



**Neo-  
utilities;**

*re-designing 'value' at the point of consumption.*

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MA Design; Ceramics, Furniture, Jewellery

UAL: Central Saint Martins

*'Neo-utilities'* re-casts corporate integrated reporting as a source of information for decision makers, from material sourcing to the consumer context. This proposition would provide all participants in the production to consumption network, the information to base their decisions on 'integrated value', rather than purely by the lowest price at the point of purchase. In an age of transparent information, *'Neo-utilities'* propose a reappraisal of how social, economic and environmental values contribute to sustainable design responses and create narratives for positive change.

In mature markets, where basic utility is often taken for granted; products aim to satisfy shared criteria and are mass-produced for similar costs. Differentiation strategies aim to reduce economies of scale within the process to reduce the price at the point of sale, or by the creation of questionable design variations that claim to 'add' value to the basic product. In both strategies, the focus is on the end of the production process, at the point where the product meets the consumer. This fails to recognise the full costs of production, or the lifecycle of products during and post consumption (see figure 1).

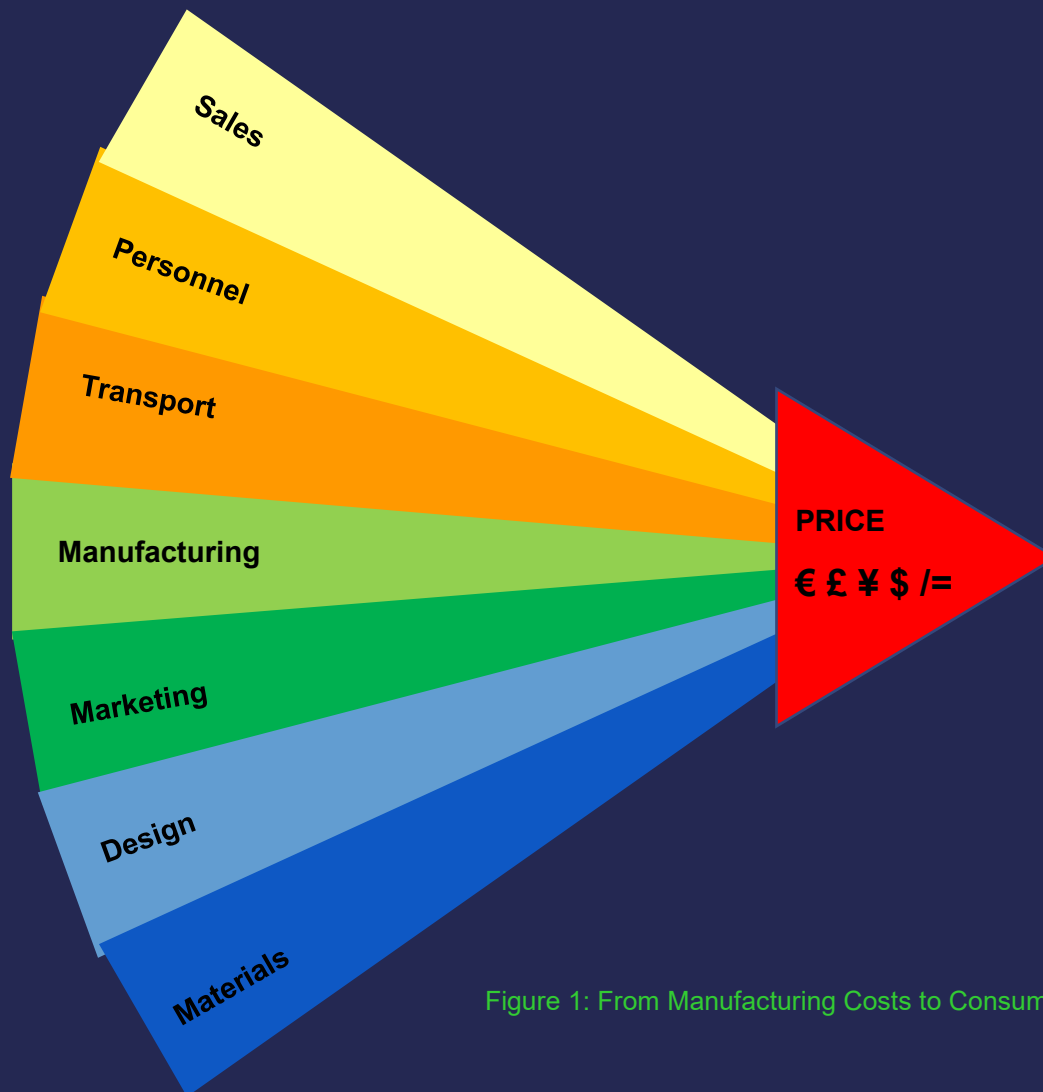


Figure 1: From Manufacturing Costs to Consumer Price

As consumers become more aware of the impact of their choices and increasingly value the experiential elements of their purchasing power, the potential impact to reputational risk throughout the production and consumption network rises, for example failing to recognise the impact of The Modern Slavery Act 2015. When ethicality and sustainability are viewed as 'costs' during

production, it becomes clearer why they are so rarely valued in design narratives at the point of sale. With little motivation, beyond reducing price or tweaking product design, real innovation rapidly declines. The question becomes how to overcome resistance to change and move to supercharge 'radical innovation' (Verganti, 2009)?

Whilst the complexities of competing issues of sustainability and ethicality may be less familiar to design constrained by price, international legal and corporate discussions have acknowledged and reviewed these issues in response to duties to maximise shareholder profit. To

manage investments, whilst recognising the crisis in sustainability and the very real risks to business, society and capital, increasingly companies are responding by adopting a model of integrated reporting (see figure 2).

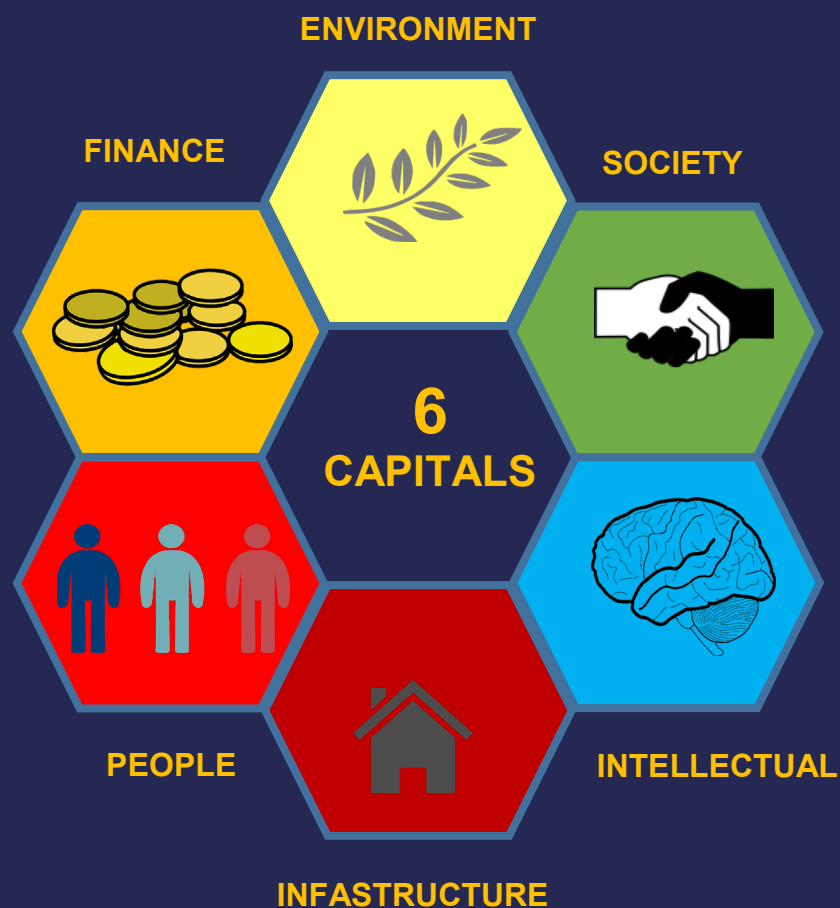


Figure 2: The 'six capitals' of Integrated Reporting.

Integrated reporting takes a longer view and draws on 'six capitals'; financials, infrastructure, environment, people, society and the intellectual relationships and

knowledge that these create, viewed through the lenses of environmental, economic and societal impact.

*‘The outcomes based approach of integrated reporting is to look at the value creation chain from inputs into the company’s business model, its output, being its product or service and the effects that that product or service has when it goes out into society on the three critical dimensions of sustainable development, the economy, society and the environment. This outcomes*

*based approach is now recognised in the Sustainable Development Goals of the UN of April 2015 in which the UN states that in order to achieve sustainable development by 2030, account has to be taken of the indivisible and integrated dimensions of the economy, society and the environment’ (King, M. 2018, see figure 3).*

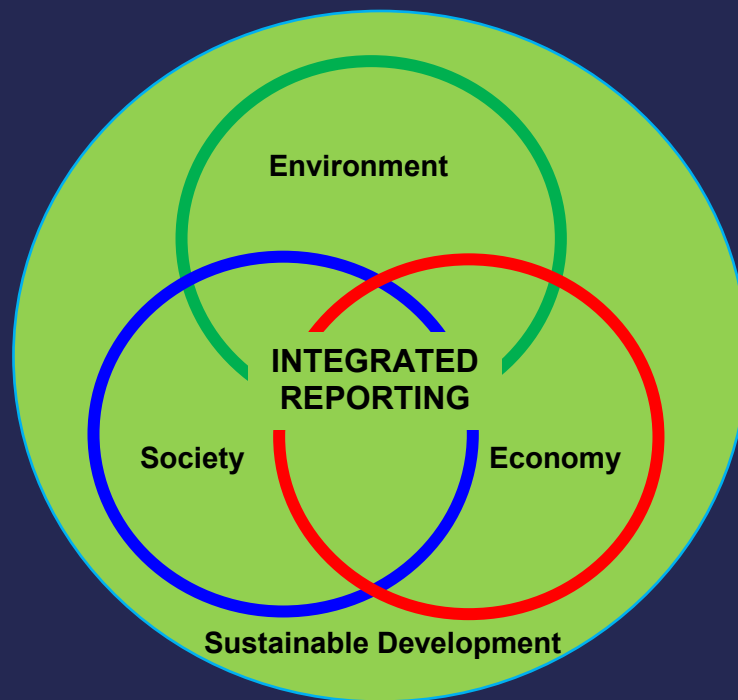


Figure 3: Integrating ‘Value’ for Sustainable Development

If at the corporate level, using a broader range of evaluation criteria contributes to making better decisions and provides greater reliability based on the ‘true’ cost of production. Then, why not use the methods and approaches of design thinking, to translate these principles to the point of purchase and let consumers choose? The *Neo-utilities* project aims to; examine barriers to achieving these goals, develop a discourse between stakeholders and shareholders, and define a set of principles to inform and

empower design teams throughout the production to consumption network to propose more sustainable outcomes. Using these principles to create narratives with enhanced consumer choice.

Increasing choice based on real costs and principles for a sustainable future, from a broader range of criteria than price alone, will simultaneously empower design agendas within corporate structures to question the ‘procurement at any cost’ agenda.

The *radical element* here is the extension of a proven model through production and consumption networks to the point of commitment by the consumer. Moving the focus for the consumer, from a simplified perspective framed by price, to acknowledging the implications and impact of their actions and the values these convey. As the benefits and responsibilities of consumption become transparent through digital media, the reputational risk to all parties encourages an alignment between those who share social and environmental values. Innovation driven by shared values, rather than differentiation by dubious novelty at the lowest price.

Translating the social, environmental and economic indicators to the point of sale may be complex and we are anxious not to prejudge the interface. The *Neo-utility* project proposes re-imagining the principles of integrated reporting in a multi-disciplinary collaboration between design, business, law, community collaboration, ethics and retail to future-cast models for prototyping and testing.

### **Proof of Concept:**

The *Neo-utilities* project builds on previous research forums, framed around the Modern Slavery Act 2015 and sustainability, using Chatham House Rules and hosted by the authors at Central Saint Martins, UAL, London. Drawing together designers, shareholders, investors, general councils,

NGOs and C-suite managers, to speak openly and define the problems faced and best-practice proposals to create change. These apparently simple conversations, between cross-corporation, discipline and professional perspectives had previously proven impossible because of the strong corporate fear of reputational risk. To discuss the subject was to admit a problem. This fear of reputational risk effectively helped silence the sustainability teams. In combination with the practice of evaluating the impact of sustainable and ethical practice against the single bottom line, effectively devalued sustainable agendas and prevented innovation (Wright, Fraser & Wright, 2017). The *Neo-utilities* project proposes re-designing 'value' at the point of consumption, by translating the power of integrated reporting to the consumer context.

King, M. (2018) *address by Judge Professor Mervyn King, Chairman of The International Integrated Reporting Council*, <https://integratedreporting.org/news/2018-address-by-the-judge-professor-mervyn-king-chairman-of-the-council-iirc/> accessed 26.08.20

Verganti, R. (2009) *Design-Driven Innovation, Changing the Rules of Competition by Radically Innovating What Things Mean*, Harvard Business Press.

Wright, E., Fraser, S. & Wright, T. E. (2017) *What counts when counting gets complicated?*, The Design Journal, 20:sup1, <http://dx.doi.org/10.1080/14606925.2017.1352962>