

## **Science & technology committee Sub-committee I: waste reduction A response by Vitsoe to the request for evidence**

### **A philosophy for production**

Vitsoe was founded in 1959 to realise the furniture designs of Dieter Rams. The proposition was to create furniture that would last as long as possible. Accordingly, built-in obsolescence would be avoided by making the furniture discreet and adaptable while not pandering to fashion.

The intention was to encourage customers to start by buying less; to add to, rearrange and repair when needed so that a commitment would build between customer and company, to their mutual benefit.

Importantly, the customer would take the furniture with them when they moved and thereby ensure continual reuse.

In 1995 Vitsoe's corporate seat transferred to Britain. Today 97 per cent of its production is in the UK. The company employs directly a staff of 42 but indirectly a larger number via key suppliers. 30 per cent – and rising – of turnover is exported. Vitsoe's entire sales comprise a shelving system (for which it is best known) and a chair programme, which were designed in 1960 and 1962 respectively. Vitsoe is profitable, privately owned and Dieter Rams continues to work with the company (celebrating its 50th anniversary in 2009).

Today, at any one time, up to 50 per cent of Vitsoe's customers are existing customers who are adding to, rearranging or reinstalling their furniture which might have been bought as far back as 1960. The inevitable impact of their furniture on the world's environment has been minimised by being useful for as long as possible.

### **End of life?**

It is almost unheard of for Vitsoe's furniture to be thrown away. In January 2008 a customer related how the 20-year-old shelves they had recently inherited – after hard commercial use – were reinstalled in their private home. Two metal shelves were left over; they had been bent and damaged during the removal process; disposal was reluctantly contemplated. Instead they were posted on eBay. After competitive bidding from a number of parties they sold for £70. Their original cost in June 1988 was £64. Reuse in favour of disposal at increased value. This is not a unique anecdote for the company.

### **Key ingredient**

Arguably the most important ingredient in Vitsoe's long-term success is the creation and constant nurturing of trust between customer and company. It is the antithesis of returning to a shop in the almost certain knowledge that it will not have that much-needed replacement cup and saucer because "we have discontinued that line and now offer this new one".

### **Lessons from nature**

Charles Darwin's succinct definition of evolution was, "descent with modification".

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Nature does not hold annual trade exhibitions where it displays rafts of new products, many of which will disappear without trace almost immediately. Moreover, nature has no waste: all cycles are closed. Whereas man used to operate within closed cycles, during the 19th and 20th centuries the cycles became open and created waste. Therefore the lessons are in nature: allow a species to evolve continuously via small, apparently insignificant, improvements and then reuse every last molecule at end of life. Vitsø tries to behave in this way.

## Theory into reality: what does Vitsø do differently?

- Vitsø's purpose is to allow more people to live better, with less, that lasts longer;
- Vitsø tries not be distracted by novelty or passing fashions (the customer is not always right);
- Vitsø concentrates on reuse; recycling is what you do when you fail to reuse;
- Vitsø puts the entire emphasis on being a business that provides a service rather than just a product (the product is good but, it is hoped, the service is better);
- Vitsø ensures that customers know it will exist for them in the long term; therefore the customer can make a commitment for the future provision of both product and service;
- Vitsø does not take part in trade exhibitions which increasingly seek to portray furniture as fashion and thereby exacerbate the problem of waste creation while seeking to satisfy short-term financial goals;
- Vitsø is not run primarily for profit; every offer letter to new employees states this on page one; profit is the result of providing real and lasting satisfaction to its customers;
- Vitsø does not accept short-term gain at the expense of long-term loss;
- previous evidence (15 Jan 08, Q211) pointed at the problem of internal budgeting disguising the true cost of actions. There is no internal budgeting at Vitsø but genuine individual responsibility for cost decisions. Vitsø's new financial controller is finding it strange that the entire business is cost-conscious already: whole-life costing is understood throughout the company;
- previous evidence (15 Jan 08, Q169) has shown that the burden of suggestion schemes falls on others to implement. There is no suggestion scheme at Vitsø: everyone is allowed to talk to their colleagues and to implement evolutionary improvements;
- Vitsø's approach is, at first glance, not cheap; but when spread over only a few years it rapidly becomes cheaper for the customer and the company, as well as being of great benefit to society;

## Better design and use of materials

- Vitsø's products are designed as true systems (the principle behind the long-lived Routemaster bus, also a product of post-war thinking) with high-quality specification and finishes to ensure flexibility, variability, adaptability, durability and therefore longevity;
- all of Vitsø's products are simple to construct, repair and dismantle; the use of plastic is minimised; most products comprise recyclable aluminium and steel, and compostable wood that is assembled with mechanical joints (ie not bonded or welded) to permit repair and end-of-life dismantling;
- the appearance of Vitsø's products is self-effacing and the range of finishes is deliberately small; Vitsø intentionally restricts the amount of choice offered (*The Paradox of Choice* by Barry Schwartz points out the debilitating effects of too much choice for society);
- Vitsø produces next to no waste (even waste from the office kitchen is composted); aluminium-extrusion offcuts go to recyclers as does waste cardboard at the end of its multiple-use life;

- wooden stillages are used to transport all of its high-value aluminium parts between suppliers; some of these stillages have been in continuous use for 15 years;
- when suppliers deliver components, reused cardboard packaging and stillages are returned on otherwise empty vehicles for reuse; waste and costs are reduced;
- Vitsø's demands for innovative packaging solutions are often ahead of developments in the market; for example compostable starch packaging (in use at Vitsø for ten years) is still greatly undervalued in the UK;
- where possible, Vitsø delivers its high-value cabinets in reusable, repairable, heavy-duty "tautliner" bags (designed by Vitsø with a specialist supplier); the investment was off-puttingly great but the rewards were rapidly even greater than anticipated;
- Vitsø's behaviour has increasingly been able to infect its suppliers: some have improved their processes to reduce waste while almost all have improved the quality of their products;
- incoming packaging from suppliers is reused as outgoing packaging for customers ;
- no waste whatsoever is left on customers' sites when Vitsø has installed a shelving system; all packaging is returned for reuse;
- over the last 18 months Vitsø's internal processes have been migrated to the web and have become almost paperless; customers can order complicated shelving systems without having to use or receive any paper.

## **Consumer behaviour via product attachment**

Ruth Mugge at the Faculty of Industrial Design & Engineering, Delft University of Technology in the Netherlands published a paper in 2007 on the topic of product attachment – the strength of the emotional bond a consumer experiences to a specific product. She wrote:

"This definition implies that a strong relationship or tie exists between the individual on the one hand and the object on the other. If people feel strongly attached to a product, they are also more likely to handle the product with care, to repair it when it breaks down, and to postpone its replacement as long as possible. Product attachment may thus increase a product's lifetime.

"From the viewpoint of sustainability, it can be valuable for designers to influence the degree of attachment people experience to their products. Nowadays, people dispose of products although they still function properly, for example, because these products look old-fashioned. Extending the psychological life span of durables could be instrumental to reduce the demand for scarce resources and the rate of solid waste disposal. Up to now, the role of the product and its design in stimulating the degree of attachment experienced toward this object remains quite obscure.

"As the product is under the designer's direct control, understanding these issues is valuable for designers. Accordingly, this research contributes by establishing the role of the product for bringing about product attachment, and by proposing several design strategies to strengthen the emotional bond between a person and his/her product."

She describes what Vitsø has been doing for almost 50 years. For example:

- Vitsøe recruits the highest quality staff in all areas of the business; almost all members of staff have one or two degrees. High quality staff can communicate the ethos of the business with conviction to customers, suppliers and new colleagues alike;
- Vitsøe's staff always point out to customers that they can buy less today because they can return later to add more; accordingly Vitsøe's staff do not earn commission because that rewards short-term thinking; rather they build a trusting relationship with the customer for the future;
- Vitsøe's customers can return for spare parts, ask for their furniture to be repaired or even reupholster an entire chair in their own home after decades of use;
- a high proportion of Vitsøe's customers return to ask for planning advice when moving home or office; the charges for dismantling and reinstalling aim to cover costs only because of the importance of ensuring long-term customer loyalty;
- ever more customers say that they will buy Vitsøe's furniture because they can reuse it, rearrange it and take it with them; they understand that they are making a genuine life-long investment. Often they say: "Why didn't I know about you ten years ago? You would have saved me time, stress and money";
- a sense of well-being pervades Vitsøe's staff because the ethos of the company chimes increasingly with its employees (aged 23 to beyond retirement);
- as reported by Imperial College's Tanaka Business School in June 2007, Vitsøe is a highly innovative company: the innovation is all in the area of how to use technology and the web to bring Vitsøe to the attention of a much wider audience; how to allow that audience to understand, plan, buy and install its shelving system; and how to form long-term relationships with those customers so that they may infect each other with the passion of understanding Vitsøe.

## **Business framework**

It is difficult to know whether or not the chicken preceded the egg: did society – and the media's – obsession with novelty come before its inexorable shortening of financial horizons? Has society's demand for short-term financial gain turned its consumers into increasingly dissatisfied neophiliacs where the next purchase promises the gratification that the previous one did not give?

Currently Vitsøe's business can only function in a private arena. As Anita Roddick of The Body Shop discovered, exposure of values that will be of a wider good to society – of which waste reduction is key – are incompatible with the goals of existing financial markets that are driven solely for short-term financial gain. Until there are ways of measuring corporate success in non-financial terms, businesses such as Vitsøe will continue to be off-radar (the Dow Jones Sustainability index and the FTSE4Good index underperform the market. Goldman Sachs has made a recent attempt to capture the complex interaction between social responsibility and financial performance with the creation of a model called GS SUSTAIN. However, businesses that are paying the true cost of their existence will always "underperform" businesses that are able to offload their true costs on others).

It must be noted that employees in financial markets are motivated almost entirely by bonuses related to short-term financial performance and thereby rewarded for short-term thinking. For those who are not rewarded by bonuses, there is credit available in the next post. Meanwhile the real cost of most consumer products has, in real terms, plummeted thereby ensuring that no value is attached to most products allowing them to become disposable (repair being unavailable or uneconomic). Vitsøe's furniture has value in the eye of the consumer, even when damaged.

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Every new customer for Vitsø is another customer who might consume and dispose of less during their lifetime. Many observers are perplexed by Vitsø's desire to sell less to more customers and to encourage them to live with their products for longer. But The Stern Review of 2006 says: "The world does not need to choose between averting climate change and promoting growth and development."

## **Government policy**

Obsolescence must be penalised. Repair must be rewarded. Reuse must become the norm (children learned to be thrifty by collecting and returning their Corona bottles). What happened to the battery-powered milk float delivering milk in reusable glass bottles – with recyclable aluminium caps – and collecting the empties? Thrift and saving have come to be frowned upon – they must be rewarded.

Vitsø has not received any incentives, tax breaks, grants, loans or otherwise for its desire to cover its true costs and to make and support products for the long term. Approaches to Business Links, the London Development Authority and Envirowise have all been met with more bureaucracy than would be worth tolerating. The latter failed to respond to Vitsø's requests for packaging assistance.

New materials that are better from an environmental point of view can be very expensive initially and could be supported by government via tax on materials with negative environmental impacts and/or subsidies for those with positive impact.

Labelling schemes based upon the full lifecycle and environmental impacts of products and services, though complex, would allow customers to make more informed choices and minimise companies talking about sustainability – often, tellingly, via their PR departments – but actually doing very little. In addition, information about the predicted lifespan of a product would allow customers to make a decision based upon cost per year rather than directly comparing initial costs.

Vitsø is not being groomed for a trade sale or stock-market flotation, the yardstick against which the success of almost all entrepreneurs is measured. The company is currently investigating how to change its ownership structure to include its employees and thereby aid succession and its adherence to long-term values. The relative complexity and increased bureaucracy of employee benefit trusts is a deterrent for Vitsø; government support for models nearer to that of the John Lewis Partnership would be preferred.

Vitsø urges government to reward longevity and not to be distracted by, for example, rewarding more recycling. In the USA the increasingly important LEED (Leadership in Energy and Environmental Design) standard does not, seemingly, recognise longevity. In essence a superficially green and recyclable product can be thrown away tomorrow and still achieve LEED qualification today.

## **Background**

Vitsø was established by the Dane, Niels Vitsø, in Germany in 1959 to realise the furniture designs of the German designer, Professor Dieter Rams.

Mark Adams, BSc Zool, FRSA, is managing director of Vitsø and has been involved with the company since 1985. In 1995 he transferred the company from Germany to the UK.

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Dieter Rams was head of design at the German domestic electrical-products company, Braun, from 1961 to 1995 and is widely cited as one of the most important post-war industrial designers. Since the 1970s he has been proclaiming the need for far greater environmental awareness amongst both designers and society at large. He and Adams have worked together since 1986.

“Our happiest customers are those who have dealt with Vitsøe the longest.”

Niels Vitsøe, 1913-1995

“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

The Brundtland Commission, 1987

“Obsolescence is a crime”

Massimo Vignelli, 2005

29 January 2008