

A Model for Re-Designing Product Lines at Ikea

By Marv Weisbord, Co-Director, Future Search Network

Perhaps my most eye-opening experience with future search came in 2003 when Janoff and I joined with Tomas Oxelman, an internal consultant with the furniture company IKEA, to do a feat of systems redesign I had thought impossible until now. The company had decided to overhaul its “pipeline,” the flow of products from the drawing boards in Almhult, Sweden to its far-flung factories, thence to assembly and distribution points, stores, and ultimately customers in dozens of countries. With 11 major product lines, 140 stores, manufacturing facilities around the world, and thousands of staff involved in tracking and managing the system; this would be a daunting task.

Oxelman and several executives had attended future search workshops. They persuaded us that extreme action was needed, and observed that future search principles supported their corporate values, reason enough to work this way. They would guarantee the right people in the room for whatever time was needed. Together we adapted the future search method to a single product, the “Ektorp” sofa, to re-imagine its journey from design center to customer. This would be the prototype for all product lines. Catarina Bengtsson, the business group manager, set ambitious goals for Ektorp: double sales, improve quality and cut the price 30% without cutting profit, make sofa shopping easier for customers, and cut delivery times.

In March 2003, 52 stakeholders including suppliers from Poland, Mexico and China, executives starting with the company president and top staff and line people from Sweden, Canada, the U.S. and other countries, and several Ektorp customers from Hamburg, Germany (site of the meeting), came together for three days. Many had never met before. Nonetheless, they described the existing system, documented required changes, proposed a variety of new systems, agreed on common specs for a new design, created an implementation plan and got buy-in from all relevant levels and functions—design, production, distribution, information technology, retailing, and customers. In my nearly 35 years of consulting, I have typically seen such processes taking at least six months. Here the plan was made, validated at the top, and launched with multi-level task forces in 18 hours of work.

The most astonishing outcome for me was the common ground specs for a new system. They included greatly flattening the hierarchy, involving customers and suppliers in design from the very start, providing direct contact with suppliers and stores, changing the roles of central staff, and modifying information systems to give everyone greater influence on the system’s coordination and control. What made this remarkable is that people made this up on their own, with no prompting from consultants on how to think about systems design. They muddled their way from a traditional, centralized system, breaking down the silos, by taking seriously customer concerns and matching a variety of designs against the proposed goals. There was one more thing, leadership. Throughout, top executives joined the dialogue without saying what form a new system should take. Rather, the president continually reiterated the importance of the prototype to the company’s future. Ektorp—that sofa sitting in a corner of the meeting room with a coffee table in front of it—was a means to a larger goal, not an end in itself.

Within a month, seven task forces were at work around the world, redoing every aspect of the system. The main coordination and control mechanism? A regular conference call buttressed by emails. Having all in touch with one another enabled a degree of self-organizing not previously seen. “I learned a lot and also got many insights into how we in IKEA cooperate amidst the complexity, and in how to run a workshop like this one, said Catti Bengtsson, who has no formal line authority over most of the players. “We have complete documentation at our intranet site, which is updated continuously. The regular telephone conferences are helping us keep the focus and speed!”

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