

# 5 lessons from Ikea to inspire startups

With a report by Ikea about the evolution in ways of life around the world, a handful of journalists were able to discover the behind the scenes workings of the Swedish giant, from product concepts to their latest test lab.

Maddyness was part of the journey and demystifies the secret recipes that make the symbolic blue and yellow company so successful.

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In Älmhult, a city with a population of just 10,000 somewhere in Sweden, the home of the giant that is Ikea can be found. It is a complex made up of the headquarters of the furniture company, an Ikea museum, an Ikea hotel, and a laboratory to test the resistance of products. A city within the city that has seen the iconic brand start and grow with products that are sold in all four corners of the world. A success that a lot of startups strive to replicate and a company whose recipe for success can certainly inspire.

## **Respond to a real need**

It'd be great to be the next Uber of fishing or the Airbnb of kitchen supplies, but your business must also respond to a real need expressed by potential consumers and fill a hole on the market. When Ikea was launched in 1958, the

idea was to make designer furniture and decoration more accessible to more people. Sixty years later, the goal achieved... but the Swedish giant doesn't rely on past achievements.

To continue to innovate and respond to the ever-changing needs of consumers, the blue and yellow brand still asks for public opinion to research and co-create future products with them. For four years they have conducted a study called *Life at Home* which combines feedback, studies, interviews, and house visits to better understand how their consumers live around the world. The 2016 study allowed them to update four main dimensions of life at home: relationships between the residents, the location of the lodging, the space, and the objects within the space. The 2017 study was focused on what annoys consumers or makes them uncomfortable and prevents them from feeling well in their home. Ikea found five paradoxes, mostly around the subjects of stress and used them as a starting point for their new collections.

For example, the company discovered that many consumers felt overwhelmed by the amount of stuff that they have. Many people feel like they can never get rid of some things because they are either emotionally attached to them or they think that they might need them one day. The idea from Ikea was to help their clients put away, separate, and convert these objects in the heart of their home. They also created evolutionary products that their clients could keep over the course of many years for different uses and therefore avoid doting on a plethora of objects that will (too) quickly become useless and troublesome.

## **Design thinking and lean startups**

To invent the best-seller of tomorrow, Ikea rolled out methods familiar to most startups. Internally, the design teams and product managers work hand in hand to create future products. In the zone reserved for prototypes, there are several distinct spaces that allow employees to create a rapid prototypes of their projects in Lego, clay, and with 3D printers. Workshops with fabrics, wood, and paint allow them to try out materials and explore the first colours.

Inspired by *design thinking*, the process of Ikea gives prominence to creativity as well as constant re-assessment. The famous *test and learn* concept so close to the hearts of startups. Experimenting is therefore a critical step that validates the concept behind a product. For an Ikea 365+ carafe, one employee explains that while she was using the product at her house she realised the ingenuity of the product; it can be cleaned easily, has sufficient capacity for her family and was designed in such a way that it was easily used by her young children.

This feedback allows Ikea to constantly improve these products based on

consumers opinion, an attribute manifested in the *lean startup*. Here again, understanding the way of life of these consumers allows Ikea to adapt their offer better. For example, the company reduced the amount of opaque food storage containers and increased the number of clear ones. This way the consumers can see what is in their refrigerator and waste less food.

## **Test the safety of their products**

Low prices should never mean cutting corners when it comes to safety. This is why Ikea developed a network of internal labs to test the safety of their products before putting them on the market. The instructions are clear: “do as much damage as you can,” says Stefan Bertilsson, assistant director of the lab that Maddyness was invited to visit. The 2,000 new products put on the market each year go through a war of mis-use: exposed to flames and extreme temperatures, as well as diverse and varied pressures, etc., anything that can test their resistance to “real life” hazards.

By doing so, Ikea guarantees the safety and the trustworthiness of their products and also conforms to international laws of health and safety, which are particularly restrictive. Contrary to some startups that use a legal loophole to build their success on, the Swedish company prefers to impose extra restrictions to make sure that these products won't be subject to the harshness of authorities in whichever country.

## **Effective marketing**

The marketing strategy of Ikea allowed it to go from retailer to influencer. One of the major communication tools of the brand is its emblematic catalogue, which became a sales support as well as a goldmine of decoration ideas for hip young adults. More than 200 million copies are distributed each year in over 50 countries. “It isn't just about putting a value on our products but also presenting our solutions to our clients,” explained Elin Stierna and Manuela Engström, designers of the catalogue.

The catalogue has to allow consumers to identify with the ways of life presented in the pages and to find tricks to improve and make their daily lives easier. Having children in the kitchen as staged in their latest catalogue with a lower and adaptable work surface shows that it is a great product for families. From the colours of the walls to the textures of the decorations, each element is carefully chosen to reflect the ambience that the designers want to portray and therefore subtly showcase the different functions of the brand's products.

## A balanced story

What would a mega-company be without their entrepreneurial story? Just like Apple who started in a garage, Ikea's story started in a garden shed transformed by Ingvar Kamprad in the 1940s to sell knick-knacks.

The story is told in the museum dedicated to the brand, which tells the entrepreneur's story, offers a voyage through time with the different Ikea products, and shares a sociological retrospective on the evolution of the way of life.

By presenting its evolution alongside society's evolution, Ikea allows doubt to linger. Does the brand modify the products according to societal evolutions or does society adapt under the effect of the commercialised products of Ikea? Another way to tell their story while also reminding people of the global status of the company since the opening of Älmhult's first Ikea store in 1958. Longevity and an aura that few technology companies and startups can claim.

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