

BREAKAWAY Q&A

Harry West, frog

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By Orlaith Farrell for Bloomberg

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BACKGROUND

Frog is a design and strategy company. It was founded in Germany in 1969, under the name Esslinger Design, and now has branches all over the world where designers and innovators work with companies and brands to “anticipate the future.” A young Steve Jobs enlisted Esslinger’s help in the early 1980s to bring some design expertise to Apple; more recent clients include Intel, GE and Disney. Harry West has been CEO since 2015. He joined the company after stints as a senior partner at consultancy Prophet and as CEO at design and innovation consultancy firm Continuum.

HARRY WEST, CHIEF EXECUTIVE OFFICER, FROG



Harry West is the CEO of frog. At frog Harry West leads an eclectic mix of strategists, researchers, designers, and technologists who create remarkable products, services and customer experiences that make life better for people all over the world. Harry has led design and innovation at MIT, Continuum, Prophet and now frog, and has degrees from Cambridge University and MIT.

frog is a global design and strategy firm. Our passion is to transform ideas into realities. frog works globally in a broad range of industries including financial services, telecommunications, healthcare, enterprise software, automotive systems, government services and consumer products. We transform businesses at scale by creating systems of

brand, product and service that deliver a distinctly better experience. frog partners with clients to anticipate the future, evolve organizations and advance the human experience.

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Bloomberg: Let's start with your frog bio. It says you don't have an office, a desk or a chair. Talk a little bit about how that works and what your work day looks like?

Harry West: I roam. We have twelve offices scattered around the world and I try to visit each studio whenever I can—generally, about once a quarter—which means that every week I'm probably in a different studio. I was in New York at the beginning of this week—Monday, Tuesday and Wednesday—and now I'm in Boston. Next week, I'm in San Francisco and then Sydney, and the week after that, Sydney again and then New York.

I roam from studio to studio, trying to connect as well as I can with our teams in each location and connect ideas, listen to what different teams are working on, and also try to communicate back to teams the direction that the company is moving in.

Bloomberg: Is it important for you to have face time with teams on an ongoing basis? Is that something that you prioritize?

West: It's important to me to connect with the company as a whole. I think if I just sat in one studio, I would become very biased by that particular studio's experience, and it wouldn't reflect the company as a whole. I think if I just tried to communicate by phone, I wouldn't really understand what it's like for our teams. So I try to be in person and just touch base with a scattering of projects and a scattering of teams around the world on an ongoing basis.

Bloomberg: Your job is to "anticipate the future." You don't have a crystal ball, but I was wondering if you could give us a sense of what you think the future will look like for business in five to ten years time.

West: There are three questions there: what is happening in the world, what is happening in the design space, and what is going to be happening with frog? They are all deeply connected of course. We are accelerating. Change is continuing to accelerate. And that is being driven by new technology, new capabilities, and a ratcheting up of customer expectations—all creating disruption. There is no industry that is not vulnerable to disruption, and I think that is the big change. And so, we have gone from large organizations looking at design and innovation as something that was interesting and stimulating—that they could engage in when they felt like it—to design and innovation now being a central part, both as an opportunity and as a threat for their future.



"Every company is looking for ways to provide that very best level of service, because if they don't, somebody else will—and they will be out of it."



Bloomberg: You mention consumer expectations and that they have changed dramatically over the past few years. You've previously credited the iPhone for that market shift. How are those expectations now driving your business almost ten years later?

West: Often you can't see the big patterns in history unless you look back. If I look back on the history of frog over the last 30 to 40 years, you can see this arc. frog was initially created actually to serve Apple—to design the original Apple computers—and at that time what was revolutionary was this notion of product design: the physical product design and the physical interaction with products. And that's what frog helped to bring to Apple, and that revolutionized the personal computer. It took it from being an industrial or professional product to a personal product.

Then, over the course of the next 20 years, the opportunity for design and disruption moved from the physical product to the interaction with the screen—the interaction design, the visual design— and that's where frog moved. That became the new area for technology change, and the ratcheting up of consumer expectations was around interaction design, so that's what frog focused on. [The firm] led extraordinary revolutions in interaction design with very large companies like General Electric, SAP, and other companies.

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Now I think what we're seeing is that this has continued and, with the iPhone in particular, it has meant that the cost of this type of technical change has become exponentially cheaper. Because everybody has got hardware in their hand, it's very low cost to put extraordinary power into the hands of each customer, as we've seen through examples set by Apple and Google and others. All these businesses have seen the incredible power of building ecosystems or platforms that will put power into the customers' hands, whether those ecosystems or platforms are owned by you—as we've seen in the case of Apple or Google—or whether they are systems that you interact with, which are shared, as in the case with Uber and Airbnb. That is the big change that is happening now, so when we think about the sort of issues that are central to the design around making products more seamless, more fun, and more engaging—if we were to look back over that arc of innovation history—you would ask: why is it that, if it just saves you a couple of minutes to get my taxi, why is that driving an industry? Well, because customers have extraordinarily demanding expectations today and will write you off if you don't deliver the very best possible service to them. Every company is looking for ways to provide that very best level of service, because if they don't, somebody else will—and they will be out of it.

“I don't really see any contradiction between maintaining a culture and delivering great business results.”

Bloomberg: Are there any new companies out there, that aren't connected with frog, that you see and think, they're doing it right? Any start-ups or new companies that you've encountered and thought: wow, they've got it all. They have done it correctly, this is brilliant?

West: The obvious one that comes to mind us Uber, which is a fantastic service. If we're talking about financial services, Simple is interesting. It's not clear to me that they're making any money, but they're probably meeting the needs of some people. Venmo is fantastic. These are examples of companies that are nibbling around the edge of financial services businesses. They're showing the way.

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Bloomberg: Back to frog. Earlier this year you parted ways with your Chief Creative Officer. It was a move that surprised some when he wasn't replaced. Instead you opted to have five leaders on five continents. Has that decision been an effective one?

West: Yes, it has been very effective. It's part of a bigger story really, which I think connects to your original question about what is going on in business right now. Let me step back and relay that story and then we can connect it to the decision we made around our creative leadership. If we go back to the origin of frog, it was built originally by Hartmut Esslinger, the founder, who was an absolute genius. He was originally trained as a mechanical engineer and then he began to follow his true love, which was design. He was the sort of person who could both design a product and imagine how it would be manufactured at the same time. He built a company initially combining industrial design and the mechanical engineering that could do that. He basically scaled up his own personal genius. The general lesson there was to deliver great design, you also need also be thinking about how you execute on that design to get the final outcome for the clients or the organization, so that you have that integration between design, industrial design and mechanical engineering.

Skipping forward a couple of decades, the next step when you're looking at interaction design is where you need more different types of designers, but also software coders, in order to take those ideas and execute them to get to the outcome for the client. So, the world becomes a little bit more complex. You need more different types of designers, and you need a different type of engineer in order to make that work.

Now, skipping forward again to where we are today; the world in which we are working in today is not as much about individual products, nor is it as much about individual digital experiences. Increasingly, the most interesting design challenges are around systems of products—physical products and digital products and services—so we're building systems. When you are designing a system, you need to think about what you need to do to execute on

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that system. How do you help a client make that happen, whether it's a new way of selling insurance or a new way for customers to interact in a bank? You're dealing with physical spaces, you're dealing with mobile apps, you're dealing with websites, you're dealing with training of people and developing staff capabilities, you're creating a system to deliver that—so frog had to become a more complex mix of capabilities in order to deliver the more complex products that we're working on. In order for that to be led appropriately, we decided that we needed a broader leadership team that combined visual designers and interaction designers, product designers, strategists, and technologists. So we have a broader leadership team at frog now that really is responsible for the overall direction of the company, rather than just a single charismatic leader.



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Bloomberg: With design at the forefront for so many companies now, what is frog doing to hire and retain the talent and create the work environment at frog that attracts those rock star designers that you're known for?

West: As you pointed out, everybody is getting into design. Let me go back and put this in the historical context; back in the 80's and 90's, I think that most companies didn't really respect design. There were a few companies out there that were unusual in their focus on design, like Apple, but most thought of it as the decoration station at the end of the production line. A lot of our work at that time was about proving the value of design. Then over the last 10 or 15 years, the world kind of looked up and [saw] that the firms that are taking design seriously were cleaning up. So there's been this gold rush of companies trying to figure out how they're going to ensure that their products and services or experiences are designed appropriately, and that's what's been happening over the last ten or fifteen years. From my perception, what many companies are doing is they're trying to tick the box on design and at least not do badly. I think where frog is playing is with companies who don't want to just tick the box, but for companies where the quality of design is going to be critical to the success of the company.

We can attract the best designers because of our reputation. We have a strong track record and we have a great reputation so it's fairly easy for us to attract, in particular, entry-level and more junior staff who are anxious to work in a company like frog. We can be incredibly choosy, very particular in how we select. We will get 30, 40 applicants for any position that we post—that's a privileged position to be in. The second reason why we can attract the best staff is because of the nature of our work. We do a broad range of work but it tends to be biased toward the most interesting and innovative work. Talented people want to work with frog because they want to be exposed to those interesting challenges and interesting design problems, and we tend not to do routine websites or very straightforward products. We let other companies do that because we know taking that work on would drive down our billing rates, and we would become a little bit of a sweatshop—we don't want to become a sweatshop. We focus on the most interesting and challenging work where the clients really value the quality of design that we deliver and our staff, our teams, are attracted to that. That's the reason they're here. And thirdly, our mission around advancing the human experience is very attractive to many of our talented designers. That's the reason they come to frog. They want to genuinely advance the human experience, and we genuinely look for ways to improve the lives of customers, consumers, and citizens in all of the work that we do, and that's personally rewarding.

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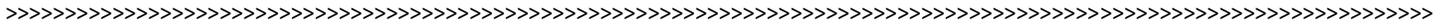
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Bloomberg: frog has had a period of transition since 2006 when Flextronics became involved and then ultimately a private equity firm. As CEO, how do you balance revenue demands from one side and cultivate the sort of atmosphere, the creative environment, and the sort of genius you're talking about on another side?

West: I don't see any sort of contradiction or tension there, actually, because the equation is straightforward. Companies come to us because they believe that the quality of design is going to determine their ultimate success. In order for us to be able to deliver on that, we need the best designers. In order for us to have the best designers,

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we need to be hyper-selective in the people that we recruit, and we need to maintain a very strong culture and practice around design excellence. We need to make sure that the company is totally focused on outcomes—the results of our work getting out into the world—so that our clients can then benefit from that quality of design delivered into the world. It’s a very strong, self-reinforcing business model for us. And I don’t really see any contradiction between maintaining a culture and delivering great business results.

Bloomberg: Are you heavily involved in frogVentures, your startup hub? Do you play a role in that, and are there any ideas emerging from that sector at the moment that we should aware of?

West: Ethan Imboden runs that based in San Francisco. He reports to me. He’s got complete control over that part of our business. He’s doing a great job. There are several reasons why we have frogVentures. One is: it’s a small part of our business, where we help startups get to the next level so they can raise the next round of funding or launch their product, and it’s a successful business for us. We’re super happy with that. Ethan does a very good job of being very particular about which new ventures he takes on, so we only take them on if we think it’s a good fit for frog and if we think the venture is going to be successful. So the second benefit to us is: it’s a good fit for frog. It gives us an opportunity to work in some very interesting areas for our teams and [for them] to practice their craft in some places that they have some passion around. And then the third benefit is that this way of working is becoming increasingly important for our largest clients. Several of our largest clients have recognized the challenge of this highly disruptive environment that we’re all living in right now—that we talked about at the beginning of our conversation—and they’ve realized that they need to begin to change how they operate as a company, and they need to learn to operate more in a venture mode than in a traditional big company mode, so large companies are working with us in a venture mode. Shorter reporting lines, faster decision-making and less bureaucratic decision-making processes, more agile processes, and more willingness to experiment and try ideas out quickly, even in the market. Some very large organizations—one that we can talk about is Pfizer, where we set up a design collaborative working with them over the last year, just to bring that way of thinking into the organization. Those are, sort of, the three main values of frogVentures. I suspect that frogVentures, in its purest form as way to fund startups, is going to continue at a modest level, but venture design and bringing that venture approach into large organizations is going to continue to grow exponentially in the future.

Bloomberg: Can you imagine that in five-years-time we’re going to have an Uber level of simplicity, when we want to bank or when we want to take out a car loan?

West: Yes. It will happen, but it is going to be difficult to do—but it will happen. It’s a combination of technical change plus organization evolution; the evolution of the people in these large banks and in these health insurance companies plus changing customer expectations, so the customers become comfortable with making these types of decisions on their phone or using an app. It’s not just a technology problem, it’s not just an organization problem, it’s not just a consumer problem—it’s that combination.



“Venture design and bringing that venture approach into large organizations is going to continue to grow exponentially.”



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