

Eleven lessons: managing design in eleven global brands

Design at BT

Communications service provider BT is one of the UK's best known companies. A diverse and rapidly evolving organisation, it makes extensive use of design in many aspects of its business, closely integrating it with the BT brand. The company has developed tools and processes to manage an extensive roster of external design suppliers and help them communicate the brand.

Overview

BT has had to evolve rapidly in order to maintain its position in its traditional markets, as well and gain a foothold in new ones. The company sees design as an integral part of its marketing and brand strategy.

Key elements of the BT's design strategy include:

- Use of an extensive roster of outside design agencies
- The importance given to brand within the management of design
- Control of brand representation by capability building within its agency roster and internally
- Ongoing brand education and help for everyone within BT through brand web sites, the Brand Helpdesk and brand web conferences for global teams
- The use of dynamic interaction between external agencies and internal design management rather than through any formal design process.

The communications industry is rapidly evolving. Historically, fixed line operators, with their background as nationalised industries, enjoyed a robust competitive position thanks to their control of the expensive 'last mile' infrastructure connecting subscriber homes and offices to central telecommunications networks.

Today, the situation is very different. Consumers can choose between a variety of network options including services bundled with cable TV and Internet provision, and mobile telephony infrastructure. Fixed line networks are also open to competition and capacity on BT's



infrastructure is bought by competitors and sold to consumers using different business models. In some of these models, access to the network is free to the user, with money being made by selling extra services.

After abandoning product design almost entirely in recent years, BT is now returning to the development of its own products having recognised that they can perform an important role in differentiating its brand and service offerings in consumers' eyes. The company is now evolving its design strategy with the ambition of delivering a totally consistent user experience across all points of contact with the company.

Innovation

BT has an extremely strong record in innovation. R&D underpins BT's increased focus on developing innovative products and services for a converged, networked world. Innovation work on key areas support BT's business and technology strategies, which included filing patent applications for 141 new inventions in 2006. The company has a large research and development centre capability, at its research centre at Adastral Park, near Ipswich.



As the use of design is spread so widely in the BT organisation, the company relies on formal processes to ensure that design resources are procured and used correctly. There is a company-wide process for the purchase of design inputs, and business units must select from a roster of agencies. Agencies on the roster include graphic designers, online agencies, and product design agencies, events and direct mail agencies.

In more depth

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History

BT is one of the UK's best known companies. Its ancestor, the Electric Telegraph Company, was established in the UK in 1846, and was the first organisation outside the US to implement a commercial telegraph infrastructure.



In 1912 the telegraph and telephone infrastructure in the UK was nationalised and became part of the General Post Office. Telecommunication services in the UK remained under national control until 1984 when just over half of the shares in the Post Office telecommunications arm, then named British Telecommunications, were offered to the public.

In 1991 the company began trading as BT, and by 1993 the UK government had divested itself of almost all its shareholding in the company. Its transformation from an

'old fashioned telco' to a modern communications service provider is accelerating as the convergence of IT, communications and networking technologies continues.

The evolution of design at BT

David Mercer, Head of Design at BT, is responsible for the whole of BT's brand identity and he reports to the company's director of marketing and brand. The rapid pace of change within the sector, says Mercer, is creating 'a more dynamic role for design' as the company must adapt and extend its brand to encompass new service offerings and its new position in the economy.



Mercer and his team are responsible for the design and creation of the brand, and for the delivery of specific products, such as the company's new generations of broadband access hardware. But design touches a very wide range of other aspects of the company's diverse businesses.

The majority of design work is carried out by an extensive roster of external design suppliers: Mercer estimates that 99 per cent of design is carried out by external agencies.

Capability building

Mercer's team runs an extensive programme to help other members of the BT organisation (100,000 employees worldwide) understand the brand, and design's role in the brand. 'We want everyone to be brand advocates and to apply our brand correctly,' he says. Brand workshops and conferences contribute to this process.

Anyone coming to BT for the first time and who may be involved in the purchase or application of design takes part in a half day brand workshop. In addition there is an online resource, the BT Brand Site. This includes guidelines on applying BT's brand values and visual identity, as well as offering a section on policy and process, which includes guides to briefing marketing, communications and creative agencies.

BT brings all its external design agencies together on a quarterly basis to brief them on developments in brand strategy and identity requirements, as well as brand support 'on demand' for project or team needs.

Regular brand briefing meetings also allow the different agencies to get to know one another, which is essential, says Mercer, as agencies are strongly encouraged to



collaborate and work together to deliver consistent product across a range of activities. Annual audits of agency expenditure and reviews of performance are used to evaluate the performance of agencies on the roster and to make changes where necessary.

In more depth

Read more about how creating the right [company culture](#) can help drive innovation

Market

Today BT is one of the world's major providers of communications solutions. The company operates in the UK, Europe, the Americas and the Asia Pacific region. It has more than 20million customers (both business and residential) and in its traditional business area operates more than 30million telephone and data lines.

BT has four principal lines of business:

- **BT Retail** is the UK's largest communications service provider, offering voice data and communications products directly to customers.
- **BT Wholesale** sells network services to other communications providers. It has more than 500 communications industry customers.
- **Openreach** operates BT's physical assets – the local phone lines and network infrastructure that deliver both BT and other services to end customers
- **BT Global Services** provides networked data and voice communication services to large organisations world-wide.

There are also two recently created areas of operation:

- **BT Design**, responsible for designing the technology and processes that provide solutions for customers over the global '21CN' advanced communications network platform
 - **BT Operate**, responsible for deploying and running these new services
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The BT design process

BT has no formalised design process. In fact, its Head of Design, David Mercer, is emphatic that formal processes do not adequately describe or control the interaction between designers and design management necessary for delivering a good quality result.

'It is a common misunderstanding that management of design is just about buying design,' he says, 'It is not. In the eighteen years I've been involved with design at BT, there has never been a single instance when an agency has come back first time with a concept against a brief that is exactly spot-on.'



The process, he says, is two way and interactive, it is 'more touchy-feely than a process, it's about understanding how creativity works.' In the best cases, he says, the designer can 'take the business somewhere it didn't quite know it was going.' To make the best of these opportunities, says Mercer, BT must be able to work with the agencies and encourage them to deliver great work.

Much of this, he notes, is down to the chemistry between designer and client. It is also a delicate process to manage. 'It's a bit like glass blowing: you are on the edge of disaster all the time, you have to be quite careful – it's easy to make mistakes, to go too far down the track and find the agency has gone in the wrong direction, so you have to bring them back.'

Status

BT employs 100,000 people. In 2006 BT's turnover was £19.5billion, up 6 per cent on the previous year. Its profits before tax and specific items were £2.2billion.

(Source: BT overview presentation, February 2007)

BT case study: BT Home Hub

The design of BT's recently launched Home Hub product is a powerful example of the way BT is now using product design as a core part of its brand strategy. Home Hub is a broadband router with VOIP (voice over Internet protocol) capabilities and can be fitted with an integral handset.



The Home Hub was designed, says Mercer, to give tangible form to the BT brand in the home in the way that the domestic telephone handset had done in years gone by.

Most broadband connection equipment, he explains, is hidden away under the computer or 'in the airing cupboard.' The BT Home Hub, by contrast was designed to be 'displayed on the shelf, becoming part of the home.'

The Home Hub also forms an integral part of BT's overall marketing campaign, appearing as a highly visible and central element of the company's web site, and in its TV advertising campaigns. In this way it operates as 'an icon for the brand.'

Product development

The Home Hub was a very short lead-time project, a response to a dramatic change in the broadband market. A competitor had started to offer free-of-charge broadband lines, and this threatened BT's business model, which was to charge subscribers a monthly fee for their lines. So the company needed to respond by emphasising the value-added services that its broadband offering included.



As they were looking for response strategies, Mercer and his team were also involved in the final stages of commissioning a new, high performance router product. They saw an opportunity, says Mercer, 'to re-establish a relationship with our customers through the design of a particular device.'

Mercer and his team engaged a designer, Paul Priestman of agency Priestman Goode, to look at how the new hub could be made more useful and more appealing than the 'piece of grey plastic' that BT would usually use as a router enclosure.

Priestman had to work in a highly constrained environment for the Home Hub project. Not only was the electrical design of the product already finalised, but BT was engaged

in a tender process with prospective manufacturers, so the design had to be completed within three weeks, without any engagement with manufacturing engineers.



Despite the difficult environment, Mercer and the designer were able to dramatically alter the nature of the router. By turning the device onto its end, building in a cradle for a telephone handset and by including clever cable management functionality, they delivered a product that was appealing and easy to use for consumers.

They were also able to change the design of the packaging of the unit, ensuring that it was elegantly presented and logical to set up. The objective, says Mercer, was to give consumers a consistent experience through their whole contact with the BT brand, from seeing a piece of advertising, through buying, receiving, installing and enjoying the product.

Product as brand

The Home Hub has itself helped to evolve BT's design process. The product has been so successful in marketing terms that advertising and marketing requirements are now being included in initial briefs for the next generations of equivalent products, with representatives from the departments and agencies involved in BT's marketing becoming involved in early stage discussion to ensure that that everyone has a good idea of 'how the design will manifest itself in advertising.'

Impact

In its first year of availability, BT has shipped more than 250,000 Home Hub units. It is hard to underestimate the importance of the Home Hub to BT's overall strategy in consumer broadband, says Mercer. 'Out of designing the casing for a piece of technology, all of a sudden we have managed to differentiate the brand fundamentally and stabilise the whole scenario in terms of BT's main product. This is absolutely fundamental.'

BT has metrics for its overall brand value, to which design inputs contribute, but Mercer says that it is not possible to separate the direct contribution of design inputs from the building of brand value.

With thanks to BT

For the purposes of this study, our interviewees were David Mercer, Head of Design and Susan Roche, Brand and Identity manager – Global.

To find out more about BT, visit www.btplc.com

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