Study Prospectus

Client Satisfaction in Design & Innovation Consulting

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EXECUTIVE SUMMARY

Client satisfaction with design and innovation consulting varies widely between projects and between consultancies. This study seeks to explain the factors that influence client satisfaction and other project outcomes, as part of a larger effort to understand effective management of inter-firm product development.

A benchmarking approach is used to provide participating consultancies with confidential feedback on their client satisfaction performance while simultaneously addressing the broader research questions. Both client and consultant participants of recently completed projects are surveyed to measure client satisfaction, relate it to other project outcomes such as repeat business and product success in the market, and explain how project outcomes might be predicted before the project and influenced during it.

All data, including the identities of study participants, is anonymized to protect company confidentiality.

BENEFITS OF PARTICIPATION

Participating in this study will enable your company to:

▪ Obtain candid feedback from your clients, without revealing their identities
▪ Benchmark your client satisfaction against that of other study participants and the design and innovation consulting industry as a whole
▪ Contribute to the development of best practices to help clients make better use of design and innovation consultants
▪ Receive reports on research findings

Unlike commercial satisfaction surveys, there is no cost to participate in this study. In addition, the survey has been tailored specifically to design and innovation consulting by the investigators, who together have over twenty five years professional experience in technical consulting.
INTRODUCTION
Firms that develop, brand, and sell products increasingly contract design services from consultants and original design manufacturers. Academic research is limited but the trade and popular press have portrayed such “design outsourcing” as highly problematic. For example,

- A recent article in the Harvard Business Review states that two-thirds of outsourced design projects studied at Fortune 1,000 companies struggled or failed.¹
- A survey of EE Times readers finds that one third of those at large companies view design outsourcing as a net liability to their companies.²

Is the situation really this bad? Do clients not know how to manage external product development or is past research not telling a complete story? Our own research suggests that prior studies contain several flaws that may cause them to overstate client dissatisfaction:

- Prior studies imprecisely define key concepts such as “success” and “failure.”
- Prior studies do not distinguish between different types of inter-firm development, often including cost-driven offshoring with expertise-based consulting.
- Prior studies survey low- to mid-level client personnel exclusively; the perspectives of the project sponsor and the design provider are not represented.

Our research design improves upon these studies by carefully defining project outcome measures, distinguishing between collaboration types, and gathering balanced data from multiple perspectives within both the client firm and the consultancy. Initial results suggest that client satisfaction with design and innovation consulting is better than reported, but nevertheless highly variable (Figure 1). The present study seeks to explain the observed variation in project outcomes and develop recommendations to help optimize outcomes for both clients and consultants.

RESEARCH QUESTIONS
Specific questions addressed by this study include:

1. What factors influence client satisfaction in design and innovation consulting?
   - To what extent can satisfaction be predicted before the project begins, based on characteristics of the client, the consultant, the project, and the contract?
   - What events during the project most strongly impact satisfaction?
   - How can satisfaction be actively managed during the project?

2. How does client satisfaction relate to other project outcomes such as repeat business, design awards, and product success in the market?

3. How does client satisfaction vary between individual stakeholders within the client firm? How can the satisfaction of multiple stakeholders be balanced? Is satisfaction of the project sponsor sufficient to achieve repeat business?

4. How does the appraisal of project success vary between the client and the consultant? How accurate are consultants’ estimates of client satisfaction?

STUDY PROCEDURES

1. **Sampling:** If you choose to participate, we will first ask you to compile a list of projects completed in the last two years. You will assign each project an arbitrary code number so that you need not reveal the identities of your clients or the projects. Using the code numbers, we will draw a stratified random sample of approximately 20% (or fifteen, whichever is larger) of the projects for study.

2. **Data collection:** Next, a representative from your company will complete a worksheet with basic factual information (e.g., contract type, work scope) about each project. This reduces the number of questions for the client respondents to answer, while providing important context for interpreting their responses. For each project in the sample, we will provide you a questionnaire and postage-paid return envelope to mail with an explanatory cover letter to the client project sponsor, project manager, and a project team member. The questionnaires will be labeled with the project code number so that we can associate the clients’ responses with the project information you provided in the project worksheet. To preserve the respondents’ anonymity, the questionnaire will not ask them for any other identifying information.

3. **Data analysis:** The client respondents will return their completed questionnaires directly to us for analysis. We will anonymize their responses, compile them, and report the results to you. In this way, client respondents can provide completely candid feedback. Among other results, our report to you will include your Net Promoter® Score, your American Consumer Satisfaction Index performance, the issues clients identified with their projects, as well as their recommendations for improvements.

4. **Supplemental data collection:** To gain further insights, we can also anonymously survey consultant members of each project team. Comparison of client and consultant perspectives on the same project helps to shed light on the root causes of any identified issues.

5. **Benchmarking analysis:** At the conclusion of the study we will provide an analysis of your performance relative to the entire study sample and other, anonymized, study participants.

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ADDITIONAL INFORMATION REGARDING THIS STUDY

Your company was selected as a possible participant in this study because of its experience in design and innovation consulting for consumer, medical, and industrial products. You should read the information below, and ask questions about anything you do not understand, before deciding whether or not to participate.

▪ **Identification of investigators:** This study is being conducted by William J. Palm, PhD, and Daniel E. Whitney, PhD, of the Department of Mechanical Engineering at the Massachusetts Institute of Technology (MIT).

▪ **Participation:** Your participation in the study is voluntary. If you choose to participate you may subsequently withdraw at any time without penalty or consequences.

▪ **Compensation:** There is no cost to participate, and no payment will be provided to you.

▪ **Confidentiality:** Any information that is obtained in connection with this study and that can be identified with your company, your clients, or your employees will be disclosed only with your permission or as required by law. In particular, your company’s participation in the study and client satisfaction performance will be considered confidential. For benchmarking purposes, your overall performance may be disclosed anonymously, but at no time will your company’s identity be revealed. If you desire, a non-disclosure agreement can be implemented to guarantee confidentiality. In addition, you have the right not to provide any requested information.

Individual survey responses will be considered confidential and will not be disclosed by the investigators except as required by law. All respondent data will be anonymized and aggregated before being reported to you.

▪ **Publication of results:** Data from your company will be anonymized and combined with data from other study participants to describe the design and innovation consulting industry. Industry-level data may be reported in academic, trade, and/or popular publications and presentations, but at no time will the identities of any participating companies or individuals be revealed.

▪ **Rights of research participants:** you are not waiving any legal claims, rights or remedies because of your participation in this research study. If you have questions regarding your rights as a study participant, you may contact the Chairman on the Use of Humans as Experimental Subjects, MIT, Room E25-143B, 77 Massachusetts Ave, Cambridge, MA 02139.

FOR MORE INFORMATION

If you would like to participate in the study or receive additional information about it, or if you have any questions or concerns about the research, please contact Bill Palm at (617) 319-0105.

You may also visit the study website, where you may download papers on research to date, at:

http://web.mit.edu/ipd