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**ASSISTANCE TO ICPE'S (INTERNATIONAL CENTRE FOR PUBLIC ENTERPRISES)  
CONSULTANCY SERVICES IN THE FIELD OF WOOD PROCESSING**

SI/INT/88/801

YUGOSLAVIA

Technical report: Assessment of MEBLO's design policy,  
designs and design management\*

Prepared for the International Center for Public  
Enterprises in Developing Countries (ICPE)  
by the United Nations Industrial Development Organization,  
acting as executing agency for the United Nations Development Programme

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ABSTRACT

MEBLO is a wood processing industry located in Nova Gorica in the north-western part of Yugoslavia close to the Italian border.

In the past years, the profitability of the enterprise has deteriorated and though no losses were recorded in the past year, the management is unsatisfied with the present results. The management is therefore considering a redefinition of MEBLO's business strategy to respond to the changes in the economic environment both in the country and abroad. This new strategy has to utilize the existing performance improvement potential of the firm which consists of a relatively well skilled personnel, existing investments in plants and technology, network of sales offices in the country and commercial links abroad.

The management of MEBLO, while having brought the enterprise at least temporarily on a viable level, is aware that the existing strategy cannot secure the enterprise a long term growth and optimal development. It is therefore willing to consider any proposal for restructuring the organization. The goal of this exercise is to find an optimal fit to the requirements of the changing domestic and international markets in order to maximize the organization's income, welfare of people employed and the interest of the region.

The last requirement poses a consideration of special importance. Being a public enterprise, MEBLO has to fulfil also its social obligation towards the local community and provide employment possibilities to the population. This, however, does not necessarily mean an employment in MEBLO or in wood processing, but can be combined with new commercial activities of a diversified MEBLO and/or creating new small or medium size enterprises in the social and private sectors of the local economy that will collaborate with MEBLO.

To carry out the restructuring programme in a most efficient way, three main stages are envisaged: (i) Appraisal of the performance improvement

potential of MEBLO; (ii) Formulation of the new business strategy for MEBLO in accordance with the development of the local community; and (iii) Implementation of the strategy.

The International Centre for Public Enterprises (ICPE) has been requested to carry out the study of the restructuring programme. UNIDO was to provide ad hoc assistance to ICPE's Consultancy Services in the wood processing sector with special regard to design matters at MEBLO under project number SI/INT/88/801 which deals with the first two stages; the extent of the support to the third stage would be defined later. Based on the available information on MEBLO's current situation concerning product development, marketing and design, recommendations were to be proposed for a long range policy for product development. Carl Auboeck, consultant in furniture design, visited the MEBLO complex in Nova Gorica from 18 to 23 April 1988.

#### Main conclusions and recommendations

Basically, MEBLO is a large, well equipped, productive group of factories with a notable history in innovative design in Yugoslavia some 10 to 15 years ago. However, over approximately the last eight years, the design input has suffered, with the consequences that MEBLO has not only been significantly reduced in its design leadership, but that the general economic situation of the firm has equally deteriorated because of a fast changing complex market situation.

In this situation, it has to be said clearly that effective remedies could not possibly be expected from one or the other isolated measure or increased activities in one or the other area of industrial management only, but should much rather occur in concerted efforts of comprehensive scenarios. Herein design should regain fully its tragically reduced role and position as an important element for successful creative product development.

However, it would be wrong to assume that design alone and all by itself could provide the solution of all existing problems on hand. It would appear necessary to create a new spirit and attitude at all levels, beginning

with the top management continuing to all levels of MEBLO to help adapt the firm's policies and activities effectively to the very significant change in Yugoslavia (MEBLO's home market) from a seller's market to the buyer's market - not to mention at all target markets abroad. Consequently, as far as design is concerned, a fundamental change from production oriented design to marketing oriented design will surely be inevitable.

Therefore, in view of the existing and foreseeable problems on hand, it would be advisable to prepare a project for an effective marketing oriented design assistance for design and product development, resulting in the development and adoption of a medium to long term design policy for MEBLO.

This complex project should include close cooperation with outside design consultants of the highest level and quality providing the international design know-how, necessary to tackle successfully the latent markets at home and abroad.

#### I. GENERAL REMARKS AND INTRODUCTION

UNIDO assigned Carl Auboeck as Furniture design consultant on a one week mission to ICPE (From 18 to 23 April 1988) to analyze and evaluate the situation at MEBLO, a leading furniture producer in Nova Gorica, Yugoslavia, as well as to render professional advice in design and marketing matters.

In reporting on the findings of this mission the consultant would like to express his thanks to the following persons whose cooperation and assistance made it possible to deal successfully with the tasks set before him in this project: Dr. Edo Pirkmajer of ICPE, Messrs. Anton Zidar, Leon Cernuta, Danila Fabjan, Joze Groleger and Albin Stanic of MEBLO.

This report therefore reflects also the results of the efforts on the above mentioned highly qualified persons, who contributed with their experience and knowledge to the findings and recommendations of the consultant.

This report was conceived and completed as part of and a contribution to the work of a team of UNIDO experts and in close cooperation with the representative of the International Center for Public Enterprises in Developing Countries (ICPE), of Ljubljana, Yugoslavia, under UNIDO's project of Assistance to ICPE (project number SI/INT/88/801).

It seems therefore important to point out that this report attempts to avoid repeating already existing findings and information but rather to concentrate on matters beyond the already existing information on and logistics of the project in favour of valid recommendations regarding creative, marketing oriented design, design management, etc.

In consultation with the top management of MEBLO four significant stages for the project have been determined:

1. Analysis and recommendations.
2. Narrowing down of the recommendations received to a concentrated, smaller number, relevant to the most important needs of MEBLO.
3. Elaboration in detail of the reduced and accepted number of recommendations. Decision making for implementation.
4. Implementation of recommendations within a general restructuring programme of MEBLO.

## II. MEBLO - THE EXISTING SITUATION

MEBLO was established in Nova Gorica in 1948 as an important producer of furniture and furniture auxiliary materials and inputs in order to create employment in the region and has grown steadily ever since up to a workforce of approximately 3000 employees in 1973. A seller's market and a basically good quality of the products insured in the past a steady business on the home market, notably in the regions of Slovenia and Istria. This however has changed lately and sales have begun to decrease. Thirty percent of the production is being exported (in 1985, it was over US\$ 15 million). Export markets are:

Western Europe, the USA and Canada	Approximately 50%
Eastern Europe	" 12%
Developing countries	" 38%
Total	100%

Marketing and distribution channels include MEBLO-owned and operated showrooms both in Yugoslavia and abroad.

The current product range and the product mix reflect a design and quality oriented policy that appears to be - at least for the time being - still more production- than marketing oriented.

For the home market, the price level is fairly high - apparently now under heavy competition from productions, more or less copying MEBLO's range, offering similar models at lower prices and quality level.

Exports to hard currency countries are in the low to medium price categories of target markets, and, in all probability, more and more suffering - among other factors like an unfavourable exchange rate - from an absence of marketing oriented design and a comprehensive, management supported, effective design policy.

For reasons not easy to determine, the role and position of design at MEBLO over the last eight years has declined steadily. As a result, MEBLO's once high level product range has more and more - especially from the point of view of export markets with requirements of an internationally competitive level - moved into a sadly inert mediocrity. All product development as well as market intelligence and communications procedures seem to suffer from an absence of clearly defined directions of a promotion programme and in consequence from a need for an overall design policy as a top management responsibility, qualified design management and the capability to proceed from a production oriented design to a marketing oriented one. A healthy relation between in-house designers and highly qualified outside design consultants of international renown does also not seem to exist. It is also probably not



exaggerated to note that within MEBLO's production units and the contributing creative and decision making forces therein, a generally increased spirit of aggressive responsibility and a more positive attitude in all areas of competition at all levels would add significantly to the success MEBLO endeavours to obtain.

### III. THE CHANGING SITUATION: THE NEED FOR A NEW STRATEGY

In order to fully understand and meet the challenges of a fast changing present and foreseeable future, it appears to be imperative to introduce at the earliest possible convenience an accelerated learning process for design (and especially marketing oriented design) for MEBLO's top management.

Priorities should be given to a comprehensive design philosophy/policy including an overall corporate image, leading in turn to new strategies in marketing as well as in promotion/distribution.

It seems to be important, at this stage, to point out that easily marketable quality in design and production is not necessarily a matter of a high price level. For good designers it has always been a challenging task to find viable solutions for modest materials, low-price products, etc. Especially with a new marketing orientation, hopefully also taking into account new trends and tendencies in housing, workplaces, new philosophies for architecture and furnishing, it will be advisable to have a product span/mix that will include well designed furniture from low to medium to high price levels for different markets, customer profiles etc.

This might be one of the realistic approaches to break up the current almost megalomaniac, monocultural characteristic of MEBLO in favour of a more elastic, multifaceted, easily adaptable structure of the firm.

MEBLO once again has to become a firm leader not only in quality and design, but equally in research, marketing, innovation and business philosophy/behaviour.

It will therefore be up to the MEBLO management and staff/employees not to only consciously maintain and increase the good name and reputation of the firm at all times, but also to try to the best of their abilities to contribute to an effective profit orientation of MEBLO.

The basis of all this must be a clear view and vision of a future orientation of living culture out of which an impressive and convincing new MEBLO profile should emerge. All research, marketing, production development, design, corporate image, advertising, sales efforts, social awareness, etc. should become a natural and harmonious consequence of this basic attitude. The 'industrial culture' thus achieved might become one of the most important practical assets of MEBLO in the future (think of industries like Olivetti, Volvo, Braun, etc.).

It will probably not be easy to implement the necessary changes, especially in the area of decision making and follow-up action, when it comes for instance to entrust product development and design decisions to joint groups from marketing, design, production and sales instead of leaving them in reality merely to sales only. The art will come in when a new strategy will encompass these and many other aspects in such a way as to make the new thinking understandable, acceptable and fit for implementation at all levels in MEBLO.

There can be little doubt indeed that in all stages of marketing oriented product development, design should come in at the earliest possible stage and not merely later, like the icing on a cake. It seems therefore highly recommendable to have a competent designer/product promoter on the top management team.

The factor design - if properly introduced and used - simply requires more than the obedient hack or specialized draughtsman who merely does as told and let it be at that. The investment in high quality design of international significance will, in all probability, be among the inputs with the foreseeable highest return quota. Any new strategy at MEBLO therefore should allow for a small international advisory group to act as consultants for

design, marketing and distribution above and beyond the existing in-house specialists in these fields. To cite just one example, packaging should (and could easily) be developed from its now only transport functional role into an effective additive advertising instrument.

MEBLO happens to be situated in a region with a strong tradition in the crafts and furniture making. The spirit and skill of these craftsmen constitute some of the most precious assets MEBLO can command. One might be tempted to believe that in industrial furniture production craftsmanship would have no choice but to diminish step by step and finally disappear. In the light of recent developments however, it has become quite clear that those industries that will be able to transform the high quality craftsmanship at their disposal into a 21st century context will have a decisive advantage over their competition (see for instance the Federal Republic of Germany, Japan, etc.). Part of any new strategy at MEBLO should therefore be to achieve this transformation successfully. The necessary raising of the design awareness at MEBLO might well go hand in hand with a reorganization of the model workshop and a breaking-up of too large production facilities into smaller, more efficient and elastic units, where the know-how of well trained craftsmen may be given greater importance.

Equally, in other areas of wood technology - for instance the bending of wood laminates at the Trnovo factory - totally new product developments might emerge from a successful combination of design, old craftsmanship and new technology.

The need for a new strategy at MEBLO has become obvious. How can design and marketing be an integral part of its implementation and consequent success?

#### IV. THE IMPLEMENTATION OF A STRATEGY

The main contribution of this report to a realistic strategy, and its implementation at MEBLO, comes mainly through the recommendations it contains.

According to the work programme for this project, referred to above, the next step in the decision making process will be to select from the large number of preliminary recommendations the ones that will be implemented according to the order of first priorities. It will also be the task at this stage of the work to prepare all the details and logistics concerning the group of recommendations selected for implementation.

The areas of activities for implementation in the second stage of this programme from among the recommendations in this report will include among others (not in order of priorities):

- Marketing policy
- Design policy
- Design awareness training of management and personnel
- Cooperation with outside consultants
- Restructuring of decision making processes
- Markets (domestic, international)
- Local employment
- Profits
- Advocative, participative, creative cooperation
- Competitions
- Design investment, the cost of design
- Scenarios for living as a basis for design briefs
- Redefinition of production lines
- Creation of smaller production units
- New products
- Product communication
- Publications
- Catalogues
- Showrooms
- Exhibitions (travelling exhibitions, furniture fairs, design exhibitions, museums, etc.)

#### V. RECOMMENDATIONS

The following recommendations should be regarded as an outline of possible measures rather than an enumeration of all possible and/or necessary future activities at MEBLO in the field of design.

At any stage in the future, there should be room enough for new thoughts and ideas as well as inputs from experiences within the ongoing project and its follow-up to become part of a realistic overall policy.

1. For short term implementation (in the next one to two years)

1.1 Design policy

1.1.1 Proceed generally from production to marketing orientation with the help of design services.

1.1.2 Proceed from production oriented design to marketing oriented design.

1.1.3 Do not confuse medium and long-term development policies with the need for coping with day to day short-term needs for improvisation, gap-filling, etc. The complexity of the problems on hand requires the capability for parallel lines of thought, complex thinking and interactive decision making together with the capability for reaching the once defined goals.

1.1.4 Develop an overall design policy for MEBLO beyond a mere product design activity. Include corporate image/house style, a profile of MEBLO's industrial culture, a learning process for increased design knowledge and motivation as well as orientation within MEBLO, design research for future oriented scenarios for living leading to clearly defined design briefs, etc.

1.1.5 See that all activities within MEBLO's design and marketing policies are at the highest level and of the first order. Do not compromise with quality in order to avoid that MEBLO spreads itself thin, therefore watering down existing chances for success.

1.1.6 In order to comply with the pressing design needs at MEBLO try to encourage and provide continuous design assistance and cooperation with qualified free lance designers.

- 1.1.7 See that the top management at MEBLO has the understanding of the scope for design services accepted at all levels of the plants for increased productive cooperation.
- 1.1.8 Draw as much as possible on outside expertise as well as on previous inside experience to make design better accepted at all levels within MEBLO, recognizing the fast transition from an 'industrial' to and 'information' society.
- 1.1.9 Try to build up a more effective in-house design department. See that international experience and exposure as well as result- and success orientation and marketing know-how become a regular part of the professional designers' challenge at MEBLO.
- 1.1.10 In developing a new design policy, pay special attention to:
- a) The establishment of an infrastructure of design.
  - b) The promotion of 'grand design' in the sense of high quality internationally recognized and acclaimed design performance.
  - c) International exchange of experience, know-how, licences, franchises, consultations, marketing etc. through a design network and the proposed advisory group.

## 1.2 Training

- 1.2.1 Start a condensed learning process, especially laid out for MEBLO's top management in order to qualify them better for design evaluation, design management, future orientation in design for MEBLO etc.
- 1.2.2 Arrange seminars, study tours for design matters/management, target markets, general marketing orientation, etc. for the top management at MEBLO, in cooperation with the recommended international advisory group.

- 1.2.3 Explain to designers and technicians the motives and reasons underlying product development trends at both macro-political and micro-financial levels, in view of an optimal, osmotic design integration in MEBLO's general policy.
- 1.2.4 Request the book lists and/or catalogues of UNIDO's library on existing design and furniture publications.
- 1.2.5 Apply to UNIDO to assist in organizing a training workshop for design management and marketing oriented design.
- 1.2.6 Try to arrange seminars on 'copying' for the involved staff (different groups of participants) at MEBLO, proving the disadvantages of this approach to marketing in the long run as well as the hidden costs and risks involved.
- 1.2.7 Start a CAD-training programme for MEBLO's in-house designers.
- 1.3 Reorganization
  - 1.3.1 Ensure the necessary priorities for design and its prominent position within the medium and long-range policies at MEBLO.
  - 1.3.2 Develop, support and assist a comprehensive design policy for MEBLO as an effective instrument for general restructuring and development at MEBLO, preferably with outside professional consultative assistance.
  - 1.3.3 Have design represented effectively within the top management team (perhaps via the advisory group).
  - 1.3.4 Establish an effective decision making process including design representatives for putting new models into production.

1.3.5 By restructuring organizationally different sections of MEBLO at irregular intervals, according to newly emerging needs, help to create an atmosphere of alertness/challenge and perhaps even insecurity/uncertainty in order to keep everybody at all levels in MEBLO alert, optimally cooperative, and on their toes.

1.3.6 Use the opportunities, inputs and results of the ICPE/UNIDO project to contribute effectively to an increased awareness and use of design at all levels of MEBLO, starting at the top management level.

#### 1.4 Marketing

1.4.1 Introduce more and better knowledge concerning result oriented marketing, if possible with assistance of appropriate international organizations and/or an international advisory group.

1.4.2 Stimulate creative product perception and perceptual phenomena in general, applying them to marketing and design within MEBLO.

1.4.3 Reconsider the factor design within MEBLO as an important instrument for marketing and overall quality improvements.

1.4.4 Endeavour to make a coordinated, comprehensive design policy understandable, visible and operative as an important marketing aid.

1.4.5 See that design considerations are included from the very beginning of a new product development and/or marketing process.

#### 1.5 Product development and design

1.5.1 In a generally new approach to design and product development at MEBLO try to proceed from thinking about series of individual products or collections towards comprehensive new scenarios for the contemporary and/or future habitat/living/housing into which the furniture of MEBLO could become successfully integrated and be an organic part thereof.



1.5.2 Research and report case studies on international examples of copying and its effects as compared to the success of innovative/original product development and design.

1.5.3 Start immediate action to improve MEBLO's packaging design. Print on packaging corrugated paper and tapes. Enlarge labels with information on contents, making them easier to read. Use packaging as a free advertising. Use first class graphic design.

1.5.4 Start a design research and development programme for laminated bentwood furniture at MEBLO using the experience of the Trnovo factory.

2. For medium/long term implementation - up to four to six years

2.1 Design policy

2.1.1 A special task of the new design policy at MEBLO should be to increase the opportunity and scope of design activities as well as to enlarge and expand the truly creative design area within the production and the product planning programme.

2.1.2 Try to combine and integrate technical innovation and organizational restructuring at MEBLO with a new design policy and the gathering of international design know-how and experience.

2.1.3 Try to have the MEBLO designs effectively protected. Above and beyond the sometimes weak legal protection, try to use MEBLO's skills and resources - including design - in such a combined manner as to make copying difficult if not impossible.

2.1.4 Sponsor a children's competition in schools with the theme - as a working title - 'How I imagine my room (habitat, apartment) to be'. Help with the preparation, the evaluation, the prizes and the follow-up as well as the advertising of the results. Secure the assistance of UNICEF for this project.

- 2.1.5 Promote a special international furniture design competition and award as part of the biannual 'BIO' event in Ljubljana.
- 2.1.6 Create a MEBLO Design Award - perhaps in cooperation with the Ljubljana Design Biennale - in order to increase public awareness of MEBLO's design efforts.
- 2.1.7 Introduce packaging design as an important part of product design as well as of visual and product communication.
- 2.1.8 Include packaging design for MEBLO in design briefs as well as in its overall design policy.

## 2.2 Training

- 2.2.1 In view of the recognized need for wider spread and increased flexibility of design services and information at MEBLO promote and/or arrange 'Design Clinics' at MEBLO with international assistance (UNIDO, ICSID, etc.).
- 2.2.2 Propose an international design management conference as part of the forthcoming 1991 Congress and Design Year of the International Council of Societies of Industrial Design (ICSID) in Ljubljana, Yugoslavia.
- 2.2.3 Promote a special ICSID-Interdesign (details available at ICSID headquarters in Helsinki<sup>1/</sup>) on furniture as a mid-career training opportunity for younger designers.
- 2.2.4 Provide more and better workshop experience both for in-house designers as well as for consultants together with more marketing and management exposure.

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<sup>1/</sup> Kluuvikatu 1D, 00100 Helsinki, Finland, Tel.: (+358)(0)626661, Telex: 124723 MPAUL SF.

2.2.5 Arrange for regular in-house seminars and/or participation in high-level learning courses in the following areas:

Design management,  
Design motivation,  
Marketing oriented design,  
Product communication,  
Design for profit,  
Packaging Design, etc.

2.2.6 Develop training and presentation kits for MEBLO's sales people, taking into consideration regional differences and traditions.

2.2.7 Conduct an ICSID/MEBLO/UNIDO/UNICEF Interdisciplinary, interdesign in preparation as well as for follow-up of an international children's competition with the theme of 'My House', 'My Apartment', 'My Room', 'My dream for living' or similar.

2.2.8 Install a CAD workstation and develop/introduce the relevant software for furniture design, research, technology, marketing, etc.

2.2.9 Orient research and work on CAD workstations in ergonomics at MEBLO in such a way as to connect it as early as and wherever possible with practical, marketing or otherwise concrete projects.

### 2.3 Reorganization

2.3.1 Stimulate a more sensitive industrial culture of the company and reflect and advertise it to the public.

2.3.2 Establish an effective system to encourage and support creativity, personal responsibility and incentive within MEBLO. See that outstanding achievements are properly recognized and accordingly rewarded.

- 2.3.3 Introduce increased quality control and capability as well as value analysis know-how for designers' work at MEBLO. This should lead to improvements in the design process before, during and after production and help to improve the quality of the final product, its marketing, distribution, after sales service: replacement of parts and maintenance systems, etc.
- 2.3.4 Work out a cost/benefit forecast for the foreseeable future for investment in design at MEBLO.
- 2.3.5 Increase the experimental design and product development activities to cope with the international top level in design. Utilize the still existing available craftsmanship in the region to increase the staff for such experimental work.
- 2.3.4 Promote a design management award for Yugoslavia.
- 2.4 Marketing
- 2.4.1 Develop a more effective strategy for product communication, especially in view of a new design policy, leading to new product ranges.
- 2.4.2 Consider opening MEBLO show-rooms and offices in strategically selected places outside Yugoslavia in order to establish direct market access, gain first hand experience and establish better knowledge of MEBLO's brand name in public. Locations could be for instance: Paris, Dusseldorf (Frankfurt, Munich), London, Moscow, New York, etc.
- 2.4.3 Try to establish know-how franchises for design and product development in developing countries, that would not later on become competitors to MEBLO, but would rather offer new, hitherto untapped business opportunities.

2.4.4 Find new markets for the now rather big and inflexible particle board based furniture production, like for instance perhaps in the USSR. In the meantime try to reorganize production lines in favour of more flexibility/elasticity.

2.4.5 Support the idea of creating prizes for lotteries, competitions, etc. in the form of furniture for living rooms, bedrooms, etc. as a promotional vehicle for MEBLO's marketing efforts.

2.4.6 Try to better integrate works of art as shown in MEBLO Galleries in MEBLO's existing show-rooms instead of keeping them separate in order to demonstrate a more lively, 'lived-in' and exiting appearance of the furniture displays.

## 2.5 Product development and design

2.5.1 Try to reflect the prevalent tendency away from 'wall to wall' closet systems towards more individual pieces of quality furniture in MEBLO's product range.

2.5.2 Consider product developments for different price levels, but with first class design quality. Good design does not necessarily manifest itself in high-priced products only; as the examples of Ford's model-T, Volkswagen, Swatch, Ikea, etc. clearly show.

2.5.3 Consider including furniture for the young (teens and twentys) into MEBLO's product range - also as field for experiments.

2.5.4 Attempt wherever possible a realistic diversification into other product lines (for example computer workstations, new tables, chairs, beds, etc. with increased use of particle board materials).

2.5.5 In trying to find new product groups for particle board furniture consider the developing/design/production of computer workstations, which constitute a new and vast market, especially if all true ergonomic requirements are taken care of.

2.5.6 In developing new models and prototypes, design in such a way as to allow for tolerances adequate to the technology of production methods. Make an asset rather than a deficiency out of the mass production characteristics at MEBLO.

3. For permanent/ongoing implementation

3.1 Design Policy

3.1.1 Respond more timely and effectively to international design challenges and new trends in furniture design.

3.2 Training

3.2.1 Arrange for meetings of MEBLO designers and eminent outside consultants from time to time - perhaps once a year - in a fairly isolated monastery/ashram - like setting an atmosphere to discuss and decide fundamentals of design, relevant to the foreseeable future.

3.3 Reorganization

3.3.1 Try to increase the personal feeling of responsibility, sensitivity and care of MEBLO designers for the man-made environment in the important areas at MEBLO in view of the general appearance and corporate image of the firm. The entrance and interiors of the executive offices should be redecorated to better reflect the progressive spirit and high design level of MEBLO.

3.3.2 Stimulate suggestions from the shop floor by remunerating the ones that were evaluated as being worthy of implication.

3.4 Marketing

3.4.1 Establish marketing orientation and design awareness as a significant characteristic of MEBLO both inside and outside the firm.

3.4.2 Study carefully new trends and tendencies in housing and furniture development both in Yugoslavia and abroad in order to draw useful conclusions for foreseeable market developments in the future.

3.5 Product development and design

3.5.1 Have a permanent, consecutive line of trend-setting models renewed at regular intervals to increase the market interest in MEBLO's production. See that they are properly tested - perhaps on foreign markets - so that they will eventually be integrated successfully into the main line of MEBLO's production.

## VI. CONCLUSIONS

In the course of his mission within the project, the consultant became aware of wider and more fundamental aspects in the areas of design and marketing than anticipated. It seems important - with all respect and understanding to dealing with many different details pertaining to the problems of MEBLO - not to lose the overall view and the understanding for the need of comprehensive restructuring and a new policy and strategy concerning the important areas of design and marketing but overlapping with an almost osmotic effect into other areas of equal importance like technology, personnel, production, etc.

It will - no doubt - be up to the existing MEBLO spirit of enterprise and high level management to understand and evaluate all influencing factors and implement the necessary action.

Nevertheless it can be said that ICPE's and UNIDO's assistance and international cooperation could greatly to forge effective tools for general improvement at MEBLO.