

Midea's Creativity Coach

Chinese enterprises need more than cooler products: they need top design firms like IDEO to help transform their understanding of innovation.

By Nikki Zhao | Translated by Vivian Hu

A round, ceramic herbal tea maker. An “air balancer” with LED. A smartphone application that gauges your health by analyzing the color of your tongue in a snapshot. These are the concepts American design firm IDEO presented to Huang Yuanxiong, General Manager of Midea Fine Appliance Manufacturing Business Unit, after three weeks of intensive research, brainstorming, and iterative refinement.

IDEO has designed many famous products, such as the first commercial mouse for Apple and Microsoft, the first laptop, and the classic Palm V. The firm now aims to deliver successful designs for the Chinese market through its Shanghai office.

The deliverables presented to Huang are entirely different from any other solutions he has received in the past. Typically, he says, industrial design focuses on improving appearance and style, whereas IDEO prompts him to think deeper. “In the future, what value can we create for customers? What kind of business model we should adopt to deliver the value? Those questions require more profound thinking,” Huang told *Global Entrepreneur* (GE).

This is precisely what makes IDEO different than other industrial design firms. “We create a valuable, innovative business model behind products, rather than just the products,” said Richard Kelly, Managing Director of IDEO Asia Pacific.

And it's the kind of thinking Huang is looking for: he wants Midea to be a creator and not a follower. The large home-appliance manufacturer, like others in its position, historically has relied on emulating international brands. But now that Midea is large-scale enough to play a role in the global marketplace, its challenge is to find a new way of developing products and becoming an innovator.

After Midea partnered with IDEO, Kelly's team started to think about what kind of design could truly change the lives of Chinese people. It is worth mentioning that IDEO is well-known for its multi-disciplinary teams. For the Midea project, team members included: product designers; business designers (who bring a business perspective to design); industrial designers; interaction designers (with a background of media design research); and a designer who graduated from Harvard Business School who specializes in business models. Such a team guarantees the variety of ideas, and at the same time adheres to the “human-centered” path because they share the same values.



IDEO team members for this project include typically product designers, industrial designers, and a business designer who graduated from Harvard Business School.

A new way of thinking

These values, also IDEO's design principles, require design to be relevant to the nature and history, and educative.

The team chose health and wellness as its design theme, a topic that—despite more than a thousand years of history—has yet to be fully tapped into by modern Chinese society, and which urgently needs to do so. IDEO aims to modernize the accumulated health and wellness concepts in Chinese culture and turn many unscientific, even superstitious notions, into facts with scientific evidence.

Interestingly, IDEO found that when treating health problems Chinese people tend to turn to Western medicine, which “treats only where the pain is”, whereas Westerners are more in favor of traditional Chinese medicine, which pays attention to “balance and circulation”. IDEO was determined to achieve balance between those two through design, and the project was named after a meaningful Chinese word *tong* (which means “through”).

The above-mentioned conclusion was not without foundation, instead, it was based on various kinds of interesting research done in the early phase of the project. In fact, Huang Yuanxiong was deeply impressed by IDEO's research of observing customers' behaviors, and he even “deeply reflected on the past design collaborations, which were quite different from this one”. Most of the projects he has done with other design firms were handled by several designers in the office, and lacked rich design information and diverse team members.

Three men from the team went into a shop selling anti-radiation clothing for pregnant women to experience how the shop assistant proved radiation was blocked by wrapping anti-radiation clothes around cell phones. When shadowing people to observe their lives, IDEO notes the unique ways of how Chinese people maintain their health. During a field research in a drug store, a shop assistant tried to talk Kelly into buying Chinese spirits and longan fruit by telling him that both are good, respectively, for warming and nourishing men's and women's bodies. “[She] never mentioned how they taste during the whole conversation, only said that those are good for health.” The final design deliverable “herbal tea maker” is originated from that moment of inspiration.

The same thing happened when the IDEO team visited the flower and bird market. A team member chatted with an elderly lady from Anhui province who talked for a long time about how great the air quality is back in her hometown—and how unsatisfying the environment is in Shanghai. However, she plans to stay in the metropolis, where life is more convenient. “Even though many people lead a good life with a contradictory mentality, at the bottom of their heart, they long for nature,” One of the team members, Tony Wong told GE that the team was inspired to think about how to create a healthy and natural home, for example, how can the air in the house be made to flow through it better?

Products designed for customers should resonate with customers' desire. That is the way IDEO approaches design—and also what IDEO is good at. The IDEO team in the US, based on people's behavior of rounding up loose change, suggested to Bank of America that the bank accumulate the over-paid difference in loose change, and double it when giving it back to customers at the end of year. This approach made customers feel that they got more money instead of losing it. It helped Bank of America win several million new customers and increase customer loyalty in the competitive US financial market.

The notion that the innovation of business model is more important than the design of a product was raised by Calvin Shen, who has a background of both business school and creative media. Based on early-stage research, Calvin recognised that Chinese people more often look to authorities for health-related issues. In this sense, the “air balancer” should be made with herbal vendors and recommended to customers through doctors, and it should be rented instead of sold to customers. That is an entirely different business model from simply selling products. The design firms Midea had worked with previously did not create ideas from the angle of new business models, and they would not think that is the job for design firms. In fact, some people think IDEO as a design firm has taken business from management consulting companies.

Of course, the ideas are great, but are they too far away from the real market? Huang hopes to implement the concepts as concrete projects by combining an abstract thinking model and way of innovation with Midea's understanding of the domestic market. Even though the ideas are somewhat forward-looking, Midea is looking at the future right now. “Those are just conceptual designs, and it will probably take another six months to bring the products to market,” Huang told GE. The most important change is that IDEO's design thinking has already begun to change Midea.