

Ideas in Action

An excerpt from 'T-Shirts and Suits: A Guide to the Business of Creativity' by David Parrish

JAB Design Consultancy

Industrial Product Design

This case study links to related ideas and topics discussed elsewhere in the book.

- Creativity Alchemy
- Business as a dialogue with customers
- Working on the business not in the business
- Raising funds and using support agencies
- Ownership and transfer of IP to clients
- Values



JAB Design Consultancy

Industrial Product Design

JAB Design is an international award-winning product design company which works with innovators and manufacturers to develop commercially-successful new products. The company has experience in designing medical devices, lighting, furniture, laboratory automation, consumables, electronics enclosures and several other types of product.

Managing Director Jonathan Butters says: "Instead of specialising in just one field we work across conventional specialisms because it's the interface between them that's interesting and creative. For example we design medical equipment, traditionally used only by specialists, for use by patients in their own homes using our expertise of designing consumer goods. Similarly, the interface between psychology and engineering, or electronics and sociology also gives rise to creative new designs."

"Good design cannot be the ego-centric creation of the designer working alone. Design is a process," he emphasises. "The design process involves a dialogue with the client to address the needs of various communities of interest including the end user and those responsible for the product's sale, maintenance and disposal." Good designers can deal with customers' needs and he points out that creative geniuses such as Caravaggio and Da Vinci worked mainly for customers, rather than in artistic isolation and were still able to put some of themselves into their creations without any contradiction between artistic integrity and clients' requirements.

With a background in engineering, Jonathan started in business as a sole trader in 1999 and in 2001 devised a business growth strategy for a new company with the help of business support agencies including Creative Business Solutions. Their business plan identified growth areas to

focus on, such as biotechnology, medical and safety equipment amongst others. In each area they have designed successful products which led to more work in that field. It's a growth technique Jonathan describes as "using a small fish to catch a bigger fish".

Business growth depended on loans and Jonathan found to his dismay (this was no surprise!) that banks and other funders were "on the whole a risk-averse bunch". His own bank turned down his application for a loan and other institutions were equally reluctant at first. It wasn't until he put his own money where his mouth was, by re-mortgaging his own home, that he was able to find funders willing to share the risk. "Funders want to know that you're going to feel the pain of the challenge and put your all into making the business work." The final funding package of around £200K was made up from loans from the Merseyside Special Investment Fund, the Small Firms Guarantee Scheme (through Lloyds TSB) plus re-mortgaging his own home. There was also grant money from Business Link and BusinessLiverpool.

Since then, JAB Design has grown into a thriving business with 9 staff, 20 clients and a turnover of around £750k per annum. Before employing staff Jonathan invested in legal advice to ensure the company's contract of employment was comprehensive. Since then the company has been able to deal with some staff issues following the correct procedures without opening themselves up to appeals and counterclaims, due to having up-to-date contracts of employment.

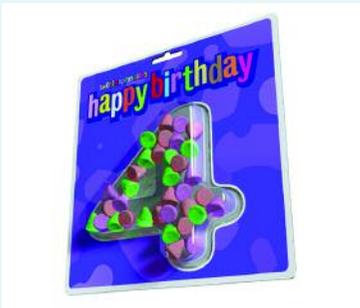
No longer a one-man band, Jonathan now spends more time working on the business rather than in it, what he calls "occupying higher ground". His staff concentrate on design work using high-end technology – SolidWorks 3D CAD software and he supervises all projects "adding a qualitative layer

over the top" as he puts it. One of his key tasks is liaising with customers, which includes writing the briefs and technical specifications, agreeing stages of work with the client and managing customers' expectations, all of which call for "United Nations level diplomacy at times" according to Jonathan.

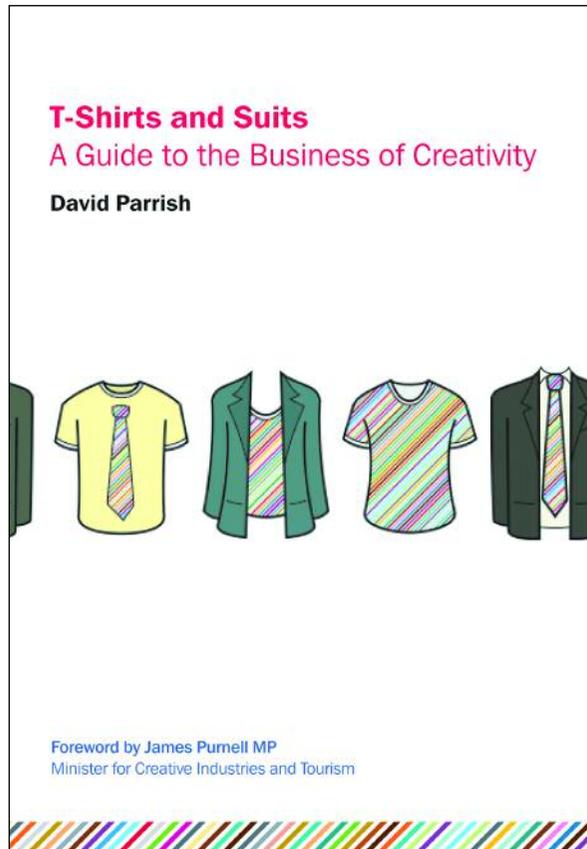
The company's Terms of Trade (available on its website) were established early on with specialist input and Jonathan looks back at this as an important move. They have been amended twice since then, to clarify some issues raised by particular clients. JAB Design have since had a significant dispute with a client and managed to gain a settlement out of court because of the robust nature of their terms and conditions of trade.

Important clauses deal with the assignment of intellectual property to the client. Crucially, this release of IP is tied to client payments, thereby safeguarding cash flow. In recent developments, JAB Design has negotiated payments through royalties on product sales in exchange for a reduction in design fees.

Talking about the company's values, Jonathan says "we are enthusiastic about products that increase quality of life, not trivial stuff. Medical and safety equipment is important to us and quality of life includes sports and leisure products. We don't do military work." Another JAB Design project, a new safety product for the deep-sea fishing industry which is predicted to save 50 lives a year, was still subject to client confidentiality at the time of writing. Watch this space!



This is an excerpt from the book 'T-Shirts and Suits:
A Guide to the Business of Creativity'



ISBN 0-9538254-2-6

The website associated with this book provides additional information, new material and further case studies, details of training and consultancy projects, a framework for a business plan, a glossary of terms and links to other useful websites.

www.t-shirtsandsuits.com

First published in 2005 by Merseyside ACME,
303 The Vanilla Factory, Fleet Street, Liverpool L1 4AR.
www.merseysideacme.com

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Designed in Liverpool by Mike Carney – www.mikesstudio.co.uk

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