

# Design Management Seen at SONY

— Having Managers and Designers Meet Halfway —

by

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**Abstract:** SONY Corporation is a good example of Japanese companies has established so-called “SONY Design.” This paper considers “Design Management at SONY,” which is based on the interview with the late Mr. Yasuo Kuroki (SONY’s former Director of the Creative Center) and argues the following: (1) Harnessing SONY’s Core Competency of Simplification, (2) Techniques for the Systematic Pursuit of Functional Beauty, (3) Design Is a Personal Matter (Activity that People Perform), (4) Meeting Each Other Halfway by Learning from One Another, (5) Design Management under the Guise of Attitude Management, (6) Is Design Management Working? – The Sun Also Rises. Finally this paper proves the essentials of “Design Management at SONY.”

## 1. Introduction

SONY Corporation is a good example of Japanese companies has established so-called “SONY Design.” This paper will consider the design management at SONY Corporation by approaching it based on the thinking of the late Mr. Yasuo Kuroki (Figure 1; SONY’s former Director of the Creative Center), who is known as “Mr. Walkman” (Nagasawa, 2009). SONY’s core competency is generally deemed to lie in its miniaturization technology in the sense of making things smaller, but Kuroki recognized that for SONY this was to be found in its simplification technology. In any event, what

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Figure.1 The late Mr. Yasuo Kuroki (Source: Nagasawa, S. (ed.) with Iwatani, M. (2009) *Design Mind Manager: Yasuo Kuroki, Design Officer of Akio Morita*, Japan Publishing Service, Tokyo, p.19, photo)

this means is that the company has sold user-friendliness (Borja de Mozota, 2010).

## 2. Harnessing SONY's Core Competency of Simplification

SONY temporarily rolled out the Qualia series (which was announced in June 2003 and which it decided to withdraw in January 2006), which offered high quality products at commensurate prices by exhaustively employing technologies with a sense of absolute self-assuredness. Its aim was to position conventional SONY products as its anchor versions (reliable core products that are the most simple and pure) and make this a quality brand for expanding the SONY brand.

But Kuroki's judgment was that such products would not sell. The question that tenaciously clung to his mind was: Are we not just neglecting the users that buy our products (could it be that we have not considered who will buy these?)? For example, with respect to the enclosed carrying case for holding the ultra-small digital camera (2 million pixels) and its accessories, which cost 380,000 yen, he pointed out that in Germany they start thinking about what packaging is superfluous and they even teach this to children right from the very start. Users cannot be expected to snugly fit the product into this case and carry it around, so the box is pointless.

What Kuroki prized with the product design concepts at SONY was "Something

Different, Something New.” Product design was to be determined by negotiating a balance between productivity (how would they be made?) and marketability (how well could they sell?).

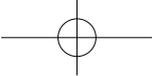
Those manufacturers that give priority to technology place emphasis on productivity, but Kuroki’s first priority was marketability (design). He was convinced that products that were completed by having the engineers follow the requests of the product’s designers turned into products that had “Something Different, Something New.” To Kuroki, the Qualia products seemed to be too different and too new (as if they had absorbed design capabilities to an excessive degree).

For this reason he lamented the fact that there was not a single person at SONY who could undertake design management, and saw the company turning into nothing more than a collection of engineers. Conversely, his thinking was that for SONY to revive itself it would most likely have to become a more interesting company starting right away.

To be sure, its electronics business—which includes BRAVIA liquid crystal televisions, VAIO PCs, and Cyber-shot digital cameras—has recovered its solid footing worldwide since the year 2003, in which the so-called “SONY shock” occurred. Yet in setting global markets as its competitive stage, it found that rivals such as Samsung Electronics Co., Ltd. and Nintendo Co., Ltd. had large presences in the television and video game businesses, respectively. In order to respond to challenges from these companies it would have to successfully exercise design management and go about thoroughly simplifying its products.



Figure.2 The late Mr. Akio Morita (left) and the late Mr. Yasuo Kuroki (right) at Walkman project in 1979 (Source: Nagasawa, S. (2009) *ibid.*, p.69, photo)

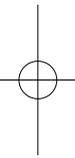


One major background factor that allowed Yasuo Kuroki to tie together the design sections at SONY was the fact that one of the heads of the company, the late Mr. Akio Morita (Figure 2; SONY's co-founder) delegated authority to him in that he entrusted him with the decision making for design. If there is one important point about design management to be uncovered from this relationship of trust between Morita and Kuroki (who was both a manager and a designer), it would be that one of the manager's important roles is figuring out how to breathe life into the designers.

The founding charter for the Tokyo Tsushin Kogyo (Tokyo Telecommunications Engineering Company), which was SONY's predecessor, was "To build a pleasant factory." The meaning of this word "pleasant" will be reaffirmed, but it most likely holds the key to the success of SONY's design management.

### 3. Techniques for the Systematic Pursuit of Functional Beauty

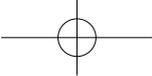
When Kuroki spoke of his outlook on design he often cited Louis Sullivan's maxim that "Form follows function." "Functional beauty" was to be pursued by designing an objective based on the role that it will play.



How does one go about systematically creating functional beauty? For example, Kuroki once told Morita, "Mr. Morita, if you have just one fault it would be that you have never looked up at your organization from the bottom." What he meant by saying this is that corporate organizations that have adopted a pyramidal configuration appear to be neatly ordered when you look down upon them from the top, but upon entering them from the side you cannot help but notice that they are convoluted in a number of ways and have defects and other problem areas.

Under such circumstances, it is only natural that even when the top management tries to imbue products with functional beauty by arranging their human resources so that the right people are in the right positions, things will not go all that smoothly. Therefore, Kuroki imitated the ability of Kobori Enshu—who was a warrior that was active in the early days of the Edo Period—in his role as *sakuji bugyo* (commissioner of buildings). The commissioner was the person who constructed the buildings of the Imperial Palace and shogunate and controlled their gardens. Kobori Enshu is well known for tea-booths and gardens such as Katsura Imperial Village and the Kohoan, a sub-temple of Daitokuji Temple.

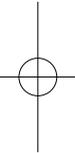
One famous episode comes from the restoration of the gardens at Nijo Castle, in which he is said to have used and remodeled the existing garden stones and trees largely without replacing any of them. Simply put, he committed himself to only rearranging



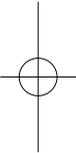
these and putting them in order.

For example, he would place an imposing oblong stone pillar on the right side, line up a group of flat rocks off to the left side, and then arrange trees that counterbalanced these around them. In doing so, he would capitalize upon the unique characteristics of each tree to rearrange them in such a way that it looked like he had planted new ones. In this way he completed the garden in such a way that it was nearly unrecognizable just by simply reallocating the stones and trees in this manner. Kuroki was of the conviction that this was the same as the optimal allocation of resources, or in other words figuring out what to allocate and where.

SONY's design organization adopted this around the time that Kuroki was in charge of it. The essential point in this lies in demarcating specialized sectors and determining in advance who will make the decisions for each of these separate sectors. Just like with the stones in the garden, he had stones on hand for each of these respective sectors and would continue thinking about their layout and arrangement. By doing this he was striving to achieve harmony for the whole.



At SONY's design center he entrusted the authority for resolving problems with design proper to the chief examiners for design, rather than the head of the design organization. Since there were several of these chief examiners for design, they held meetings to determine the actual design, but the decision was made to not give the head of the design organization any say in determining the design. By doing this he was attempting to elicit the functional beauty of the products.



#### **4. Design Is a Personal Matter (Activity that People Perform)**

One more point is that in order to invest products with functional beauty it is necessary to have people that want to make them take charge of them. While this poses a human resources problem, Kuroki interpreted this as being a "personal matter" and explained the meaning that this term carries in an easy to understand manner. Commercial goods are nothing other than things that people make (activities), and so in order to invest them with appeal and have their individuality arise they must be designed from out of said people's enthusiasm (aspirations).

Figure.3, Figure.4 and Figure.5 show the first model of Walkman, AIBO and the first model of PlayStation respectively, those have been called typical SONY's products designed by so-called "SONY Design."

Paul Kunkel's *Digital Dreams: The Work of the SONY Design Center* (Kunkel, 1999), the Japanese language version of which was published in 1999, was ground-



Figure.3 The first model of Walkman (Source: Nagasawa, S. (2009) *ibid.*, p.79, Figure 1)



Figure.4 AIBO (Source: Nagasawa, S. (2009) *ibid.*, p.110, , Figure 1)



Figure.5 The first model of PlayStation (Source: Nagasawa, S. (2009) *ibid.*, p.31, Figure 4)

breaking in the sense that it drew near to the true nature of the SONY design organization, which until then had been veiled in secrecy. In the book he wrote that products that are created in the future will most likely have the following four elements.

- (1) They will be innovative ... the latest technologies will be put on the market first, and those products that differentiate themselves through their design will dominate the market.
- (2) People will want them ... products that people want will be attractive in terms of aspects like their external appearance, feel, and performance, and people will be able to get an impression of even the environment surrounding them.
- (3) They will entertain people.
- (4) They will be intuitive ... their functions will be easy to understand and people will easily become familiar with them.

To date, SONY products such as the Walkman, AIBO, and PlayStation have fallen under the category of (1), (2), and (3), respectively, while the simplified technologies themselves that Kuroki personally considered measure up to (4). Yet the fact that nowadays they are upstaged by products like Apple's iPod and Nintendo's Wii is most likely a result of the fact that SONY's design management has been watered down compared to that of these companies.

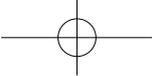
In the aforementioned book by Paul Kunkel (1999), incorporating the four elements listed above is regarded as imbuing products with a "discernable design language," enriching what those products are capable of expressing, and arranging it so that they have a dialogue with the user. To state this another way, as is implied from the existence of the word affordance, this refers to a situation in which products are given a design that tantalizes people into handling them and where the product speaks to them.

In order for such terms to be bestowed upon a product, people with a burning desire to create it must be involved in its design. In other words, this is what he meant when he said that design is a personal matter (activity that people perform).

## **5. Meeting Each Other Halfway by Learning from One Another**

In developing products through design management, it is important to have people oversee design as a personal matter as described above. Mutual learning is crucial in the relationship between managers and designers in the sense of having managers consider design and having designers consider management.

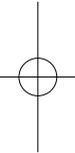
The very title of Akio Morita's book *Never Mind School Records* speaks eloquently



of the importance of this. Why is it that we should pay no mind to school records? This is because through the course of doing their jobs people come to consider with one another things that they were unaware of. For this reason a school record is not necessary (irrelevant), because what is crucial is the extent to which people are capable of reaching compromises, some kind of convergence.

Companies are not looking for anything in a person's personal history, what they require are a person's talents and potential. They just want them to achieve their strategic potential by fully harnessing their talents. Morita considered this to be the value of working and regarded anything from which people obtain worth as their purpose in life.

It was in the year 1965 that Morita proclaimed, "I'm going to burn my employees' resumes," thereby demonstrating through an ostentatious action his assertion that so long as a person has talent then they have no need of things like school records. In actuality he did not really burn their school records, which were being stored in the personnel department. But the crucial point in this is to get individuals to harness their inherent knowledge and talents to the utmost extent possible both now and in the future, regardless of the past.



Through the act of working together people convey things to and learn things from one another. This constitutes human resources development. In many cases a person's school record will invoke biases and preconceived notions during such mutual learning. As indicated in the phrasing of the sentence, "Even though they graduated from college that person is nobody important," there is bias contained in the "even though" part.

In regards to this, Kuroki also said that most Japanese people are unaware of which university the President of the United States or the Prime Minister of the United Kingdom graduated from, or through what sort of personal history they ascended to their lofty positions. Furthermore, there was no point or need in knowing this. This was an assertion that it was true that people should pay no mind to school records.

Yet Kuroki regretted the fact that by extolling the virtues of paying no mind to school records people got the impression that anyone could join SONY. He insisted that, "What Morita wanted to get across was the opposite of 'never mind school records,' which is 'pay heed to knowledge.'" At the root of this notion of never mind school records and pay heed to knowledge a mutual compromise had been made. Compromises were also naturally made between managers and designers through this, which came to be SONY's own distinctive design management style.

## 6. Design Management under the Guise of Attitude Management

Design management consists of “asset management” in the sense of creating value, as well as “attitude management” in the sense of adjusting the mental attitude of the company. The claim could be made that the reason that Morita took an interest in Kuroki right from their first meeting and would act in concert with him at every opportunity was because of this attitude management within design management.

Kuroki initially worked for three years in the advertising department at Sogo Co., Ltd. As this was precisely the time that Sogo was setting up in Yurakucho, he was in charge of the “Let’s meet in Yurakucho” campaign. However, a former teacher from his college days warned him, “Department stores are great for acquiring product knowledge, but if you are there for a long time it will get to the point where you can only see society from the windows of the department store, so it would be best to resign from there quickly.” So in line with this thinking he thought about changing jobs, and after that he sought one with SONY.

Kuroki was initially assigned to the advertising section, where he was put in charge of advertising in Japan. It was at an advertising meeting as part of such activities that Kuroki and Morita first met. At the time Morita was the Vice President, but since he was constantly chiming in regarding advertising and publicity, Kuroki unintentionally blurted out, “If you’re going to talk that much then why don’t you just go ahead and serve as the head of the advertising department at the same time?”

Morita did not get angry in response to this, but only smiled a wry grin and said, “Oh, right, I’ve heard you were at Sogo. I’ll bet you say that because SONY is pretty bad at advertising.” Kuroki would later recall that, “Top managers accept the proposals from people with talent that go above and beyond their own understanding and put these on the market. Whether or not they are capable of doing this is the eternal question for companies.” The depth of understanding and confidence that Morita had in Kuroki in SONY back in those days was similar to the relationship between an artist and their patron (sponsor).

Owing to the presence of such a manager who entrusted these sorts of design-related issues to Kuroki, he undertook his own distinctive design management at SONY. Kuroki personally defined design management as “Understanding design, cultivating design, evaluating design, and disseminating design.”

His assertion was that designers have a variety of different capabilities, but chief among these is control that allows them to fully utilize their capacity to be able to imagine the shape of a product in three dimensions right from the outset; this is the heart

of design management. In his view what designers do is take the characteristics and specifications inscribed two dimensionally in the form of the written product proposal and translate these into three dimensions.

What Kuroki was actually doing was to cultivate designers' marketing capabilities. This carried the implication that while marketers cannot become designers (because they cannot translate two-dimensional objects into three-dimensional ones) designers can become marketers, and so these designers must press forward themselves in denoting products that can be produced and that will sell.

Producing these marketers-cum-designers leads to products that are suffused with elements that are easy to produce, as well as elements that tend to sell. While activities aimed at this were unfolding, Masaru Ibuka, the other founder of SONY, was gradually coming around to this way of thinking.

As an engineer, Masaru Ibuka put top priority on the technology without laying that much emphasis on the design and marketing, and did not show much understanding of these. Generally speaking, he was single-mindedly devoted to creating the best products in the world through superlative technology, and cherished the slogan "Research makes the difference."

But around about the time that the Walkman was developed Ibuka was coming around to agreeing with Kuroki's pet theory on how products should be viewed. This states that emotions and feelings of affection are often at work when people buy things in terms of whether the product is cute, or cool, or whether they will always want it right

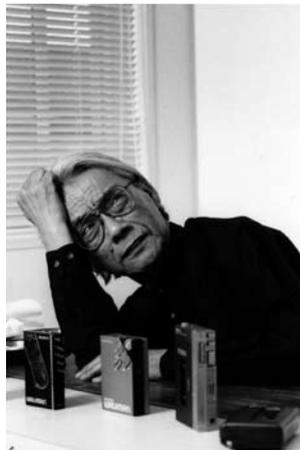
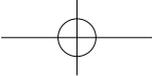


Figure.6 The late Mr. Yasuo Kuroki contemplating with Walkmans (Source: Nagasawa, S. (2009) *ibid.*, p.199, photo)

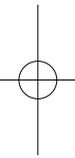


next to them. Ultimately he came around to acknowledging this way of thinking, saying, “It’s exactly the way Kuroki here says it is.” This shift in attitude was none other than a meeting halfway between design and management.

According to Kuroki, these two men were both skillful talkers, but their ways of getting things across were completely opposite one another. With Morita, his “Style of speaking inspires people and gets them excited” (dazzler), whereas with Ibuka his “Style of speaking is slow and deliberate, to the point where it could almost be a written text as it is” (muse). The strange combination of these polar opposites served as the driving force for this convivial company.

In reality, Morita thought about how he could spend every day at work with a smile on his face, while Ibuka worked on technologies that no one else had yet attempted, and regarded even failures in this as progress and assets. This configuration in the managerial staff itself is convivial, and from a design management perspective it represented the very fountainhead of attitude management.

## **7. Conclusions: Is Design Management Working? – The Sun Also Rises**



In the abovementioned book by Paul Kunkel (1999), he points out that design methods are incorporated into design itself, which is to say that they are internalized. This refers to the fact that newcomers at a company understand design by observing how their superiors work and gathering knowledge from that.

At welcoming ceremonies for new employees, Morita would usually say something like, “Your bosses are extremely busy, and so they don’t have the free time to think up work for you. So I ask that you learn your jobs on your own and grab work for yourselves.” For designers, the fruits of such learning led to skills like making predictions for design work by picturing the product’s life cycle over the time axis of a single day and thinking about which time frame the product was currently in within this, as an example.

Paul Kunkel (1999) called this the “Sunrise / Sunset Strategy,” and divided it up into the following seven stages. (1) Sunrise – Market creation; hegemony is determined by launching a product in the early stages. (2) Early morning – Engineers perfect its core mechanisms, and the design contributes to setting goals for icon products. (3) Late morning – Market penetration; designs that capture the essence of the product are created and opinion leaders and mainstream users become the target demographic. (4) Noon – Market dominance; knockout products lead on all fronts (performance, cost, etc.). (5) Early afternoon – Market growth; differentiation begins and the market fragments. (6) Late afternoon – Differentiation proceeds, the engineers continue to simplify the product,



and the designers pursue users in minute niches. (7) Sunset – Market saturation; Differentiation is impossible, designers sometimes resort to launching design “fireworks” in order to attract attention.

When it is divided up and perceived this way, one can naturally see that items like cell phones and computers have arrived at late afternoon, and that products like the iPod are in the midday state of noon. In thinking about “What time is it now?” over the course of this single day, it is important to have an attitude of contriving ways to take designs that have reached sunset and create a fresh sunrise for them once more.

In actuality, Kuroki set to work on the design plans for the second generation of Walkmans immediately after the first generation was brought out. Since users lose interest if a company grows complacent with a hit, he more or less attempted to put out something that would surpass their expectations over a short time cycle. Apple is currently employing this sort of rapid-fire strategy. As the fact that the question of why SONY was not the one to create the iPod has come up for debate shows, in order to solve this problem it will have to get to work on design management that will bring about a new sunrise.

### **Acknowledgements**

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