

# The Next Economy Company with Kara Pecknold (Transcript)



## PODCAST

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**Chris Congdon:** Lots of organizations make commitments around sustainability today – which is a good thing. But some are making more progress, much faster than others. What separates the leaders from the laggards? Today we’re going to find out.

Welcome to Work Better, a Steelcase podcast where we think about work and ways to make it better. I’m your host Chris Congdon alongside our producer Rebecca Charbausk. Rebecca – Can you tell us about today’s guest?

**Rebecca Charbausk:** Hi Chris. Kara Pecknold is a Vice President of Regenerative Design at frog. She consults with organizations around the world to help them develop circular business models. Some people call her the swiss army knife – because she has access to so many skills as a designer, researcher and consultant.

**CC:** We got to ask her about her work in Rwanda which is part of a case study in IDEO's Human-Centered Design Toolkit. That work led her down this path of regenerative design.

**RC:** We would love to ask our audience to share this episode with a friend or colleague – especially if this is a topic they want to learn more about.

**CC:** Kara, thanks for being here. Welcome to Work Better.

Kara Pecknold: Thank you so much for having me Chris it's great to be here.

**CC:** I'm really excited to hear more from you. Could we start with you telling our listeners a little bit about what Frog is and what a vice president of regenerative design does at Frog?

**KP:** That's a great question. Frog is a 50-plus year old company started in Germany but over the years we've changed and transformed and today we are the global creative consultancy which is part of Capgemini Invent. I think as an organization where we started is probably best well known for industrial design. But as we look at this new generation and this new Era of Frog we are seeing that we are people who are fusing art and science. We are fusing technical solutions as well as creative solutions and as a VP of regenerative design I'm really looking at how do we bring a new feature of sustainability in the design space for our clients and improve the world for both people and planet.

**CC:** I'm really interested in how you found your way into this kind of work and you have a story about work that you did in Rwanda some time ago that was really kind of a formative moment for you. Can you tell us more about that?

**KP:** Happy to! When I was in graduate school – this is how far back it goes – I was studying design and working on my masters and I really was interested in how we communicate sustainability, and nobody wanted to hire anybody in the communication design space at that time. It wasn't a topic. It was kind of an uncomfortable discussion but I had a chance to do an applied learning experience in Rwanda which seems like a very strange place to go, I'm sure, for this type of work. But the focus was on sustainable development. And so that opportunity opened me up to a real sustainability challenge which is a plant and invasive species that is growing in the lakes and the rivers in Rwanda, all through the Nile Basin, and in that reality there are women and communities of women who are extracting that plant, drying it out, churning it into a weaving fiber that they then use to create products that they can sell. So what I realized was communication was not necessarily just with language and communication was different when you were talking about sustainability and we needed to figure out how to get around that and how to encourage people to think more sustainably. I worked in Rwanda with these women to help them rethink how they positioned their product because it was different from all the other weaving collaboratives that were working on this type of craft making. We had the opportunity to kind of create a new business narrative for them that was really focused on how they were taking that plant out of the rivers and lakes, which was killing off fish and drying up lakes and rivers turning that fiber into something that they could sell, and using a renewable resource, if you will. In Rwanda, to be able to get rid of this plant in any way because it was so invasive, was a really neat opportunity for me to start thinking about design as something that had circularity. Although that word was not being used at the time it was starting to think about how this renewable plant, that was a problem, could be turned into an opportunity.

**CC:** Just as you've used different phrases that we hear around a lot more today about sustainable design or regenerative design or circular design. Can you talk about if these things are different, or the same?

**KP:** It probably depends who you talk to. I know that words are really important in the world and how we define them. It's probably pretty critical, especially for me. Often when I talk about circularity, for me, it can be applied to an economy and design at the basic level. It's about trying to eliminate waste and trying to keep products looped in and continuously used whether that's the material they're made of or that maybe we just love them longer and we keep them longer. I think for me sustainability is a next layer of conversation that is a popular word, a popular term that most people can get their heads wrapped around. I often think about it in a 2 by 2 matrix. If I put sustainability at the crux – at the very intersection – there sustainability is that we're meeting 0. We're not going below. We're not going above in improving or we're not doing business as usual. The idea that we would just stay there ... we're trying our best and we're not achieving it. So I think our ambition needs to be higher, which is why I start to use words like regenerative because for me then it becomes a new narrative of being nature-positive – not just sustaining nature but actually working alongside nature which can take care of itself quite frankly without us. It's just that we choose to not take care of it so that it can take care of us. I think for me, that's where I've started to differentiate my language ambitiously perhaps but because I actually think we need to have a higher vision of what our role and responsibility will be as designers as creatives in the world. So that's how I differentiate those words and use them in my day-to-day discussions.

**CC:** I think that's really helpful to think about it in that way. Another thing that I think a lot of people don't think much about just yet is it feels like there are a lot of planet issues that we're all trying to work to help mitigate – the impact of climate change and then there's people issues and social responsibility and we tend to think about those things as different. But you really had some personal experiences that made you start thinking about things like inclusion and sustainability in a different way. I think you took a little tumble on the street in Munich and that got you thinking? Can you tell us a little bit about that?

**KP:** Absolutely. I did take a tumble. I fell on the streets of Munich one evening. I didn't see a brick on the side of the road during a construction zone and broke my leg, dislocated the ankle and had to have surgery on all of those. Lovely things that you never want to have happen exactly. I had to go through a two month recovery process. I would say I'm still in a recovery process because you have to relearn how to walk but what that sort of woke me up to or helped me to very much realize –and maybe you think about in theory but don't have it in practice – is how much of our world is not designed for everybody and not designed to be accessible to all and living in Munich there are streets that have cobblestone and it's charming and beautiful but can be a little bit....

**CC:** Sure they've been around for a long time.

**KP:** Yeah, it can be a little more challenging to get around on and so what I realized though is all my idealism perhaps around sustainable packaging and sustainable purchases and all those things when you are limited sometimes those things are equally inaccessible. And so basically just getting food delivered to my door meant, at the time, that it came in a lot of extra packaging as an example. At certain times I took the path of least resistance for what I was trying to get to which isn't always the most sustainable choice. So for me that was like this wake up call of how far-reaching sustainability can be when we think about it being available. Not just for people who can afford a sustainable "whatever," but really reimagining it that it reaches all levels of society. To me, that is a social dynamic – not just an environmental dynamic when we're talking about sustainability.

**CC:** We really do need to think about them together. Sometimes when I hear conversations about circular models or regenerative models they can feel aspirational – like oh it's a great idea, but is it really attainable getting to net positive? Is that really an attainable thing and you use this phrase in the 'next economy organization.' Can you explain what that is and is it attainable?

**KP:** It may sound aspirational. I'll build on it. I was reading a book recently. Out of the Club of Rome, Donella Meadows wrote that original one and I like how they're reframing it even better. I think it's a well-being economy because the next economy can have any narrative you want. But I'm starting to realize even that might not be adequate. So when I speak of the next economy I'm including that well-being. I just didn't use that word. I think the next economy is reimagining how people work and what people work on, the types of ways of looking at resources that we need to use the way we share resources. Sometimes I hear it sound very aspirational and maybe a little bit like we're all sitting around a campfire singing kumbaya but I like to imagine again a vision where some of what we've been told is the way that business ought to operate or society ought to operate. We don't have to take them as givens and I think that's what Covid has taught us is that some of the normatives that we thought were the truth or thought they were the way, we had to pivot – we had to change – and there were enough crises. I think we're in that moment again for different reasons with floods and fires. You name it. These types of things are really having us rethink what we need in life and that is an aspirational claim. I absolutely realize that I'm making it. But what I'm starting to see in the world is the next generation of talent who will do and deliver work in this next economy are hungry for this. They're hungry for purpose and meaning. They're hungry to make sure that the things that they work on make an impact and I believe that's something we should help – if we're going to leave a legacy – as the more senior category of the ecosystem in the business world today. I believe we have an opportunity to leave them something better than what we see today?

**CC:** I love the term well-being and I have to admit, when we think about our goals we frame them by saying that we're working toward a better future for the well-being of people and the planet because we also believe the two go hand-in-hand. Even though it might sound a little aspirational I think we absolutely do have to work in that direction. So I'm with you on that one.

**KP:** Yeah, yeah, absolutely.

**CC:** You've created some new business models that are more focused on sustainability or regeneration. Can you talk about some of that work that you've done?

**KP:** Yeah, some of it we can't share. We can't say who we did it for out of respect to that company. But I think I can give you some themes that we're seeing that we have been touching on. You know a lot of what I've had the chance to work on fits many many times into sort of the energy sector. We're looking at how we bring solar energy to the household in a more affordable way so we are looking at renewable energy which means there's a new business model of how we exchange energy and in this case we're working with a client that really wanted to get to a market that was unreached by clean run energy, and making it more affordable. A lot of times when we see solar home systems, they're either highly subsidized or they're very let's say in parts of the world where it's very easy to put a solar panel on your roof. We are talking about places where it's not so easy and where we make sure that many get access to that type of energy. So that's an example where that's the product that had to be designed but the business model around it equally had to shift because it would have to look very differently at how you distributed this type of product. It had to look at who was the sales team that would execute - who would install this - that was a whole new type of a model for this organization that they hadn't touched before. In this case, a clean energy story I would say is one way of reshaping a business model through who sells it and who installs it. What are the benefits and how do I return the product? How do I fix the product? All of that was a new shape to the way we could deliver a new service into the world.

**CC:** You're working with a lot of big, global organizations I can imagine and I would also imagine there's a wide range of commitment and engagement in this kind of work that maybe some are really wanting to be transformative and others are holding back. I'd love to just hear your thoughts about what it is about some companies or some leaders that enable them to move faster on this kind of transformation? Do you see patterns?

**KP:** That's a great question. I find there's a few things at play. I think for some leaders if they're in a publicly traded company versus a privately held company. You see different freedoms to move depending on the nature of the investment. Makeup. Let's say that they have ... so I think a lot of what I see is when a company has maybe less shareholders or or a different kind of shareholder makeup in many cases ... it gives them a different kind of freedom to act. And unless that publicly traded company has a very cohesive setup that enables freedom of action in a way towards some of these things, then I see that folks have some ability to move more flexibly. So, that's a pattern I'm seeing - how much freedom a team might be given within a company depending on where they sit. The second thing that I'm seeing is often a leader who moves fast has had their own personal epiphany about the world and so I often call this kind of a spiritual transformation. I see leaders who move the needle have had something much deeper than the facts given to them. So it's not enough to see the data on a page. It's not enough. There's something emotional that's triggering them and that could be that their child came to them and said, "Mom/Dad, what are you doing making X or making Y? Why are you making this thing in the world? The children are challenging us. Or it could be that they read a book. They heard a podcast. They heard an experience they had on a travel trip. I think for me, those are the two big patterns I see is how much freedom a leader is given depending on the structure in which they find themselves ... what they have to lead with the number of stakeholders around them and then the second would be this sort of personal spiritual epiphany transformation. Whatever you want to label it I think I'm seeing that that is doing something different in the world and gives them a resilience and grit that, if I can use that word, that really keeps them pushing the boundaries with their organization.

**CC:** I could imagine even with that kind of an epiphany moment that making change can cause some angst or fear. I mean we love to talk in the design world about failures, but it also feels like in reality like we're all a little nervous about failing. How do you advise leaders that you're working with to move beyond that angst or fear of starting to do something new?

**KP:** There's many layers of where you fail. I would never tell a leader to disrupt everything and to start over with everything. A lot of times what we talk about, which sometimes work and sometimes don't, but we talk a lot about taking smaller steps in pilots. Taking something littler and not so huge and upsetting. That's some of the stuff we're trying to carve out or give opportunity or give space to. I do think that it is an opportunity in many ways to follow pre-prescribed frameworks, so that the risk you're taking is not a risk that's on your own. I often talk about things recently launched by the TNFD which gives you a Nature's disclosure which you could say like I've got to start disclosing something different than just my financials and while that can seem like that's a risky thing or that feels intense too, at least we're all in it together. It's a different kind of structure that isn't about failing. It's not easy to take a risk. We see companies who do step out on a ledge and try to do new things, try to make new claims, but I do feel there is this highly judgmental culture we are living in and for me, I can't tell everybody not to be judgmental. But I think we need to realize there are very small things that are happening under the surface that we don't see every day because maybe they're not newsworthy and they're not getting all the attention. The hard thing for leaders today – back to where they sit – is what kind of organization they are in, whose criteria are they being judged against and so to get over fears of failure back to my original statement: Try something. That's not so huge, something that is a lower risk but at least gives you a sense of confidence that if we can get through that we might get through the next one. And I liken it to – I would never tell somebody to go run a full marathon if you hadn't trained, if you hadn't practiced, if you hadn't taken some logical steps to strengthen yourself and strengthen the muscle to be able to endure that long. I think this is – although we don't have a lot of time to pivot our actions – it is a long game. It is not “everything is going to happen at speed” and at the quickest thing and I think when we think about failure we think in different terms around time and if we can think if we have a bit of space to breathe. Let's try some things that are easily achievable, ones that will help us move the needle forward. It doesn't work every time for every single organization. But when I see people feel like they can own that as opposed to feeling like it's is an imposed thing upon them, it really does change the dynamic of how they work with their teams and I think little steps do matter in this effort and we just don't always acknowledge them so they seem too small to make the the front page of the news.

**CC:** I really like the marathon analogy and I know sometimes it gets overused a little bit but when you think about it, you don't get off the couch and just start running 20-plus miles. You have to do a two-mile, a three-mile run and build up before you can even do a half marathon. I think it really is a useful analogy when you're talking about how you embrace this kind of change. I want to pivot a little bit because you were recently at the Cannes International Festival of Creativity which I think has been running for, what, 70-plus years? It's been around for a long time. Whenever I hear the word Cannes I always think about the film festival and beautiful people and celebrities and glamor and stuff. But at this conversation that you were having with people about creativity, you said that there were some very different kinds of conversations going on there. I would love it if you could just talk about what were some of the trends people were talking about when they were there?

**KP:** I think there was an interesting undercurrent pulse. Let's put it that way. That was really talking about the narrative of what we are marketing to and marketing for in the future and so some of the conversations we were able to have are different kinds of campaigns that we look at differently. Let's talk about the UN. The UN has a framework called the sustainable development goals. These are 17 key goals that all countries' leaders have come together around. They've come to agree that these are things that we need to focus on in order to have that wellbeing economy. We were discussing earlier things like 0 hunger, giving access to education to everyone, inclusivity, making sure we take care of infrastructure globally and leveling out the playing fields so that everyone can have this well-being. So that's what those are all about and advocating for at a governmental level. We were able to talk about what it means to ignite people towards action and an action that really makes a difference in changes. This is a topic not about consumption. It's an action towards. Action for the world and for the planet. For example, to meet the goals of the UN SDGs we talked a lot about the idea of what is the future of Design? We've talked about what is the future of creativity and I think there's a real hunger. What I was hearing and feeling from many folks was there's a real hunger for a new type of design award or creativity award. While I was there - it's notable that I think that Patagonia won the Lionheart, The lifetime achievement award is in honor of Patagonia. I think there's something to be said about this shifting narrative of what we award and reward that is shifting. I think the needle is shifting and we can see a new narrative emerging with what people are hungry to see awarded and given credence and credibility. So, this is an interesting moment I think for the festival and to see folks - maybe it wasn't always all glamorous - but there are definitely some lovely beautiful moments. But I think some of the conversation we were trying to have was what's the tension between delivering something for the end of the month versus we are living in a state where it feels like we might be at the end of the world and somewhere in between those two domains we need to figure out how how can we actually create things of value and of meaning still enlightened by beauty and and loveliness. Because I think that is an important part of our human condition. But what does that look like and what does that tension mean? It is a bit of a tension and there are lots of different opinions and thoughts around this. But what I found interesting is there were many folks willing to have a conversation within that tension.

**CC:** Kara before I leave you today. There's a question that we've been asking all of our guests this season about. Name someone or something that you feel has made a really positive impact on people or the planet. I know there's a lot of them so it might be hard to kind of distill it down to one but I'd really appreciate hearing from you. What things really do you think have made an impact?

**KP:** I think some of the things that come to mind for me are people I've met in the last year specifically, or by reading their work I feel I've met them. People like Bill McDonough developed the cradle to cradle certification and storyline. We all heard of him, or got to spend a day with him and just receive wisdom from him. I think that sets a tone for the design community that I think we still need. We still need that narrative. Think about people like Nicole Miller who's at Biomimicry 3.8 who has really helped to be a collaborator for me. She is working with me to help build a kickstarter project that frog and Biomimicry can do together around nature and how we bring organizations to a place where they invite nature to the table in more of their products, services and organizational structures. I think Robin Wall Kimmerer who wrote Braiding Sweetgrass – someone who's helping to remind us that the poetry in the world is really important and indigenous and generational wisdom is really important, and that mindfulness that she brings to the conversation. Last I would think about my dear friend Joe Isles who's at the Ellen MacArthur Foundation who's the circular design lead and has been just such a great supporter of the narrative around what it means for the design community to shift – to shift that narrative. I'm sure there are many more I could say but these are people who I've actually met who I actually see them advocating and you know keeping a resilience about the narrative even though maybe they are challenged in some cases to bring those to the table but they are definitely people who have influenced me and therefore I think they have influenced others as well.

**CC:** Well, those are some really great examples and I'm just a little jealous. I got to admit that you've had some chances to interact with some really interesting people so that's great. Kara I just want to say this has been a fascinating conversation for me. I've learned a lot and thank you so much for joining us at Work Better, today.

**KP:** Thank you so much Chris, it has been such a pleasure to talk with you and talk about these types of topics with you. So thank you.

**CC:** Great Kara! Thank you for being here with us. Rebecca who's on tap for next week?

**RC:** Next week we're talking to Poonam Bir Katsuri. She founded a company called the Daily Dump in India. They design beautiful, hand-crafted composting containers. She tells us why we need more foolishness in business, why design can change our mindset and why she deliberately decided not to make her company a non-profit.

**CC:** If you enjoyed this conversation – share this podcast with a friend or colleague and visit us at [steelcase.com/research](https://steelcase.com/research) to sign up for weekly updates on workplace research, insights and design ideas delivered to your inbox. That was a great conversation. We hope you'll join us for that one. Thanks again for being here – and we hope your day at work tomorrow is just a little bit better.

## **CREDITS**

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