

## Comment

Designer column



# Nigel Witham

## Return on Design. F&B outlet developers have to learn that design is not just a throw away commodity but rather a long-term investment

Return on investment is easy to measure: you put money in, you measure money out. You're happy to put more money in to get more money out.

But what about return on design?

The most common issue that I have come up against during my visits to the Middle East is that purchasers want to treat design as a commodity rather than as an investment and so procure it on a best-price basis. My counterpoint has always been that if you think good design is expensive, just you wait and see what bad design will end up costing you!

Latterly though, I have come to realise that perhaps restaurants and hotels in the region don't always understand that one set of drawings can lead to an entirely different financial outcome than another, even if both cost the same to implement.

Good design takes time and money and guts — so what do you get in return? It turns out that the sort of return you're getting (or hoping for) should drive the decisions you make about design.

Thinking about design in four zones helps. It's more useful to think of these zones as distinct states as opposed to a continuum, as it's easy to spend a lot of time and money on design but not garner the benefits that you might expect. McDonald's might have a better carton than KFC (or the other way around, I can't remember) but does McDonald's sell any more units as a result?

### ZONE 1: Negative return

The small hotel with a boarded-up window and the restaurant with a drooping sign and peeling paint are watching their businesses suffer because they have a design that actu-

ally hurts them. Low-grade copies of good franchises suffer this problem too. If the design actively gets in the way of the food you sell or the accommodation you deliver, you lose money and market share.

### ZONE 2: No impact

Most design around the world falls into this zone. While aesthetically important, design in this case is just a matter of per-



Hukama restaurant at The Address, Downtown Burj Dubai is a good example of Zone 3 design.

sonal taste (usually the business owner's) not measurable revenue. You might not like the way the eatery looks, or the logo over the hotel door, but it's not having any effect on sales; it's good enough.

You can get no-impact design drawings cheap and as long as they work practically they are probably good enough — just don't expect fireworks in return.

Ideas that you or your designer copy never get above this zone.

#### ZONE 3: Positive return

In Zone 3 we're seeing a dramatic increase in return.

Everything from a small coffee kiosk to a seven-star hotel can generate incremental sales and better utility as a result of fresh, smart design.

Segafredo coffee shops and The Address hotels fall into this zone. You're unlikely to get this level of design from a Far Eastern CAD drafting factory or a design-and-build contractor. You need a design team with international perspective — and they should be from a city where high standards are not just optional but mandatory, so look for them in London, Tokyo, Milan, Barcelona, New York or Sydney. They won't be cheap, but independent research has shown they'll return much more money than the extra they cost you. (Have a look at the Design Council website for case studies: [www.designcouncil.org.uk](http://www.designcouncil.org.uk))

#### Zone 4: The whole thing

There are a few products where smart design is the product (or at least the product's reason for being). If you're not in love with the design of a Porsche 911,

you would never consider buying it.

The challenge of building your restaurant around a breakthrough design is that the design has to in fact be a breakthrough. And that means spending far more time or money than your competitors who are merely seeking a positive return.

Knowing where you stand and where you're heading is critical: if you have a negative return on design, go ahead and spend enough money to get neutral ASAP, but don't spend so much that you're over-investing just to get to neutral.

Watching a small-town take-away restaurant build an expensive custom building is the perfect example of this mismatch; so is trying to do too much with a hotel dining room when nobody would go there for a unique dining experience anyway. (That's why most hotels restaurants are so average — there's just no point in trying harder. No one's coming in from outside, you've just got to hang on to business from unadventurous residents.)

If you're betting the whole business on making design your only strategic differ-

*“Skimping on your designer is foolish; Zuma would be empty if they'd hired a designer who was merely good”*

ence, skimping on your designer is plain foolish; Zuma would be empty if they'd hired a designer who was merely 'good'.

Visitors often say Dubai is superficial; figures show that tourists seldom visit more than once.

Maybe there's a connection here? Good design costs more, but it's never more than a few percent of the total project spend. That's a small price to pay to create something inspirational. ☺

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Zuma at Dubai International Financial Centre.