



TOGETHER
for a sustainable future

OCCASION

This publication has been made available to the public on the occasion of the 50th anniversary of the United Nations Industrial Development Organisation.



TOGETHER
for a sustainable future

DISCLAIMER

This document has been produced without formal United Nations editing. The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization (UNIDO) concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries, or its economic system or degree of development. Designations such as “developed”, “industrialized” and “developing” are intended for statistical convenience and do not necessarily express a judgment about the stage reached by a particular country or area in the development process. Mention of firm names or commercial products does not constitute an endorsement by UNIDO.

FAIR USE POLICY

Any part of this publication may be quoted and referenced for educational and research purposes without additional permission from UNIDO. However, those who make use of quoting and referencing this publication are requested to follow the Fair Use Policy of giving due credit to UNIDO.

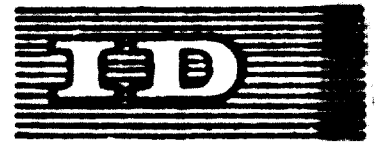
CONTACT

Please contact publications@unido.org for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at www.unido.org



D04656



Distr.

LIMITED

ID/WG. 105/47

23 February 1973

Original: ENGLISH

United Nations Industrial Development Organization

Seminar on Furniture and Other
Secondary Wood Processing Industries

Lahti, 16 to 11 Sept. 1971
Finland, August 1971 and 1972

WORKING RELATIONS OF FURNITURE DESIGNERS IN SCANDINAVIA

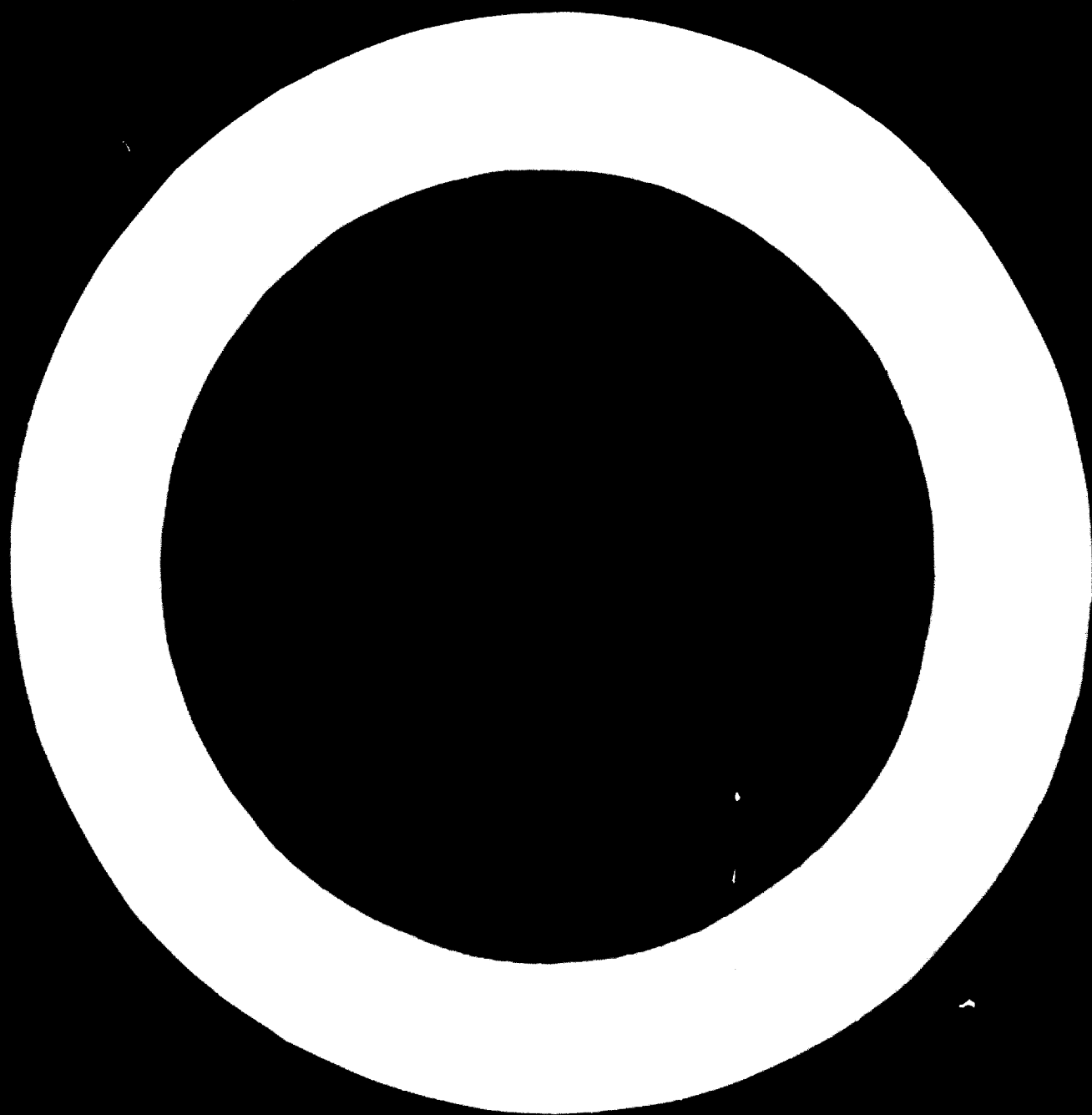
by

Ahti Taskinen

1/ The views and opinions expressed in this paper are those of the author and do not necessarily reflect the views of the secretariat of UNIDO. This document has been reproduced without formal editing.

id.73-1386

We regret that some of the pages in the microfiche copy of this report may not be up to the proper legibility standards, even though the best possible copy was used for preparing the master fiche.



The working circumstances of furniture designers in Scandinavia, primarily in Finland, may be said to fall into the three following categories: free-lancers who are remunerated entirely on a royalty basis, designers who receive both a fixed salary and royalties on products made from their designs; and designers who work on a salary (perhaps with such perquisites as housing privileges or the use of an automobile). There are, of course, designers who do not fit exactly into any of these three categories; for example, an interior decorator may occasionally design furniture, but this cannot be considered his profession. Nevertheless, this threefold division makes a good basis for discussion.

Before proceeding, a word of caution is in order. The mobility of furniture designers, in Finland, at least, is very high, so their distribution over these three categories changes constantly. There is also the question of who can be considered a full-time, professional designer. It is the opinion of the author that there are only about forty active, full-time furniture designers in Finland, although this number is only about 23 per cent of the membership of SIO, the Society of Interior Designers.

Let us examine these three general categories of designers and compare their advantages and disadvantages.

Salaries and fees

Free-lance designers

Free-lance designers are remunerated in the following way: 1, straight royalties, perhaps with an initial pre-payment (advance); 2, a relatively large fee plus a proportionately small royalty, or 3, conversely, a relatively small fee and a relatively large royalty; 4, a lump-sum fee for each design accepted; and 5, a salary for a fixed term (such as two years) with the obligation to complete a specified number of designs

(perhaps three chairs).

From the point of view of the designer, arrangement 1 has the important advantage of giving him independence; if he receives an advance against his royalties, he may be able to devote considerable time to a given design. Also, if he is working with, let us say, three different firms, the end of a working relation with one of them will not be catastrophic, he will have lost only about one third of his income and will be free to make a new working relation. There are, however, the disadvantages that he must pay all of the development costs and bear all of the risks before his design is sold - if it ever is! Also, there is a feeling among designers that, under this system, the share of the designer tends to be too small.

In system 2, in which there is a relatively large fee and a relatively small royalty, the designer still enjoys a great measure of independence and the employing firm pays part of the development costs. On the other hand, since the total share of the designer is still felt to be too small, he is consequently felt to bear too large a share of the risk.

In system 3, where the royalty is larger and the fee smaller, the designer still maintains a great part of his independence. When properly calculated, the relation can be advantageous to both parties. The difficulty is, of course, that of setting the shares to the satisfaction of both parties; the negotiations may degenerate into rather ungraceful haggling.

In system 4, according to which the designer receives a lump-sum payment for each design that is accepted, the advantage to the designer is that he gets his money at once. On the other hand, he will have borne all the development costs. Furthermore, the fee will have to be negotiated, which can also result in unseemly haggling. There is the additional disadvantage, to both parties, that the work is discontinuous.

Finally, in system 5, if the free-lance designer signs a fixed-term contract to produce an agreed-upon amount of work within a given time and for a set remuneration, he has given up his independence for the duration of the contract. This disadvantage may be offset, however, by the possibility of conducting research free from immediate financial pressure.

Salary - and - royalty designers

To the author's best knowledge, no designers in Finland work in a salary - and - royalty arrangement with furniture producers. Nevertheless, since arrangements of this kind can be quite advantageous to both designers and producers, they will probably gain a foothold in the future; indeed, there already have been some experiments in this direction. These arrangements are generally of two kinds: (1) the payment of a fixed salary, supplemented by royalties on furniture designed during the life of the contract and (2) a fixed salary plus a normal royalty. In this case, the salary is considered as an advance (pre-payment) deductible from royalties, but this is not strictly correct, since a designer in this situation normally has other duties, such as participation in exhibitions.

In the first of these systems, that is, fixed salary plus royalties on furniture designed during the life of the contract, the greatest advantage to the designer is continuity of income. Even if he wishes to change employers or to become a free-lance designer, he will continue to draw income from his earlier work. He can also give precedence to his own ideas over those of his employer, but this could be considered a disadvantage by the employer.

The situation in the second system, namely the payment of a fixed salary plus a normal royalty, is much the same as in the other system. The principal drawback, from the designer's point of view, is that the salary may be too small.

Straight-salary designers

When a designer receives a fixed salary and perhaps some perquisites such as housing privileges or the use of a company automobile but royalties or other supplemental remuneration, it is probable that this salary will be rather substantial. As long as the relation continues, the situation of the designer is satisfactory. When it is terminated, however, he retains no rights in, or income from, his earlier work.

Working place and time

Free-lance designers

The free-lance designer normally works in his own studio and at his own pace. However, his income will tend to fluctuate with changes in his productivity, the state of the market, changes in fashion and so on. Also, he may have difficulty in maintaining contact with his sources of commissions, and he runs the risk of losing familiarity with the production methods of his clients. Another consideration is that difficulties can arise when the working rhythms of the designer and the producer differ widely.

Salary-and-royalty and straight-salary designers

Designers who are salaried, with or without royalties, normally work at the plant and put in the normal working hours. They have the advantages of being in close touch with all of the other staff and can get support from them for their work. They are also aware of the production methods and the mechanical and other resources of the producer. On the other hand, some designers find the factory milieu depressing. Also, they sometimes feel that they lose their contact with the outer world and become unable to see their work in relation to human life.

It is the fixed working time that is particularly distasteful to creative people such as designers. With a time-control system during regular working hours, personal development and

the collection of external stimuli must be done on the designer's own time. There are, of course, visits to furniture fairs, but these occasions are usually brief and busy ones.

Working relations and commissioning

Free-lance designers

The free-lance designer normally receives his commissions directly from the management of a producer. He maintains his independence and need not limit himself to certain types of furniture. As this relationship develops, mutual confidence tends to increase, and exchange of information to become freer and more open. The risks are divided between the two parties. Also, when a free-lance designer accepts commissions from several different producers, it becomes easier for him to propose solutions suitable to the general situation in the industry without transmitting information about one supplier to a competing one. On the other hand, if such a long-term, continuing relation does not develop, his contacts with sources of commissions will be incidental and short-lived, and he will find himself taking all of the risks.

The free-lance designer thus must come to concentrate on a few producers and therefore become dependent upon them to some degree. He must often guess at the real requirements of a client, since the latter may be reluctant to give him information that might be of value to a competitor. Perhaps his principal disadvantage is that he does not participate in the decision-making process; the acceptance or rejection of his designs is entirely in the hands of the client. Also, for reasons of cost, producers are often reluctant to accept from a free-lance designer a design that might be expected to become a fast seller; the fee and/or royalty would be too great. Work of this kind is usually assigned to a salaried designer.

Salary-and-royalty and straight-salary designers

A designer who works for a salary, with or without royalties, normally works on a commission basis. Such a designer is usually part of the development team of the producer. He participates in all decisions when an item is put into production, including the purchase of new materials, paints and fittings. The employer normally bears all of the risks and provides accurate information about the requirements and capacities of the plant. In this situation, the designer has the support of the entire organization and will have good possibilities for teamwork, research and specialization.

Conversely, such a team approach is seldom successful, and the employer-employee relation is often distasteful to a creative person such as a designer. He will have to follow the development plan of his employer and may well find himself involved in routine or distasteful tasks such as the modification of designs of competing firms, and he will find it difficult to refuse to do so.

All too often, when a salaried designer comes up with a new and original idea, it is rejected off-hand by the decision-makers, who are inclined to deprecate the abilities of their employees. When this happens, the designer cannot offer the idea elsewhere; that is the end of it.

It can be said that the employer-employee relation tends to be stultifying to a designer. He sees and works with the same people, year after year and comes to resemble them, since he knows their opinions, attitudes and reactions in advance. Furthermore he runs the risk of becoming entangled in the various intrigues that are found in most large organizations.

Connexions with consumers, retailers and factory agents

Free-lance designers

When a free-lance designer is in contact with several manufacturers he can get a wide range of information. He can thus see things from a broader perspective than a designer who is tied to one enterprise and can try to look at things from the point of view of the consumer.

On the other hand, his actual contacts with the consuming public are usually rather slight, and the information that he receives is generally out-dated. He cannot conduct surveys of consumers, retail salesmen or factory representatives, so he can have no current information of what is being sold and where and why.

Salary-and-royalty and straight-salary designers

Designers who are in an employee relation to an enterprise have good possibilities for contact with consumers. Also, information becomes available directly from the market. Nevertheless, some of this information will be unreliable because loss of detail and the passage of time as it is passed along from the consumer to the retail salesman to the retail manager to the factory representative to the sales manager and, finally, to the designer. Also, much of the information thus accumulated is unsuited for use at the plant and is never used.

Research and development

To the present, research and development have had insignificant roles in the furniture industry. The traditional approach has been, and continues to be, that of trial and error. Nevertheless, they have their importance.

Free-lance designers

If a free-lance designer conducts some research and development work of his own, he can base his designs on it and offer them to the enterprise he considers best capable of making good use of it. If this offer is turned down, he can approach other enterprises with the same ideas. In actual practice, however, the free-lance designer does not have the resources to conduct investigations of this kind.

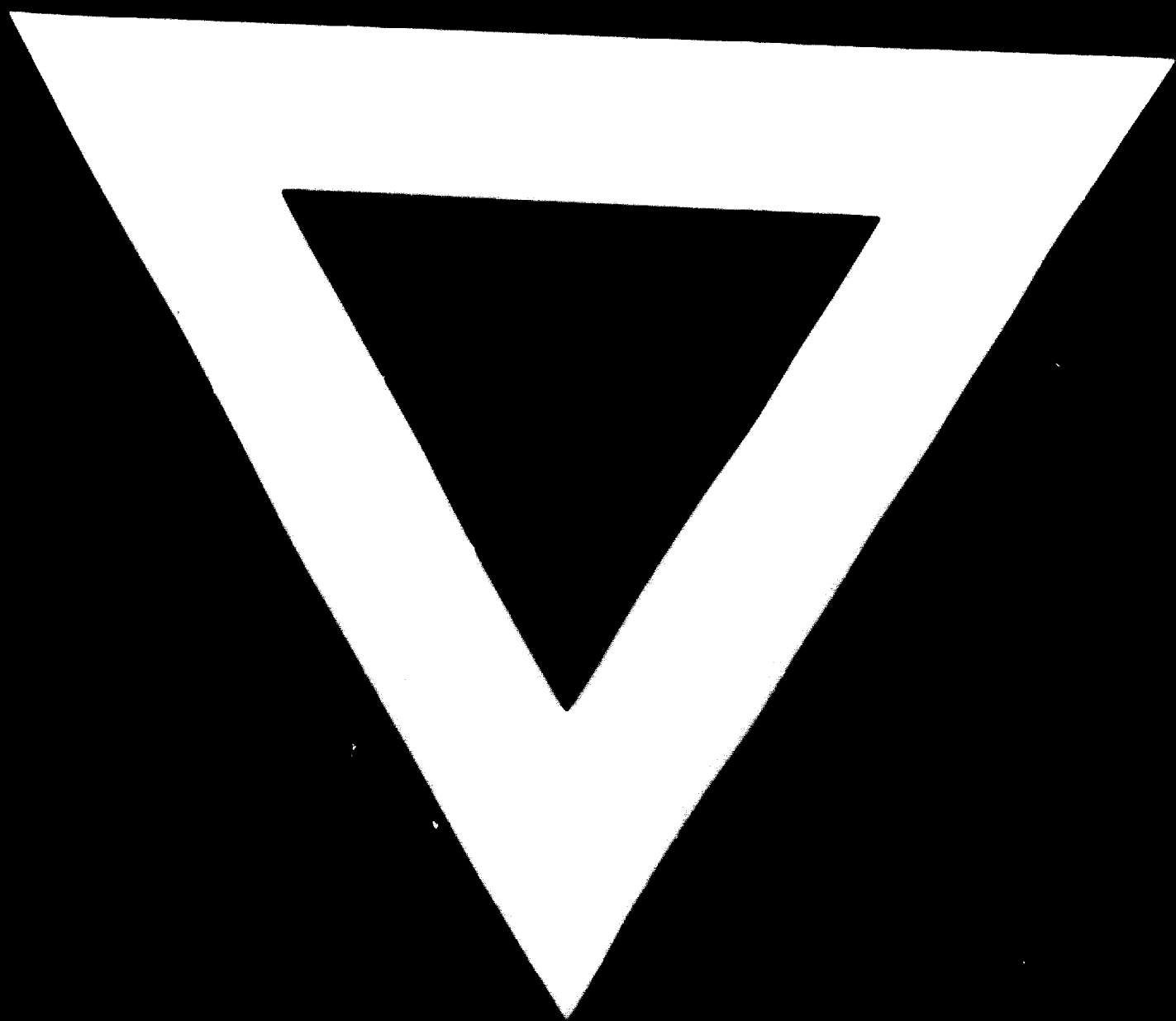
Salary-and-royalty and straight-salary designers

Designers who are retained by an enterprise on a salary or salary plus royalty basis have available to them all the information on new materials and other news of the furniture branch, since all such data are first presented to the manufacturers. On the other hand, it is still true that most furniture-producing enterprises have little interest in research and development. It is not unlikely, however, that the furniture industry, as it continues to evolve, will reach a point at which research and development work will become as important as they are in many other industrial branches.

Conclusion

While the standpoint of the author has been primarily that of the designer, he has attempted to do justice to the interests of the manufacturer. Indeed, this is as it should be; the interests of the two parties are more convergent than divergent. Both sides are, in the final analysis, desirous of producing attractive, practical and realistically priced furniture in a way that will benefit everyone.





8 . 4 . 74