance companies, medical manufacturers, pharmaceuticals, equipment, etc. Healthcare professionals, like a Chief Medical Officer, can spot novices from a mile away. Compared with overall patient experience, infection control, insurance, doctors, nurses, etc., furniture is neither a top priority nor budget item. From a built environments standpoint, a split between clinical (technical delivery of healthcare services) and admin (non-clinical). Most new entrants into the healthcare market start with admin areas since they are more like other more standards environments. It's a start, but more of the money spent in this market is in the specialized areas, being serviced by specialty providers.



*Contract Furniture Segments, cont.*

### **Hospitality Environments Segment**

Hospitality is another segment that has gained popularity among more standard providers in recent years. There's a good reason for this. These public and shared spaces get a lot of use, and for both maintenance and image reasons, the built environments get refurbished on a regular basis. Also, hospitality design is a reference point for many other segments. Corporate offices, healthcare, retail, and education spaces are becoming more like hotels in the emerging service economy. However, as with healthcare, the hospitality segment has unique demands. For one, the value chain diverges from other segments. The high volume for products has led to third party purchasers, focused exclusively on Furniture, Fixtures, and Equipment (FF&E) that distribute everything from beds to toilet paper. Global hospitality brands often set standards the independent franchisees (individual property owners) act on with local architecture firms and contractors. Value engineering during a buildout can lead to further complexity and opportunity for environment providers.

### **Education Environments Segment**

Education is another segment many industry players have pursued, sometimes with mixed results. Colleges and universities, as well as private primary institutions typically have more funding than public K-12 schools, which creates sub-segments with different characteristics. The first group of secondary and private primary schools in some ways look like a cross between other commercial environments and hospitality. Larger institutions seeking to invest in their spaces supporting administrative staff with emerging work styles. Like hospitality, education solutions can be a benchmark for other segments that are looking for environments that support learning. Decision making can be a bit more complicated with additional constituents—a board of trustees, donors, the provost, etc., but it's clear that leading schools seek to set new benchmarks. Public primary schools are a different story in that the funding is often limited and mostly comes from the state. Decision-making can be even more complicated with layers of administrators, local government, and many parents. However, built environment providers who specialize their offering for this group benefit from a steady stream of new schools and refurbishments.

### **Government Segment**

Many built environment providers target GSA (U.S. General Services Administration) or other government contracts. Many industry players have dedicated teams focused on tracking contracts on the federal, state, local level. These projects often require RFP and bidding processes designed to acquire products and services with the best deal for the taxpayer. Some GSA projects can look like other segments, like healthcare or education, but many have unique requirements for the military or high-security areas, or simply because of unique purchasing or

*Contract Furniture Segments, cont.*

## **Retail Segment**

Some industry providers target retailers and their stores. Some products are more suited for this market than others. Office providers are less likely to have offerings that suit retail stores than those that can work in a more general environmental setting—lighting, carpet, and other surface materials. Seating can play role in custom settings, such as lobbies, transportation, and theaters. Other retail targeted providers fill primary spaces with shelving, registers, point of purchase, and custom millwork. As with the hospitality segment, many of these projects are part of a franchise, where brand leaders work with designers to create guidelines for independent owners and their contractors.

## **A&D Segment**

Architects and designers (A&D) aren't a purchasing segment for built environments, but they are an important influencer across all segments. Many manufacturers have exhibited some ambivalence about the A&D audience. Perhaps it's because they are not direct buyers of built environment products, but it's no doubt that they can heavily sway buying decisions. Unlike direct buyers, they help make purchasing decisions every day. Architects and designers know about furniture, lighting, textiles, etc., and manufacturers are more likely build brand recognition with this group. However, many manufacturers often don't understand A&D, often viewing them as being exclusively concerned with aesthetics. This may be partly true, but architects and designers are not a homogenous group. Each has their own discipline and role to play, in cities and rural areas, as consultants or part of in-house teams. Today, due to Apple and other players, a broader definition of design has become an important topic in nearly all parts of the commercial landscape. Built environments are no exception.

## **Global Markets**

Many larger U.S.-based providers in the built environments segment already have a footprint in markets in other parts of the world, and are actively seeking other growth markets. Companies often start with mature markets in Europe, Japan, and South America, and Japan. While buying processes may be similar, new entrants may find stiff competition with deeply rooted competitors in these areas. Getting a stronger foothold in Asia, China in particular, is too large an opportunity to overlook. Similarly, companies based outside the U.S. of course have enjoyed great traction in their domestic markets, and are looking for growth in places like North America. This puts new pressure on domestic players as more competitors emerge.

Smaller companies without that kind of scale may aspire to grow this way, but are often more focused on gaining share in the domestic market. In fact, concentrating on global operations by some companies can create opportunities for other smaller, more focused competitors.

Mature global organizations view these markets in a more comprehensive way. Eventually, they may recognize their country of origin is like all others, deserving a unique localization strategy for positioning, the offering, operations, etc. A matrix approach can emerge between vertical market segments like education and hospitality in different parts of the world.

*Contract Furniture Segments, cont.*

### **Small/Mid-sized Business Segment**

Many organizations have tried, with only moderate success, to serve small- and mid-sized businesses. In aggregate, these customers can represent a lot of sales, making it an attractive target on paper. However, as larger providers look to service the largest global customers, they must adapt to increasingly complicated selling and distribution strategies. They begin to look and behave more like their clients, which pushes them away from smaller customers. Smaller customers have a different mindset, price tolerance, and buying expectation than a global corporation. To serve them well, built environment providers must decouple their value proposition even more than other segments. Despite its allure, no real leader has emerged to support this group.

### **End User Segment**

Many B2B companies have B2C envy, but not without reason. In the past, many B2B companies have been comfortable to fill their role in a value chain and remain anonymous to end users. However, technology and globalization presents more choice in B2B supply chains. Providers risk getting commodified. In addition, more information about suppliers can be—and is increasingly expected to be—available. Choice and transparency creates new pressures for anonymous B2B brands. Information in the hands of end users translates to purchasing influence. In many segments, including built environments, B2B brands need to behave more like B2C brands.

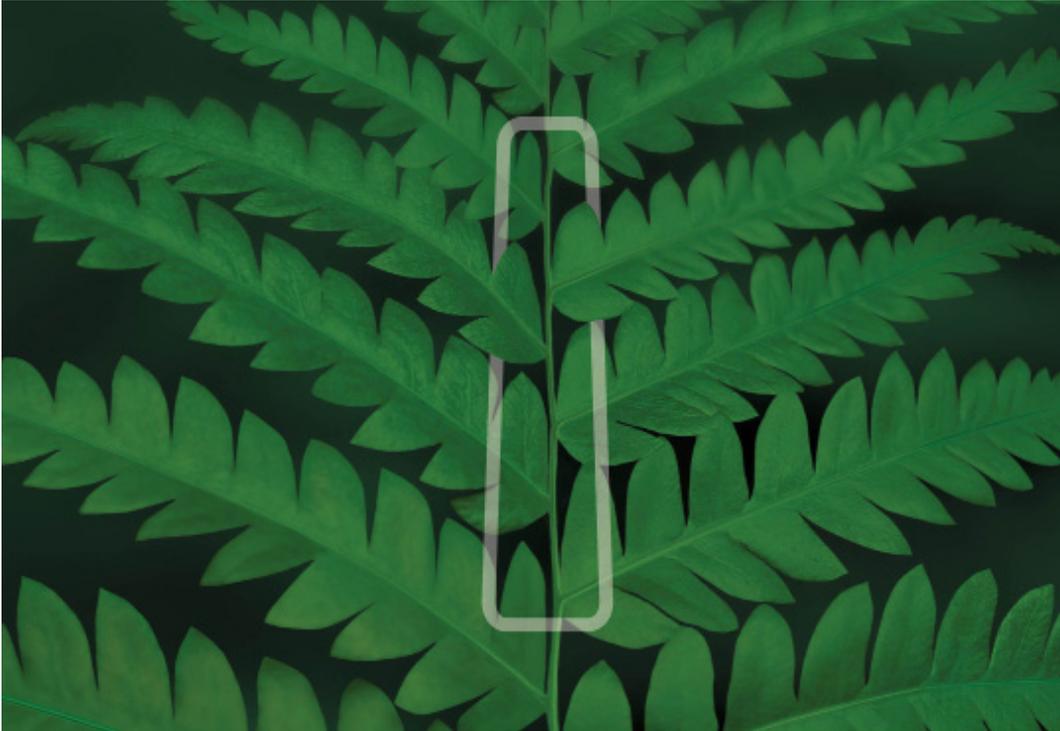
Some current players and new entrants have recognized this trend. New companies and business units are being launched, acquisitions are being made, and new business models are appearing to better fit the emerging need. New offer bundles and terminology is shaping the overall built environment landscape to include retail, co-working and shared spaces, and new leasing and ownership strategies.

Building a consumer brand is not a small task. B2C business models are built for volume, whereas B2B companies are built for value. Communicating that value and convincing customers is a large effort. Consumer brands invest 24% of their revenue on marketing, whereas manufacturing companies only 8%. As with the small business segment, it can be even more difficult for successful B2B companies with engrained cultures and biases, not to mention margin expectations, to meet the confusing demands of end users.

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## Inspiration from Nature

*Built environment designers often look to nature for inspiration.*



Much of the built environments market is driven by theories of design, and designing from nature is an ever-present theme. Beyond human-centeredness per se, many product designers and the space designers they are appealing to look to the natural world through for inspiration. As more of our daily lives are influenced by built environments, designers look to biomimicry and biophilia for starting places.

Moreover, sustainable design has moved from cutting edge to standard practice. Designing from and for nature will only increase as a theme and in substance.