A group of cutting-edge manufacturers in northern Italy interpret items for the home, like lamps and teakettles, in ways that initially confound consumers and then convert them. The result is high growth rates and long product lives.

# Innovating Through DESIGN

by Roberto Verganti

VERYONE BY NOW HAS SEEN the whimsical coneshaped kettle with the little plastic birdie affixed to its spout, designed by the architect Michael Graves. Since its introduction in 1985 by Alessi, the northern-Italian home-furnishings manufacturer, approximately 1.5 million units of what is, as kettles go, an expensive item have been sold.

The success of model 9093 attracted the attention of Target, a retailer known for offering sophisticated designs at popular prices, which in 1999 invited Graves to design a new line of products, including a knockoff of the bird kettle. It is a testament to the mystique of the original that Alessi continues to sell large numbers of model 9093 – for five times the price of Target's version. Since both original and knockoff were, unusually, designed by



the same person, the critical variable would appear to be Alessi itself. Although Target's marketing has turned Graves into a design icon, an influential consumer segment seems to prize model 9093 for qualities that happen to pervade all of Alessi's products and those of its peers. The products' originality, aura, and prestige are the outcome of a process that is based in Milan but embraces participants and notions far beyond it. Indeed, the process transcends the discipline of design. What Alessi and its local brethren have devised is nothing less than an engine of innovation. What's more, although Milan is famous as a center of fashion and high style, the maestros of this process are executives, not artists or artisans. Thus any kind of consumer-goods company, located almost anywhere in the world, could adopt the process.

Alessi, the lighting manufacturers Flos and Artemide, the furniture maker Kartell, and many other northern Italian firms make up the Lombardy design discourse, a loose collection of home-furnishings companies that create highly marketable products with distinctive design profiles. These companies do not follow either of the design industry's norms: "tech push," whereby an improvement in performance and functionality dictates a modification in design, or "market pull," whereby the design accommodates consumers' demand for new features or an up-to-date look. Nor do they resort to the open-innovation techniques for which IBM, Procter & Gamble, and Eli Lilly, for example, have become known. That is, they don't rely on an anonymous horde of code writers or the equivalent to perfect an existing product; they don't in-license the patented discoveries of unaffiliated businesses or inventors; and they don't out-license their own discoveries to generate revenues with minimal effort, or to elicit a third party's better-informed reading of the discoveries' marketability so as to spur their own development efforts.

The Lombardy firms' R&D operation, for the most part, can be found neither inside the companies nor in interactions among them. Rather, it comprises a free-floating community of architects, suppliers, photographers, critics, curators, publishers, and craftsmen, among many other categories of professionals, as well as the expected artists and designers. The members of the community are prized as much for their immersion in a discourse as for their originality. In other words, long before any thought is given to the form an item will eventually take, its role, identity, and meaning have been thoroughly explored. Usually the products that at long last result from this

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Model 9093 may not be the most radical exemplar of what might be called "design-driven innovation," but it's one of the easiest to grasp. Earlier kettles came in various shapes and sizes, but their purpose was, almost without exception, utilitarian. Consequently, their form followed their function (to boil water)-the first precept of modern design. Sensing from his interactions with the Lombardy research community a new spirit of playfulness that reflected a growing disillusionment with modernism's severity, Alessi's CEO and managing director, Alberto Alessi, contacted Graves, a professor of architecture at Princeton, who at that point had never worked on a consumer product but had designed a few notoriously postmodern buildings in the United States (their surfaces were decorative and referred to earlier architectural idioms-modernist taboos).

Although undeniably clever in its synthesis of pop art and art deco references, model 9093 showed its greatest originality in broadening people's expectations of what a kettle was and did and, indeed, the nature of the breakfast experience. This broadening reflected years of discussion and generations of design concepts preceding Graves's realization of model 9093. Far from being an annoyance or merely a signal, the birdlike whistle the kettle emits draws its owners to the breakfast table as powerfully as the aroma of freshly brewed coffee. The little plastic bird visually confirms that beckoning sound, and the delightfulness of the kettle's shape is its own reward. According to an interview he gave BusinessWeek.com, Graves once received a postcard from a French poet, who wrote, "I'm always very grumpy when I get up in the morning. But when I get up now, I put the teakettle on, and when it starts to sing it makes me smile-goddamn you!"

A product called Bookworm represents, perhaps, a more fundamental reconceptualization of a traditional object – in this case, a bookshelf. Made by Kartell, which is known for its plastic furniture, including the transparent Louis XIV "ghost" chair, Bookworm is a long, nar-

row band constructed of colored polyvinyl chloride, traditionally a semi-rigid material but here having the flexibility of a sheet of stainless steel, which allows the purchaser to bend it into a sinuous shape of his liking and affix it in that shape to the wall. This bookworm is not studious: It can't hold as many books as its right-angled counterparts. And it is not shy: It outshines the books that it ostensibly exists to support. It was the ingenuity of local mold and chemical manufacturers interacting with Kartell's founder and honorary chairman, Giulio Castelli, a chemical engineer by training; his successor, Claudio Luti; and Ron Arad, an Israeli designer, that turned what had always been a background fixture into an intriguing and somewhat impractical main event.

As model 9093 and Bookworm suggest, one needn't be artistic to contribute to such a design process. Alberto Alessi is a lawyer by training, as is Luca Cordero di Montezemolo, the chairman of the holding company of furniture makers Cassina and Poltrona Frau. Ernesto Gismondi, the chairman of Artemide, is an aerospace engineer. Luti's background is in economics. Nor does one need to be Italian. In addition to Arad and Graves, the Lombardy designers Michael Graves's teakettle for Alessi showed its greatest originality in broadening people's expectations of what a kettle was and did and, indeed, the nature of the breakfast experience.

include Philippe Starck, who is French; Richard Sapper (the Alessi designer who first experimented with kettle whistles), who is German; Ettore Sottsass, who is half Austrian; and many others.

Thus innovation, Milan style, combines aspects of the local and the global, another of its key features. While physical proximity is indispensable to establishing a close rapport among people in different companies and disciplines, they are included in the design discourse precisely because they are alert to distant cultural and social currents. Even so, they benefit from an admixture of foreigners based elsewhere who are enticed to participate by the richness of the local community's interactions (see the sidebar "The Experience for Designers").

Though the Milanese approach to innovation remains unique (if only because its management practices have never been written about), aspects of it are already alive



forms, Apple declared it to be an appliance for the home. The message contained in the design hastened a transformation in how the public understood the device. The presence of the iMac in home offices then began to alter homeowners' sense of the appropriateness of the objects surrounding it–lighting, furniture, carpets, and so forth– each of which might need to be redesigned in turn.

The repercussions of a shift in an object's design and meaning explain in part why the Lombardy group shows a special preference for architects, who, after all, are in the business of creating environments. Architects also know that most buildings will outlive the tenancy of their present owners, which compels them to envision the way of life of future generations who will take up residence there.

But can such design communities be found anywhere but Milan? Yes: Design clusters exist, for example, in Finland, London, Sweden, Denmark, Catalonia, and the Rhone-Alps region of France. Helsinki has many small design studios, several associations of designers, a design museum, a university of art and design, and research centers focused on design and heavily underwritten by Nokia, which understands that a key aspect of its mobile phones' appeal is their look and feel. Nokia realized that their small size had turned them into personal accessories, akin to key chains and wallets, thus obliging them to appeal to their owners in an intimate and emotional way. Since the mobile phone is the global device par excellence, connecting its user to foreign people and places, Nokia is sponsoring a student project to look into how product design might be able to express the local cultures of Estonia, Israel, Brazil, and several other countries.

In a study I conducted for the government of Lombardy of the design clusters mentioned above, 26 international design experts agreed that the components of the design system – schools, studios, manufacturers, and so forth – were not significantly better in Lombardy than

elsewhere. What did distinguish the region was the number and strength of the links between these components and the quality of the interactions among them. In short, it needn't be a lack of resources that keeps a cluster from forming. The factors that make Lombardy the envy of the other localities are imagination

and motivation, which are within the capacities of any group of businesses, whether they be in Toledo, Ohio, or Ljubljana, Slovenia. The eight years I spent studying the inner workings of these firms – from executive decision making to talent management to industrial processes – have convinced me that scores of design systems are just waiting to be ignited.

#### The Birth of a Product

At roughly the time Michael Graves was just a twinkle in Alberto Alessi's eye, Ettore Sottsass, then in his sixties, started a collective called Memphis with designers less than half his age. An architect by training, Sottsass was born in Austria but based in Milan as a designer at the telecommunications company Olivetti. Memphis cultivated a liking for intense primary colors, balls and triangles resembling children's blocks, the uneasy juxtaposition of cheap materials like plastic with expensive ones like marble, and an irreverent attitude toward what was then considered immaculate good taste. These preferences expressed the upending of norms in the wake of the youth movements of the 1960s and 1970s–in particular, a rejection of the machine and its connotations and imagery, including boxy forms, antiseptic surfaces of exposed metal and white, and evidence of an object's industrial origins. They also represented the conflation of high and low art, luxury and simplicity, into a general democratization of taste. The shapes, colors, and materials Memphis proposed were lighthearted and playful and thus meant to make an emotional rather than a rational, utilitarian appeal to the consumer – a commonplace today, but a novelty two decades ago.

The rise of Memphis inaugurated what was to become a three-phase process of design-driven innovation, which culminated in model 9093.

**Phase 1: Absorb.** Although far in advance of contemporary fashion, Memphis captured the attention of local entrepreneurs, who understood it to be a genuine research laboratory that could later inform their own innovation efforts. In fact, Artemide's chairman, Ernesto Gismondi, helped subsidize it, while leaving its members free, in his words, "to do what they wanted."

The entrepreneurs met a few times a year to discuss trends, styles, materials, and technology, and gathered at

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> exhibitions they jointly sponsored. They also founded an avant-garde design journal in whose pages the future of design was vigorously debated. Though their companies belonged to several different industries, all their product lines revolved around the home.

> Drawing on these discussions, Alberto Alessi recognized that a sharply new design language was needed for his company's kitchenware, and he believed that mostly foreign architects who had never designed consumer goods were the ones to invent its vocabulary and grammar. He called the project the Tea and Coffee Piazza and asked a Milanese architect and close friend, Alessandro Mendini, to select ten other architects and coordinate their activities. Mendini's choices included the postmodernists Hans Hollein of Austria and Robert Venturi of the United States as well as Graves. Although Alessi has a rigorous four-dimensional methodology for deciding whether to market a product it has developed, the 11 architects were asked initially to ignore issues of cost and functionality, the company's first two dimensions, and concentrate exclusively on communicativeness and evocativeness, the second two. Once they had received general direction from Alessi, the 11 worked independently. In contrast to the IDEO process, there was no brainstorming by multidisciplinary teams.

Alberto Alessi had an ulterior motive: to discover the next wave of talent in product design. As he says, "It is easy to make a list of the top ten designers of the past ten years. But I'm virtually certain that fewer than half of them will be among the top ten designers of the next ten years. By then, their language won't be novel anymore, or will be widely imitated. Also, their interest and vitality may fade. Sometimes, too, they are spoiled by success."

**Phase 2: Interpret.** Alessi knew that before groundbreaking products could be presented to the public, the ground itself had to be prepared, else the public, which had not been consulted about what kinds of products it wanted, would not know how to make sense of them. He took the following steps:

- The 11 coffee and tea service prototypes the architects produced were exhibited at the San Francisco Museum of Modern Art and the Smithsonian and in other cultural settings.
- They were produced in limited editions of 99 pieces and sold to museums and influential collectors for \$25,000 each.
- Alessi prepared a book about the prototypes and distributed it to the extended design community.
- A traveling exhibit of the prototypes was shown in high-end department stores around the world.
- The press in Italy and abroad was invited to write about the exhibits and the project.

Alessi closely followed the reactions of design aficionados to the prototypes. An incidental benefit of publicizing them and the concepts behind them before an actual product existed was to ensure that the public would forever associate them with the Alessi brand and would view any related development by others as an imitation.

Among the 11 architects, Graves was one of only two who were invited to turn their concepts into cost-effective and functional commercial products. Model 9093 was then rated on Alessi's four dimensions. Its broad base, which facilitated rapid heating; its visible rivets, which recalled a kind of vintage artisanship; its superimposed plastic handle in cool blue, which was decorative as well as heat-resistant; and its little bird, which flew in the face of modernism's insistence on abstract form, earned it the highest rating in Alessi's history. Because of the company's success with Sapper's model 9091 kettle, which emits two low, harmonizing whistles evoking ships passing in the night, a whistle was one specification imposed on Graves. Alessi also wanted the bird to be removable, so that the kettle could feature a spout instead of a hole, and he wanted a lower cost of fabrication and a faster boil.

**Phase 3: Address.** Shortly before and then after model 9093 was launched, Alessi organized another round of exhibitions and publicity. Because advertising is not the ideal explanatory medium, little of it was done. The members of the design discourse, by continuing to talk and write about the kettle's role and meaning, disseminated

### The Design Cluster Advantage

The growth and revenue of seven exemplars of designdriven innovation are listed below. That four of the seven are furniture manufacturers is unsurprising, given that about a quarter of all Italian furniture firms are based in Lombardy, and that Italy is Europe's largest furniture manufacturer, with 45% of its output exported. Those four – and the design cluster as a whole – surpassed the growth rates of the furniture industry in both Italy and the European Union in the ten years from 1994 to 2003. Also participating in the Lombardy discourse are dozens if not hundreds of smaller companies, including Luceplan and FontanaArte (lighting), Zanotta and Driade (furniture), and Boffi (kitchen fittings).

# Financial Performance of Leading Companies in the Lombardy Design Cluster

	<b>Ten-Year Growth</b> (1994–2003)	<b>Revenue</b> (2003, U.S. \$)
Alessi home furnishings	81%	\$104 million
Artemide lighting	59%	\$110 million
B&B Italia furniture	54%	\$165 million
Cappellini furniture	117%	\$29 million
Cassina* furniture	60%	\$163 million
Flos lighting	106%	\$75 million
Kartell furniture	211%	\$70 million

#### Furniture Industry Performance

**76%**<sup>1</sup>

TOTAL

	<b>Ten-Year Growth</b> (1994–2003)	<b>Revenue</b> (2003, U.S. \$)
EU	11%	\$78 billion
Italy	28%	\$21 billion
Design Cluster 4	<b>75</b> % <sup>1</sup>	\$427 million

1. Average growth weighted by revenue

\$716 million

knowledge of the product to a wider audience. In the end, they acted as amplifiers of a message they had helped to construct. Nowadays, many of the Lombardy companies maintain their own retail outlets as a way of controlling presentation and underlining the traits their products have in common. When third-party retailers carry them, often items of the same brand will be found grouped together in their own showcase, for the same reasons. And, unlike an Armani jacket or a Gucci handbag, these products come with literature elaborating on how they came into existence and the qualities that make them special.

#### After the Kettle

Alessi initiates a project like the Tea and Coffee Piazza every eight or ten years. Its successor was called Family Follows Fiction. Moving from Sottsass's and Graves's insights to Franco Fornari's theories on the affective impact of form, especially with respect to objects that evoke childhood pleasures and sensations (birds, building blocks, toys, and what psychologists call "transitional" objects, such as security blankets), Alessi in the early 1990s asked a different group of architects, almost all Italians this time, to design objects for grownups that would directly appeal to their impulse to invest possessions with personal meaning. Typically these would be palmsize objects, such as Stefano Giovannoni's nutcracker in the shape of a squirrel and Alessandro Mendini's "dancing" Anna G. corkscrew, with its twisting head and armlike levers.

Worried that the ideas underlying the items generated by the Tea and Coffee Piazza had become too familiar after being copied by other companies, Alessi launched a new project called Tea and Coffee Towers in 2001. In this case, about 20 architects were enlisted, including three

Japanese and one Chinese. Alessi expects computer-assisted design to inspire new forms. He says, "These architects know how to use the computer like a pencil. They are so good with the PC that the design comes directly from the heart, just as a traditional designer's pencil is directly linked to the heart. This permits the creation of a wealth of shapes never seen before in products." Seven of these architects are now at work developing items for consumers, many of whom await them with the anticipation they might feel about the next movie from their favorite director.

Companies that are part of the Lombardy design discourse also partner with large companies that are not. For example, Alessi and the electronics company Philips in 1994 launched a line of appliances such as espresso machines and toasters. According to the chief creative director of Philips Design, the focus of the partnership was to provide consumers with sensory and aesthetic experiences and personal comfort rather than improved functionality. Philips and Artemide together conducted a series of workshops to investigate the affective impact of shifting colored light. Philips has recently released a flat-screen TV with Ambilight, which emanates from the rear of the TV and changes color and intensity in tandem with the images on the screen.

In 1996, Artemide had invented a lamp it called Metamorfosi – probably the best proof of my contention that the Lombardy group's inquiries into the changing meanings of objects are only secondarily about the design they ultimately assume. The lamp-that is, the object itself, as opposed to the light it emits-isn't even meant to be seen. Composed largely of translucent materials, it exists to produce colored ambient light, which the owner, using a remote-control device, alters according to his or her mood. The impetus for Metamorfosi's development was Artemide's goal, set in the mid-1990s, of conceiving a variety of products that its encroaching global competitors would never think of first. At the time, Gismondi and his managing director for brand strategy and development, Carlotta De Bevilacqua, noticed among their fellow citizens a growing concern with health and achieving peace of mind. The two convened a research team that included five well-known designers and a professor of design and that was led by a medical doctor who was also a psychiatrist. Their mission was to investigate the biological, psychological, and cultural dimensions of light. After the in-house R&D department perfected the technology, the team moved on to designing the object, whose whole purpose was to generate a light that would produce a sense of well-being in the user. As Alessi

had done with model 9093, Artemide arranged exhibitions and publications to accompany Metamorfosi's introduction. The debut of the Ambilight TV and the marketing muscle behind it, the company found, helped broaden public receptivity to Artemide's older, more specialized product.

#### **Can It Happen Here?**

Some may think that such a design process can flourish only in surroundings as visually sophisticated and culturally rich as Milan and its hinterlands. In fact, the potential for a design discourse exists everywhere. Let's take one unpromising candidate: the Finger Lakes region of upstate New York, well over 200 miles northwest of New York

#### For more information

on the design process as practiced by some members of the Lombardy group, visit:

www.alessi.com (especially Community/Centro Studi Alessi and Officina Alessi)

www.artemide.com (especially Publications)

www.kartell.it (especially the Kartell Museum)

Information about La Triennale, a cultural center for architecture and design in Milan, can be found at www.triennale.it.

*Domus*, a magazine of Italian architecture, can be found at www.domusweb.it.

City and culturally no more connected to that metropolis than western Pennsylvania. Upstate New York as a whole has a high rate of unemployment and one of the slowest-growing economies in the United States. (Job growth from 1990 to 2003 was only 2.3%, and nearly a third of the region's new residents were prisoners.) But it has the raw material for a design discourse.

Rochester, the largest city in the Finger Lakes region, with a population of 212,000, was once the headquarters of Xerox and the Gannett newspaper chain. It remains the headquarters of Bausch & Lomb, the lens manufacturer, and Eastman Kodak. The fiber-optics maker Corning is based in a nearby town of the same name. Smaller local companies manufacture high-speed digital equipment and do custom printing. The city is also home to the Center for Electronic Imaging Systems, a New York State-funded center for advanced technology that involves a collaboration among Xerox; Kodak; the University of Rochester, a medium-size research institution with excellent professional schools (including its engineering school, which has an institute of optics); and the Rochester Institute of Technology, one of the world's premier schools of print media. Less than an hour away is Alfred University, which has world-class programs in ceramics and glass sculpture and a division of expanded media, which seeks to promote collaboration among printmakers, designers, video artists, and computer programmers. Cornell, an outstanding research university, is in nearby Ithaca. In June 2006, the Arts and Cultural Council of Greater Rochester held a forum on culture and community renewal.

Indeed, the arts are far from neglected in the Finger Lakes region, which can claim 270 members of the American Institute of Architects, a professional certification body; famous craftsmen such as Wendell Castle and Albert Paley; and a cluster of design studios in Skaneateles, which sits on a lake as serene as Lake Orta, north of Milan, where Alessi is based. Rochester also boasts Eastman House, perhaps the world's preeminent museum of photography, and other fine-arts museums are nearby. So one shouldn't be surprised that Richard Florida, in his book The Rise of the Creative Class, rated Rochester the 21st most creative among large cities in the United States and second among large cities in its percentage of "super-creative" people. (According to a joint study by the Progressive Policy Institute and Case Western Reserve University, an average of 2.33 utility patents per 1,000 Rochester workers were issued in the years 1996, 1997, and 1998; the U.S. average was 0.40.)

Despite the region's concentration of optics, imaging, and offset printing, "information sharing has been partial, creating crosstown rivalries rather than a center of the global economy," according to one local manager. Creative collaboration among artists, designers, and manufacturers is almost nonexistent. This is true even within Corning,

## The Experience for Designers

#### Money is not what makes talented designers and others

all over the world want to work with the Lombardy group of home-furnishings companies. Participants are paid nothing. Typically, the designers, who may never before have designed a consumer item, are given only a 3% royalty on any product they develop that is ultimately commercialized. (A designer with experience and a big reputation would surely demand a fee as well as a higher royalty rate.) What they get out of it is access to the most advanced thinking about design from not only visual artists but also scientists, critics, and executives. It is also flattering to be asked to try something for which one has no formal qualifications. The designers appreciate being able to learn from their colleagues and stretch their talents. Piero Gandini, the chairman of the lighting company Flos, explains, "When a designer makes his debut with Flos, we give him carte blanche so that he can express himself to the best of his ability."

What ensues is not the typical supplier-client relationship between designer and company but a true collaboration, characterized by give and take and an open door even to top management. Also, these Italian firms are not afraid of small production lots, which encourages the designers to take chances as they fashion their prototypes. And they can be confident that management will provide a rapid assessment of whatever results.

According to the Israeli designer Ron Arad, "Northern Italy is the center of the design world, above all because of its manufacturing culture. There is no other place in the world where you can find such a vast array of manufacturers who know the value of design." The American designer and architect Michael Graves says, "As a designer you and your people are brought in and treated as a member of a family – it's a very personal relationship between designer and manufacturer. It is what ties everything together." And the French designer Philippe Starck says, "When a project is presented to Claudio Luti of Kartell, to Enrico Astori of Driade, to Piero Gandini of Flos, to Umberto Cassina of Cassina...they love the project, they love it with a passion. When a prototype is taken to Alberto Alessi, he thinks it is Christmas. It is a splendid gift."

which in 1918 acquired Steuben, a maker of art glass that, thanks to Corning's innovations, soon became famous for its purity and clarity. Corning's leadership expected a fruitful exchange between the arts and industry to result. (In researching the Finger Lakes, I stumbled on the fact that Michael Graves himself, in 1989, had designed an item for Steuben.) But despite those hopes, the traffic between Corning and Steuben has been strictly one-way.

According to one Corning scientist, the company does regularly interact with Steuben, but the job of its scientists is limited to keeping the quality of the glass and its other properties as consistent as possible. Situations sometimes arise in which Corning scientists alter the composition of the glass, but such changes typically meet with protest, because they interfere with the production of the standard goods. It was only a few months ago that Steuben approached Corning about departing from orthodoxy and developing colored glass.

Because it focuses exclusively on materials' functionality, Corning relies on its clients, such as Luxottica, an eyeglass manufacturer, and Samsung, which makes liquid crystal displays for cell phones and flat-screen monitors, to provide specifications for the glass substrates it makes. Those two companies are design-conscious, but their interaction with Corning doesn't reach the degree of collaboration that, for example, Kartell enjoys with Bayer, the German chemical company, which follows sociocultural developments so that it can propose new materials and uses to its clients before its competitors do. The clients, in turn, have come to rely on Bayer for its suggestions.

Yet the possibilities in the Finger Lakes region are evident, even to the people working there. Says one scientist

and manager at Xerox, "In the past, it was rare for local communities such as Kodak, Bausch & Lomb, Corning, Xerox, and a cluster of small firms to collaborate. But collaboration in design-driven innovation could allow each firm to create competitive advantages in its respective industry. Xerox could get inspired by Kodak's camera design and Corning's glass fiber. Who says Xerox could not use transparent glass as a copier's frame? It is artistic, modern, and trendy. It also could serve the functional purpose of providing a clear view of paper-jam locations."

There is no such thing as an undesigned object−only an object that is well or poorly designed. Thus every business that scants the design process does so at its peril. Conceived broadly enough, that process can be the source of a stream of products that consumers find delightful, meaningful, and worthy of their loyalty. And because of its openness, the process should also prove to be inexhaustible.

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"I caught Barclay lip-synching when everyone else was saying yes."

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