Paul Polak



Design for the Other 90%





90% of the world's designers spend all their time working on solutions to the problems of the richest 10% of the world's customers.

# A revolution in design is needed to reverse this silly ratio and reach the other 90%.

In my book, *Out of Poverty*, I talk about how this can be done. I pull stories from some of the 17 million people we've helped lift from poverty with the organization I founded 25 years ago, International Development Enterprises (IDE). More recently, we have incorporated an organization called D-Rev: Design for the Other 90%, whose mission is to create a design revolution.

Transport engineers work to create elegant shapes for modern cars while most of the people in the world dream of being able to buy a used bicycle. As designers make products more stylish, efficient, and durable, prices go up, but people with money are able and willing to pay. In contrast, the poor in developing countries—who outnumber their rich, urban counterparts by twenty to one—have only pennies to spend on hundreds of critical necessities. They are ready to make any reasonable compromise in quality for the sake of affordability, but nothing is available in the marketplace to meet their needs.



The fact that the work of modern designers has almost no impact on most of the people in the world is not lost on those entering the design field. Bernard Amadei, an engineering professor at University of Colorado in Boulder, tells me that engineering students all over the United States and Canada are flocking to take advantage of opportunities made available by organizations like Engineers Without Borders to work on problems such as designing and building affordable rural water-supply systems in poor countries.

If students can make meaningful contributions to design for poor customers, why does this area continue to be ignored? Is it because it is much more difficult than designing for the rich? I don't think so.

When I started IDE twenty-five years ago, poverty workers saw multinational corporations as evil oppressors of the poor, and business as the enemy. Now many see them as white knights ready to slay the poverty dragon. But a multinational corporation is inherently neither one of these. It is an organizational structure for doing business. If most multinationals continue to operate the way they do now, the belief that big business will end poverty will remain nothing more than a tantalizing myth. However, if they immerse themselves in the design revolution, viewing poor people as customers, it will become a profitable reality.

You don't need a degree in engineering, architecture or business to learn how to talk with and listen to poor people as customers. I've been doing it for twenty-five years. The things they need are so simple and so obvious that it is relatively easy to come up with new, income-generating products for which they are happy to pay. But these products have to be cheap enough to be affordable to the poor.



After speaking with poor people, there have been many discoveries of critical, affordable products and services that D-Rev, IDE and a few other organizations are developing. Here are some examples:

# → A global franchise business providing clean water for poor families

Recent development of a simple process creating water-purifying chlorine compounds by running a small electric current through salt water provides an opportunity to generate 5,000 liters of potable water a day, with a retail value in the range of \$250, at a franchised kiosk requiring a capital investment in the range of \$500, and a daily electricity cost in the range of 30 cents.

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# → LED lights to replace kerosene lamps and candles

There are more than a billion people in the world that will never connect to the electric-power grid who would be interested in buying a ten-dollar solar lantern, made possible by advances in light-emitting diodes (LEDs).

# → Motorized rope-and-washer pumps for irrigation

Rope-and-washer pumps provide affordable water-lifting. Because it is difficult to use human power alone to lift the volumes of water required for irrigation, rope-and-washer pumps combined with microdiesel engines have potential to irrigate high-value crops from deeper water sources.

# → Lower-cost wind and solar pumping systems

Photovoltaics and wind energy have been too expensive for small farms, but ways of concentrating solar energy and making more-affordable windmills hold promise for small-acreage farmers.

# → Larger low-cost drip systems with pre-installed emitters

The dramatic drop in price for drip irrigation has made it profitable for small-acreage farmers to use drip systems on lower-value crops such as cotton and sugar cane, and some of them are even irrigating alfalfa for their milk buffaloes. I believe that low-cost drip systems like those developed by IDE will, over the next ten years, take over the majority of the world market for drip irrigation.

There is an even longer list for a range of consumer goods that poor people are eager to buy when they increase their income, and people who earn two to six dollars a day are ready to buy now. This includes the billion or so people who would be customers for two-dollar eyeglasses if somebody would design an effective global distribution and marketing system for them.

Designing products that are attractive to poor customers requires a revolution in the design process. My dream is to implement four initiatives at the same time:

- 1. Transform the way design is taught in developed countries, to embrace design for the other 90% of the world's population.
- **2.** Transform the way design is taught in *developing* countries, to embrace design for the other 90% of the world's people.
- **3.** Establish a platform for ten thousand or more of the world's best designers to develop practical solutions to the real-life problems of poor people.
- **4.** Give birth to international for-profit companies that profitably mass-market to poor customers critical technologies such as two-dollar eyeglasses.

However, if they immerse themselves in the design revolution, viewing poor people as customers, it will become a profitable reality. Thinking of poor people as customers instead of as recipients of charity radically changes the design process. Poor persons won't invest in a product or service unless the designer knows enough about the preferences of poor people to create something they value. The process of affordable design starts by learning everything there is to learn about poor people as customers, along with what they are able and willing to pay for something that meets their needs.



I keep asking why 90% of the world's designers work exclusively on products for the richest 10% of the world's customers. Willie Sutton, the infamous bank robber, once replied when asked why he robbed banks, "Because that's where the money is." I suspect my question about the world's designers has exactly the same answer.

I have no problem with people who make money by designing products for the rich. My friend Mike Keiser, with no more professional training than his love of golf and nature, designed a golf course and resort—Bandon Dunes, on a spectacular section of Oregon coastline—that quickly became the number-two golf destination in America. Such entrepreneurial brilliance deserves to be rewarded.

What astonishes me is that the huge, unexploited market that includes billions of poor customers continues to be ignored by designers and the companies they work for. In this, they are following a well-established tradition.

Think about this. If 100 million small-acreage farmers around the world each bought a quarter-acre drip system for 50 dollars—a total investment on their part of over 5 billion dollars—it would amount to more than ten times the current annual global sales of drip-irrigation equipment. These 100 million small-plot farmers could put 10 million additional hectares under drip irrigation and increase current global acreage under drip irrigation by a factor of five.

It's laudable that a small but growing group of designers is beginning to develop affordable products because they want to improve the lives of the world's poor. But I think that the best and most sustainable engine for driving the process of designing cheap is this:

# Because that's where the money will be.

Multinational corporations can make dramatic contributions to the end of poverty and, at the same time, to their own bottom-line profits, but that too will take a revolution in how they define,

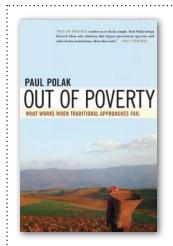
Thinking of poor people as customers instead of as recipients of charity radically changes the design process.

price, and deliver their products. In spite of the fact that Johnson & Johnson, a company in the international pharmaceuticals business, has presence and manufacturing capability in India, the company has not introduced Tylenol there, a major profit-maker in developed markets. Why not? Because they don't think they can make an attractive profit doing so. But implementing a price structure and a marketing-and-distribution strategy that compete in the Indian marketplace would be likely to produce attractive profits from higher volume even with lower-margin sales. It would also allow Johnson & Johnson to manufacture Tylenol at a lower price in India and export it to other countries.

To expand rapidly and scale the products mentioned earlier into a flood of wealth-creating business opportunities, a new movement is needed to harness the energy of successful business leaders motivated to make a difference in the world, and of corporations familiar with the demands of high-end markets and the ways to gain access to them. We need nothing less than a new generation of successful enterprises linking the low-cost labor of the residents of slums to the high-end markets of the world where they can sell their products and services at a reasonable profit. **Only then will we see the revolution.**  $\square$ 



# info



#### **BUY THE BOOK**

Get more details or buy a copy of Paul Polak's Out of Poverty: What Works When Traditional Approaches Fail.

#### **ABOUT THE AUTHOR**

Psychiatrist, entrepreneur and philanthropist, Dr. Paul Polak is the founder of International Development Enterprises (IDE), a nonprofit that is harnessing the power of the market to alleviate poverty. Through IDE, he has helped over 17 million impoverished farmers in developing countries to escape the cycle of subsistence poverty. What makes Paul's work unique is the market-based approach that he brings to poverty alleviation—an approach based on his belief that the rural poor are natural entrepreneurs who, if given the opportunity, will invest their own limited resources to ensure their families' security and well-being.

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