// Reviewing Design Support Programmes in Europe

see platform
Sharing Experience Europe
Policy Innovation Design

Supported by the European Commission

//Contents

//Executive Summary

Design is increasingly recognised by governments across Europe as a tool for innovating products, services and systems. However, there are still challenges to the uptake of professional design services among small and medium sized enterprises (SMEs). Since SMEs make up the majority of the European economy, governments need to play a role in enhancing the understanding and capability of design. This is already happening through design-led business support programmes. In 2012, twelve European countries had a design support programme in operation. Design support programmes can focus on raising demand for design in small companies and the public sector but also on improving the supply of quality designers.

In this SEE Policy Booklet, the partners present an overview of their design support programmes, recommendations for government and insight on changing attitudes to design in SMEs.

We present an overview of the following design support programmes 'SME Wallet' (Flanders, Belgium), 'Design for Export' (Czech Republic), 'Design Boost' (Denmark), 'Design Bulldozer (Estonia), the 'Service Design Toolkit' (Central Finland), 'Extraversion' (Greece), 'Innovation by Design' (Ireland), 'Design Silesia' (Silesia, Poland), the 'Service Design Programme' (Wales, UK) and the 'Design Leadership Programme' (UK). These programmes range from subsidies for design costs (SME Wallet and Extraversion), promoting design as a factor for export (Design for Export and Design Boost), specialised service design intervention (the Service Design Toolkit, Design Silesia and the Service Design Programme), piloting intensive intervention (Design Bulldozer and Innovation by Design), improving the expertise of designers (Design Bulldozer, Design Silesia and the Service Design Programme) to a broad package of support (Design Leadership). We provide a comparison of the programmes according to aim, target audience, policy context, type of intervention, operating costs, impact and evaluation procedures.

From the review of design support programmes, the partnership makes the following recommendations to government:

Integrate design as a component of broader innovation and business support programmes and promote the take-up of design in national programmes targeted at SMEs.

Pilot design support programmes as a means of implementing specific innovation policy targets such as economic growth for specific sectors like manufacturing, healthcare or life sciences.

Provide support for both supply and demand for design expertise by improving the skills and business models of the professional design sector as well as training for companies and public officials to use design methodologies and user engagement tools.

Build evaluation into the implementation costs of the programme so that ex ante indicators can be established and interim and ex-post data collected to demonstrate true impact and help future intervention planning.

Develop a set of common evaluation indicators across Europe to empirically measure and evaluate design support programmes; including for example new products or services launched, new spending on design expertise following programme intervention and return on investment.

Use programme evaluation results to feed into policy and programme improvement.

There are currently a number of barriers to the uptake of design by SMEs. Linzi Ryan from the Institute for Technology Sligo in Ireland presents the finding of a research project on changing attitudes towards the application of design in SMEs. Ryan presents eight rules for changing attitudes: 1) ensure high level support; 2) create an awareness of the dominant culture; 3) broaden and mange the value proposition; 4) define a clear strategy; 5) establish and manage customer relationships; 6) manage communication and learning styles; 7) develop an open innovation mindset and 8) define new approaches to measuring success. By addressing these issues, design stakeholders can gain traction with enterprises in order to demonstrate how design can add value to their business.

Since 2005, SEE has collated over 30 case studies on design support programmes from around the world available on the SEE website: **www.seeplatform.eu/casestudy.** What is apparent from reviewing this library of examples is that each programme was developed as a result of a unique mix of political, economic and stakeholder circumstances that were intended to address a particular regional or national issue or objective. This publication complements the SEE publication 'Building Next Generation Design Support Programmes', also available from the website, and should be used to inform the development and delivery of new support programmes that fit the particular circumstances of regions and nations rather than encouraging replication.

SEE is a network of 11 partners sharing experience to integrate design into innovation policies and programmes and we are currently delivering a series of workshops across Europe on 'Developing Design Support Programmes' to hear more email: **info@seeplatform.eu.**

Anna Whicher and Gavin Cawood,
Design Wales, PDR, Cardiff Metropolitan University,
15 May 2013

//Introduction

Design is proving itself as a dynamic factor for innovation. The European Commission has recognised design as a driver of innovation for bringing user-friendly products to market and for making both private and public services better correspond to user needs (Innovation Union, 2010). However, many SMEs are not aware of the advantages design can bring to their company for innovating products, services and systems. Furthermore, public officials are not fully aware of how design methodologies can make public services and policy-making better correspond to citizens expectations and enhance participatory democracy. Design support programmes are policy instruments aimed at improving the demand for design by raising the understanding and capability of design among SMEs and/or public officials. Design support programmes can also focus on the supply of quality design expertise in the professional design sector through training and mentoring.

At the SEE workshop on 12 December 2012, the SEE partners and policy-makers explored their design support programmes and tested a number of tools to support public officials in developing and evaluating design support programmes. In this Policy Booklet, SEE presents an overview of the partners' design support programmes, recommendations for government and insight on changing attitudes to design in SMEs.

The overview is not a comparison of which programme is the best rather an insight into the breadth of programmes operating in Europe. The partnership presents an overview according to policy context, aim, target audience, type of intervention, operating costs and impact and evaluation procedures. The following ten programmes are examined:

/ SME Wallet – Flanders, Belgium
/ Design for Export – Czech Republic
/ Design Boost – Denmark
/ Design Bulldozer – Estonia
/ Service Design Toolkit – Central Finland
/ Extraversion: Competitiveness of Enterprises – Greece
/ Innovation by Design – Border, Midland and Western Region of Ireland
/ Design Silesia – Silesia, Poland
/ The Service Design Programme – Wales, UK
/ The Design Leadership Programme – UK

The programme analysis has informed a series of recommendations to government on design support and enabled the partnership to develop a half day workshop on Developing Design Support Programmes that will be delivered across Europe. In 2012, the SEE

DESIGN SUPPORT BLUEPRINT

Country/Region:
Organisation:
Contact:

PLANNING			DELIVERY			REVIEW	
Context	**Aims**	**Actions**	**Set-up**	**Management**	**Promotion**	**Evaluation**	**Sustainability**
What are the regional/ national priorities for innovation?	Who are the target audience? [All, start-ups, high-tech, high-export, SMEs, etc.]	What is the budget? What approval is needed? What is the programme timeline?	Who will develop the content? Are there any IP issues? How will you ensure client readiness? Will you prototype a service?	What are the key milestones?	What are the key messages for different stakeholders?	What indicators could be part of the evaluation? [Danish Design Ladder, DME Staircase, new spending by participants, etc.]	Does it need to be sustainable? If so, what activities should be continued?
How can you get political commitment?	What impact do you want to achieve? [Industrial design, service design, design management, branding, social design etc.]	What activities will be conducted? [Phone service, diagnostic session, visits to the company, workshops, training, seminars, strategic intervention over a longer period etc.]	How will you recruit design mentors? How will you train the mentors?	What is a typical customer journey?	What are the routes to engagement? [Business networks, media campaign, tradshows, social media, stakeholder mapping, personas etc.]	When will the evaluation take place and who will do it?	How can we prepare for future funding changes?

The Design Support Blueprint guides design stakeholders through the process of planning, delivering and reviewing design-led business support programmes.

partnership delivered workshops on the theme of Design Policy and Public Sector Service Design to 246 design stakeholders including 139 policy-makers. The Developing Design Support Programmes workshop is targeted at design stakeholders and policy-makers and uses the Design Support Blueprint and Programme Evaluation Wheel as a hands-on approach to brainstorming and idea generation. The workshop uses the tools to explore the following questions:

/ What are the regional/national priorities for innovation?
/ How can you get political commitment?
/ Who are the target audience?
/ What impact do you want to achieve?
/ What is the budget and timeline?
/ What activities will be conducted?
/ How will you ensure client readiness?
/ How will you recruit and train design mentors?
/ What are the key milestones?
/ What is a typical customer journey?
/ What are the key messages for different stakeholders?
/ What are the routes to engagement?
/ What indicators could be part of the evaluation?
/ When will the evaluation take place and who will do it?
/ What activities could be sustainable?
/ How can we prepare for future funding changes?

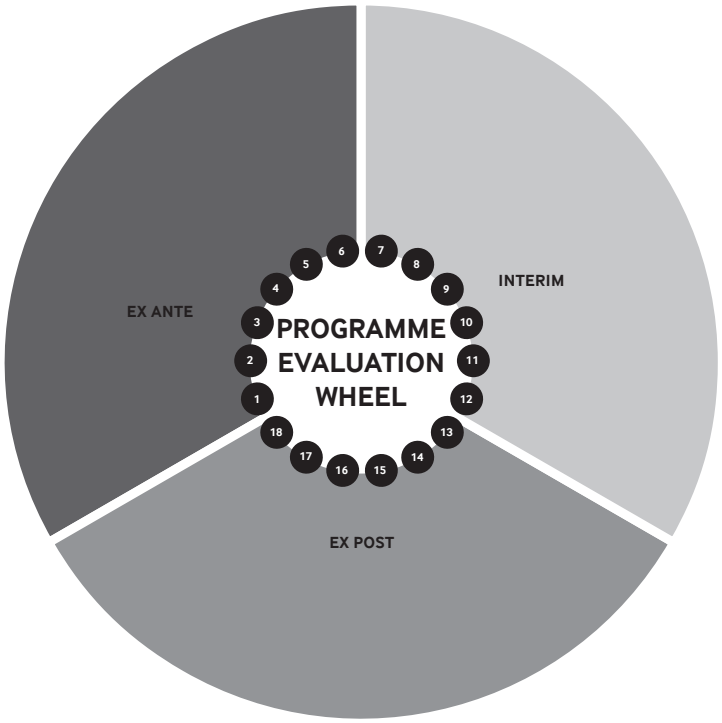
To organise a workshop in your region email: **info@seeplatform.eu.**

Policy-makers from Estonia and Finland using SEE tools to review business support programmes, December 2012, Brussels.

PROGRAMME EVALUATION WHEEL

EVALUATION SHOULD BE SYSTEMATIC, EXAMINING BOTH PROGRAMME DELIVERY AND IMPACT, CAPTURING INITIAL GOALS AS WELL AS SPILLOVER EFFECTS AND BE USED FOR PROGRAMME AND POLICY IMPROVEMENT.

Country/Region:
Organisation:
Contact:



EVALUATION FRAMEWORK QUESTIONS

EX ANTE	1. What are your programme targets? Are they quantifiable and measurable? 2. How frequently will the programme be evaluated? [Beginning, middle, end, once a year, two years after programme completion etc] 3. How will the delivery and impact be measured? 4. How will data be collected? [Telephone interview, face-to-face interview, self-reporting survey, online survey, mentor impressions etc.] 5. What will you measure ex-ante? [Hard indicators, soft indicators, sales, profit, job created, exports, entry to new markets etc] 6. What existing evaluation tools can you build on?
INTERIM	7. What will you measure during programme delivery? 8. How will you use the feedback from the participants during delivery to improve the client experience? 9. Who will you gather data from? [Directors, marketing, finance, operations, design mentors etc.] 10. How will you ensure data reliability? 11. What sample of participants will you include? 12. Will evaluation be built into the cost of the programme?
EX POST	13. What will you measure ex-post? [New spending on design, return on investment, etc] 14. In addition to the initial evaluation goals, how will you capture spillover effects? 15. How will you present the results? [Quantitative, qualitative, case studies, quotes from participants, etc.] 16. How will the evaluation be used for programme improvement? 17. How will the results of the evaluation be used? [Communicated to government etc] 18. How will interventions evaluated two years after the programme end to assess the long-term impact?

Evaluating the impact of design support programmes is a vital part of the evidence base for informing policy-making and improving the programme. The Programme Evaluation Wheel enables workshop participants to explore evaluation indicators and procedures.

//Reviewing design support programmes in Europe

In 2012, twelve European countries had design support programmes in operation[1] and multiple design support programmes can operate within a country. Design support programmes can be focused on the supply of quality design expertise or demand for design services (the understanding and management of design) or both. Here the partnership presents a cross section of design support programmes. These programme range from subsidies for design costs (SME Wallet and Extraversion), promoting design as a factor for export (Design for Export and Design Boost), specialised service design intervention (the Service Design Toolkit, Design Silesia and the Service Design Programme), piloting intensive intervention (Design Bulldozer and Innovation by Design), improving the expertise of designers (Design Bulldozer, Design Silesia and the Service Design Programme) to a broad package of support strengthening public and private sector innovation (Design Leadership Programme). We provide a comparison of the programmes according to policy context, aim, target audience, type of intervention, operating costs and impact and evaluation procedures.

Policy Context

Design support programmes are a policy instrument for improving the supply and/or demand for design expertise. Therefore, design stakeholders looking to establish a design support programme should investigate the regional or national policy priorities in order to frame the proposed programme within policy objectives. Organisations already delivering design support programmes should use the impact and results of the programmes to feed into policy development and programme improvement. For example, following a 2008 review of the Design Council's design support programme for SMEs, Designing Demand, the measurable impact on companies meant that the programme continued to be supported by the UK Government and that new programmes have emerged. The programme was launched as a direct recommendation of the 2005 Cox Review of Creativity and Business to address the market failure that smaller businesses are less likely to use design in their daily business practice and lack the experience of commissioning design. In 2008, the Government department subsidising the programme commissioned a review, which provided robust evidence of the impact of design in SMEs and resulted in the programme's third cycle at a time when severe government cuts were happening across the country. For more information about the Designing Demand Review visit: **www.designcouncil.org.uk**

For design support to be effective, it should be integrated into the broader innovation support offering. For example, the programmes SME Wallet (Flanders) and Extraversion (Greece) are innovation support programmes where design is one of a number of eligible costs for which companies can access subsidies (50% and 55% respectively). For example, in spring 2013, following a policy decision by the Flemish Minister-President, strategic design management advice was introduced as an eligible cost in the SME Wallet. Design management has been recognised by Flemish policy-makers as tool for companies to support the uptake and integration of design as a strategic tool for growth. This was partly the result of programme results feeding into policy improvement as well as political engagement through the SEE network. Now Flemish companies can access a minimum subsidy of €3,750 and a maximum of €25,000 for design management expertise. The purpose behind including design management is to encourage companies to integrate the design expertise throughout their company. To read a case study on the SME Wallet visit **www.seeplatform.eu/casestudy.**

OVERVIEW OF THE SEE PARTNER DESIGN SUPPORT PROGRAMMES

Programme name	Operating dates	Region / country	Delivery body
SME Wallet	2009-present	Flanders, Belgium	Enterprise Flanders
Design for Export	2008-2012	Czech Republic	CzechTrade
Design Boost	2010-2012	Denmark	Danish Design Centre
Design Bulldozer	2012-2014	Estonia	Estonian Design Centre
Service Design Toolkit	2010-2012	Central Finland	JAMK University of Applied Sciences
Extraversion: Competitiveness of Enterprises	2011-present	Greece	Ministry for Development, Competitiveness and Shipping, General Secretariat for Industry, Secretariat of SMEs
Innovation by Design	2007-2008	Border, Midland and Western Region of Ireland	Institute for Technology Sligo
Design Silesia	2010-present	Silesia, Poland	Castle Cieszyn and Government of Silesia
The Service Design Programme	2010-2013	Wales, UK	Design Wales / Cardiff Metropolitan University
The Design Leadership Programme	2002-present	UK	Design Council

1. Austria, Belgium, Czech Republic, Germany, Denmark, Estonia, Greece, Finland, France, Poland, Sweden and the UK.

Design should be explicitly promoted within innovation support programmes in order to ensure that companies take advantage of design expertise. For example, design is an eligible cost in certain Finnish innovation programme delivered by TEKES (the Finnish Funding Agency for Technology and Innovation); however, design is 'hidden' within these programmes and therefore enterprises very rarely access innovation funding for design expertise. Nevertheless, design is a policy priority in Finland with the Ministry of Employment and the Economy launching a national design strategy in early 2013. Therefore there appears to be a disconnect between policy aspirations and implementation.

From the experience of the SEE partners, design support programmes should tackle specific government policy objectives and use the results of the programme to feed into innovation policy-making and programme improvement. For example, if an innovative public sector is a policy priority, then the design support programme should focus on training public officials and others to understand and use design methodologies and user engagement techniques (Design Leadership Programme); if the priority is economic growth for the creative industries the programme should focus on improving designers' skills and business models (Design Silesia and the Service Design Programme) and if the policy priority is a specific sector such as manufacturing, healthcare or life sciences then the programme should provide specialised support.

Aim and Target Audience

Although the majority of these programmes aim to make SMEs more competitive, each one is unique and achieves this aim through varied approaches. The target audience for these programmes is predominantly small and medium sized companies but with a particular specialism or profile such as a focus on export companies, tourism sector or manufacturing.

Whereas previously design support programmes provided limited intervention to a large number of companies there is a trend to provide more strategic intervention to fewer companies and be more specialised. In 2012, Design Bulldozer, the first Estonian design support programme was launched. As part of the National Design Action Plan, Enterprise Estonia and the Estonian Design Centre have instigated a design support pilot programme operating for 20 months with strategic intervention in ten enterprises and involving ten design managers. A review of this programme will be undertaken in 2013. Similarly, Innovation by Design was a mentor-led programme delivered by IT Sligo that involved six SMEs across a range of sectors – software, manufacturing and services – enabling them to develop new products and services. Within 15 months each company applied a design approach to understanding customers' needs first, which is key to identifying the right ideas to commercialise. For more detail on the Innovation by Design programme visit **www.seeplatform.eu/casestudy.**

The programmes Design Bulldozer and Innovation by Design were both pilot actions to introduce design approaches to companies that had not used design before or had not used design at a strategic level. In Denmark, the Danish Design Centre has a spread of offerings for companies. Design Boost is a short intensive programme that aims to introduce companies to design while for companies already familiar with design 360° Design is an in-depth course focusing on business development and design strategy. The Design Council also offers multiple levels of support, each with increasing intensity through tailored interventions for individual companies in key areas of business strategy using dedicated expert coaching support to implement change. These interventions lead to the procurement and implementation of design projects such as brand and communications, product development or service.

Some programmes are becoming more specialised while others are broadening their remit. For example, the Design Wales' Service Design Programme is specifically focused on building service design capabilities among designers as well as enabling the manufacturing sector in Wales to create a competitive advantage by understanding and developing their service offering. In addition, the JAMK University Service Design Toolkit is focused on using service design methodologies for developing services in the tourism sector with five Finnish tourist destinations and company networks. There is also an increasing focus on export-orientated companies as evident in the Design for Export, Design Boost and Extraversion programmes. In fact, the programme Design for Export is entirely focused on integrating design into Czech manufacturing enterprises to achieve higher export value. Others such as the Design Council's Design Leadership Programme continue to broaden its offer to include large and small commercial clients as well as design training for senior civil service officials. As awareness of the potential role for design across Europe has increased and design support programmes move into the second or even third phase of their cycles, design and innovation centres are understanding where the greatest impact can be realised through their intervention and are evolving their offering appropriately.

Type of Intervention

Within the featured regions and nations, the scope and number of design support programmes has increased since 2010. In 2012, Flanders, Denmark, Silesia and the UK had multiple design support programmes in operation. Although conventional product design support for companies is still predominant, design intervention organisations are increasingly providing service design support to both the private and public sectors and granting access to finance or subsidies for companies to invest in design. For example, in Flanders, design subsidies for SME were introduced in 2009 and a service design programme for the public sector with the Service Design Toolkit was launched in 2010. In Central Finland, a service design programme for the tourism sector was initiated in 2010. In Silesia, a programme to connect young designers with companies and service design programme for the public sector started in 2010. In Wales, a service design programme for the manufacturing sector was set up in 2010, and a design management programme was implemented in 2012. Design support programmes have been

AIMS AND TARGET AUDIENCES FOR DESIGN SUPPORT PROGRAMMES

	Programme name	Programme description	Target audience
Flanders	SME Wallet	Providing SME subsidies (50%) to a maximum of €2,500 for design advice or €25,000 for design management expertise.	Small companies Medium companies
Czech Republic	Design for Export	Integrating design into Czech manufacturing enterprises for higher export value.	Small companies Medium companies Export companies Manufacturing sector
Denmark	Design Boost	A short intensive intervention course focused on specific challenges such as product development, branding, export and services.	Small companies Medium companies Export companies
Estonia	Design Bulldozer	A 20 month pilot project to increase economic and export potential of 10 Estonian companies and 10 design managers.	Small companies Medium companies Large companies
Central Finland	Service Design Toolkit	Using service design methodologies in tourism service development with five Finnish tourist destinations and company networks.	Small companies Medium companies Tourism sector Service sector
Greece	Extraversion Competitiveness of Enterprises	Strengthening entrepreneurship of small companies by improving the production base for goods and services.	Small companies Medium companies Export companies
BMW Region	Innovation by Design	Mentoring six organisations to use design tools.	Small companies Medium companies Large companies
Silesia	Design Silesia	Providing diverse design support for small companies, civil servants and graduate designers	Small companies Medium companies Large companies Public sector Designers
Wales	The Service Design Programme	Improving understanding and use of service design in the manufacturing sector and building a regional capacity for service design	Small companies Medium companies Manufacturing sector Designers
UK	Design Leadership Programme	A package of design support and coaching for public and private sectors.	Small companies Medium companies Large companies Manufacturing sector Service sector Public sector Universities

in continuous operation in Flanders since 1992 and in Wales since 1994. However, a number of programmes have also come to an end in the past few years. In the North West Ireland, the programme 'Innovation by Design' operated between 2007 and 2008 and in the Czech Republic, a national programme 'Design for export' operated nationally from 2008 to 2012 delivered by the CzechTrade (possibly to be re-instigated in 2013).

Service design is increasingly becoming a feature of design support programmes in Europe with seven of the ten programmes including service design for the private sector. However, service design for the public sector is only included in four of the ten programmes featured (Service Design Toolkit, Innovation by Design, Design Silesia and the Design Leadership Programme). However, other programmes established in the same countries do include service design for the public sector; such as Design Flanders' work with the Service Design Toolkit for public authorities and SPIDER – Supporting Public Service Innovation using Design in European Regions (Design Wales, Design Flanders and Border, Midland and Western Regional Assembly). Design management is a well-established discipline within design support programmes forming part of seven of the ten programmes. Social design is an emerging discipline and features in Design Silesia and the Design Leadership Programme. Similarly, tax breaks or tax credits for design is not broadly adopted across Europe. As previously mentioned, many of the design intervention organisations also deliver other programmes covering other themes.

SCOPE OF DESIGN SUPPORT PROGRAMMES FEATURED IN THIS PUBLICATION

	SME Wallet	Design for Export	Design Boost	Design Bulldozer	Service Design Toolkit	Extraversion	Innovation by Design	Design Silesia	Service Design Programme	Design Leadership Programme
Product development	♦	♦	♦	♦		♦	♦	♦		♦
Service design (private sector)			♦	♦	♦		♦	♦	♦	♦
Service design (public sector)					♦		♦	♦		♦
Social design								♦		♦
Ecodesign							♦			
Design management	♦		♦	♦			♦	♦	♦	♦
Intellectual property or patent support										♦
Support for exporting	♦	♦	♦	♦		♦				♦
Training or mentoring for designers				♦	♦			♦	♦	♦
Access to finance or subsidies	♦		♦			♦				
Tax incentives to invest in design										

Operating costs

The annual operating cost of the national design support programmes featured in this publication range from €240,000 for Design Bulldozer in Estonia to €1.3M for the Design Leadership Programme in the UK and at regional level range from €120,000 for the Innovation by Design Programme in the North West of Ireland to €912,000 for Design Silesia. Calculating a country's total annual spending on design support is difficult because design can feature in multiple programmes, delivered by multiple organisations and funded at multiple levels of governance (national, regional and local). Based on the programmes featured in this publication, in 2012, the Danish Design Centre (€800,000), Estonian Design Centre (€240,000) and the UK Design Council (€1.3M) spent an average of €780,000 on design support. The UK spends the most in actual terms but the least relative to GDP whereas Estonia spends the most relative to GDP and the least in actual terms. For the same year, the average annual implementation cost of the SME Wallet in Flanders (€75,000), the Service Design Toolkit in Central Finland (€300,000), Design Silesia in Poland (€912,000) and the Service Design Programme in Wales (€146,000) was €358,250. The Design Silesia programme involves five organisations. The costs of design support programmes vary greatly and also depend on whether subsidies are available through the programme.

In Central Macedonia, businesses can obtain 55% subsidies for costs between €30,000 and €250,000 for a range of innovation activities including design. The programme 'Extraversion - Competitiveness of Enterprises' provides a subsidy for expenditures such as marketing, translation, product development, exhibition enrolment fees, and design (including product design, branding and packaging design) as eligible costs. The total budget of the programme nationally was €30M and the budget for Central Macedonia was €8.4M; however, access to figures on how many businesses chose to invest in design are currently unavailable. In 2012, the total annual budget for the SME Wallet was €38M with the design component costing approximately €75,000 to operate (this includes around €50,000 for the subsidies and €25,000 for staff and administration). The SME Wallet enables small and medium-sized companies in Flanders to obtain subsidies of between €100 and €25,000 for training, design advice, technology watch, advice on internationalization, coaching and strategic advice. Since 2009, 134 design projects have been subsidised amounting to €282,627.40. With design management expertise included in the SME Wallet from 2013, this amount will increase significantly.

SUBSIDIES FOR DESIGN INVOICES THROUGH THE SME WALLET

Year	Projects	Subsidy paid
2009	22	€ 89,297.62
2010	36	€ 65,409.38
2011	45	€ 79,322.90
2012	29	€ 48,597.50
Subtotal	**134**	**€ 282.627,40**

The costs to companies of participating in the programmes also vary. For example, participation is free in Design Silesia and the Service Design Programme. Whereas companies are required to pay €400 to participate in Design for Export, €1,000 in Design Boost, €1,500 in Innovation by Design, €3,000 in Design Bulldozer, between €5,000 and €10,000 in the Service Design Toolkit and between €2,300 to €11,600 for the Design Leadership Programme. Some programme coordinators report that businesses should make a contribution towards their participation in the programme because if they invest then they value the service more highly.

Impact and Evaluation

Evaluation tends to be limited to measures of activity such as the number of seminars held and the number of participants in seminars

IMPLEMENTATION COSTS AND COSTS TO PARTICIPANTS FOR DESIGN SUPPORT PROGRAMMES

	Programme name	Implementation cost	Cost to participants
BE - Flanders	SME Wallet	€75,000 for the design component (€38M for the entire SME Wallet)	50% of design invoice (€2,500 to €25,000)
Czech Republic	Design for Export	€160,000	€400
Denmark	Design Boost	€160,000	€1,000 for 2 staff
Estonia	Design Bulldozer	€240,000 (€400,000 over 20 months)	€3,000 for 3 staff
FI - Central Finland	Service Design Toolkit	€300,000	€5,000 to €10,000
Greece	Extraversion	€30M nationally €8.4M Central Macedonia	55% of invoice (€30,000 to £250,000)
IE - BMW Region	Innovation by Design	€120,000	€1,500
PL - Silesia	Design Silesia	€912,000	€0.00
UK - Wales	The Service Design Programme	£146,000	£0.00
UK	Design Leadership Programme	€1.3M	50% subsidised (€2,300 to €11,600)

rather than impact indicators such as new products or services launched, new spending on design expertise following programme intervention and return on investment. However, evaluation on this level is a costly undertaking. The annual number of participants in a programme ranges from six in the programme Innovation by Design to 118 in the Design Leadership Programme. In the SME Wallet, there are 134 participants in the programme per year with an average of 34 accessing design subsidies. The majority of programmes conduct evaluation at the end of the programme (ex post) and develop qualitative case studies to illustrate successful companies. For example, the Welsh SME Aggrelek makes electrochemical water-treatment units for companies such as Shell and participated in the Service Design Programme. As a direct result of introducing service design methodologies to the company, the impact of design intervention was:

/ The company launched three new products and four new services in eight months.

/ The new services received £500,000 in sales in six months after launch.

/ The company invested £50,000 in R&D.

/ The team revisited their business plan and employed eight new staff members.

/ The company undertook a rebranding.

Such case studies are a key part of the evidence for informing policy-making and encouraging other companies to invest in design. However, it is empirical data that drives evidence-based policy-making so design intervention organisations should seek to capture the quantitative impact of design support programmes.

In 2012, the Design Council conducted a comprehensive review of its Design Leadership Programme with encouraging results. In an independent evaluation study of 249 companies that participated in Design Council programmes over a ten year period, the study found that:

/ Design increases turnover: for every £1 invested in design, businesses can expect over £20 in increased revenues.

/ Design is linked to profit: for every £1 invested in design, businesses can expect over £4 increase in net operating profit.

/ Design boosts exports: for every £1 invested in design, businesses can expect a return of over £5 in increased exports.

Statistical evidence of this nature is vital for informing policy-makers of the impact of design for economic growth. Besides the Design Council, organisations have not conducted empirical analysis of the economic impact of design support programmes. The evaluation tends to focus on measures of activity such as the number of enterprises assisted (7+ hours of support), the number of individuals assisted (14 hours of support) and the number of collaborative R&D projects. Common EU-level indicators of impact are the number of jobs created, the number of enterprises created, profit benefit, the number of products, processes or services registered, the number of new or improved products, processes or services launched and the value of new investment induced.

You need both the measures of activity and the impact indicators to ensure the programme can be audited but at the same time, there are spillover effects from programmes that are not captured by standard impact indicators. Therefore both the qualitative and quantitative dimensions should be covered in evaluation exercises.

PROGRAMME EVALUATION PROCEDURES

	Programme name	Annual number of participants	Frequency of evaluation	Impact
BE - Flanders	SME Wallet	34	Annual	Qualitative case studies
Czech Republic	Design for Export	115	Ex post	Qualitative case studies
Denmark	Design Boost	30	Annual	Qualitative case studies
Estonia	Design Bulldozer	10	Ex post	Qualitative case studies
FI - Central Finland	Service Design Toolkit	42	Ex post	Qualitative case studies
Greece	Extraversion	68	Annual	Qualitative case studies
IE - BMW Region	Innovation by Design	6	Ex post	Qualitative case studies
PL - Silesia	Design Silesia	80	Ex post	Qualitative case studies
UK - Wales	The Service Design Programme	30	Ex post	Qualitative case studies
UK	Design Leadership Programme	118	Annual	Quantitative statistics Qualitative case studies

Recommendations for Government

Based on the review of design support programmes, the SEE partnership makes the following recommendations to government and design stakeholders:

/ Integrate design as a component of broader innovation and business support programmes and promote the take-up of design in national programmes targeted at SMEs.

/ Pilot design support programmes as a means of implementing specific innovation policy targets such as economic growth for specific sectors like manufacturing, healthcare or life sciences.

/ Provide support for both supply and demand for design expertise by improving the skills and business models of the professional design sector as well as training/interventions for companies and public officials to use design methodologies and user engagement tools.

/ Build evaluation into the implementation costs of the programme so that ex ante indicators can be established and interim and ex-post data collected to demonstrate true impact and help future intervention planning.

/ Develop a set of common evaluation indicators across Europe to empirically measure and evaluate design support programmes; including for example new products or services launched, new spending on design expertise following programme intervention and return on investment.

/ Use programme evaluation results to feed into policy and programme improvement.

//Changing Attitudes towards the Application of Design in SMEs

In this section, Linzi Ryan from the Institute for Technology Sligo presents the results of a study carried out in Ireland. Research has shown that often design is not applied strategically in industry. In response, the research began by exploring the rationale for the lack of strategic design. Focused on one particular industry sector, it was discovered that, as traditional manufacture often undertakes design as a single step in the development process, design is considered to be insignificant when part of a long series of activities. Often, it is solely limited to product aesthetics, adding little additional value. The application of design along the entire development and supply process is not considered. As a result, companies are unfamiliar with strategic design. Thus, companies are reluctant to implement strategic design activities as they are considered to be outside normal operations. Companies lack the necessary knowledge and skills to implement strategic design. Based on these findings, this research began formatting an approach which could present and communicate the potential of design to traditional manufacturing companies.

The Research

Research commenced by collecting information on companies within the life sciences industry (157 in total). Life sciences were chosen as the regulatory requirements in this industry can make implementing change difficult. It was rationalised that if design could be implemented within highly regulated companies similar methods could be applied in a broader spectrum of industries. All companies were asked to complete an online questionnaire which focused on the company's approach and openness to innovation and strategic change. Forty-three companies responded in total. Eight companies at the extreme ends of the scale were selected for interview (i.e. four high and four low scorers). In addition, two contract designers were interviewed. These designers work on a project-by-project basis across a broad spectrum of industries and provided insight into applying design strategically within a manufacturing context. Through this research, eight rules were generated that are intended to overcome any cultural barriers to the strategic application of design. These were applied in industry and have shown positive results.

Rule 1: Ensure high level support

Often in SMEs, the company founder is still involved in the company at high-level managerial positions. He/she established the strategy that launched the company's operations, and may be resistant to changing it. Therefore, it can be difficult for lower-level employees to convince management to implement a new design strategy. To achieve change, founders/senior management must be made aware of the economic potential of a revised way of doing business and be willing to invest in the necessary resources. This should be done even if the resources are invested in areas beyond the traditional core competencies of the company. Changes in design awareness at the managerial level will then filter down to employees.

Rule 2: Create an awareness of the dominant culture

An integral part of implementing design strategically is to get companies to recognise their current logic. In order to break operational norms and habits, the company must first be aware that they have them. By determining and being aware of the current habitual norms the boundaries within which the design activities will operate can be established. This forces participants to recognise and justify actions and processes which have become accepted norms and may no longer provide value. This opens discussion for the potential value-add areas for design beyond those of a product aesthetic role.

Rule 3: Broaden and manage the value proposition

Manufacturing companies often succeed by creating superior products, enhancing features of existing products, product line extensions and new product features. Design considers the value proposition in relation to the entire development and supply process (from concept generation through to final use) and includes both tangible (i.e. product, machinery) and intangible factors (i.e. customer journey, customer experience, brand). In order to fully exploit the potential benefits of a strategic design approach, companies must change their perception of the value offered to include these tangible and intangible factors. This broader proposition must be managed to allow customers to clearly perceive and determine the value of the offering. The clarity of extended value proposition in both company and customer is important as the success of value creation is dependent on both the customers' and the providers' ability to perceive and determine a new broader offering.

Rule 4: Define a clear strategy

Implementing design strategically often requires moving away from current strategies and breaking cultural norms. As a result, companies can be unsure as to how to proceed. A clear design strategy is essential as it provides a clear development path and encourages companies to make the appropriate organisational arrangements and resource allocations. This provides a base on which to build a systematically co-ordinated and transparent procedure which can support the development of new value offerings. In addition, it allows staff to see their role in the changes to be made. This provides a sense of security, clarifies what they are required to do in the new strategy and increases their acceptance of change.

Rule 5: Establish and manage customer relationships

When applied strategically, design creates an understanding of the customer's broader needs and environment, and finds ways to better link with these processes. In order to achieve this, companies must understand and treat customers as co-producers. Shifting perspectives from that of product and services as static offerings to customer activity cycles can help companies quantify their level of interaction and co-creation with customers and identify opportunities for providing additional value. Again, it is essential to clarify with staff the rationale behind this shift in customer relationships. Customers often rely on the relationship they have established with the company and their staff to determine whether or not to purchase. Therefore, to effectively communicate the new offering before purchase and deliver the value offering of the service itself, staff must recognise and understand their role in the new value proposition.

Rule 6: Manage communication and learning styles

There are two primary lines of communication. Firstly, communication between the company and staff. Adults frequently want to know why they are required to learn something before they learn it, and their readiness to learn is triggered by moving from one developmental stage to another. It is essential that the company clearly communicates the reasons for the changes. Staff must plainly understand their role within the design process and their role within the company once the changes have been implemented. Staff are then sure of the development path and can identify their progress. This can greatly reduce resistance to change as they feel secure in their position and future role. Secondly, communication between the company and their customers is critical. Effective communication closes the gap between what customers expect and what they receive in terms of products and services. The provider must ensure methods and tools are in place to convincingly show the new offering's potential beforehand.

Rule 7: Develop an open innovation mindset

Traditional manufacturing emphasises the need for maximum production control and efficiency as mistakes are both costly and time-consuming. However, altering the overall company strategy can often ask companies to partake in unfamiliar activities and methodologies. Due to this lack of familiarity, mistakes can be made. However, mistakes should not be viewed as negative, but rather as opportunities for productive learning. Staff involved in the design development process should be encouraged to find new ideas through testing and learning from mistakes. This is only possible if the company management actively supports such attitudes and staff feel comfortable and confident enough to freely offer suggestions. Through accepting and learning from mistakes, they can be properly managed to avoid repetition and gain insight into the extended value proposition. In other words, in order to be open to innovation from internal or external sources organisations need to be less risk averse.

Good design management and the use of design and prototyping technologies should reduce new product and service development lead times but also enable a progressive approach to innovation.

Rule 8: Define new approaches to measuring success

Traditional manufacturing generates tangible outputs which can be measured with some objectivity. In contrast, due to the broad approach of design, direct traceability to financial return can be difficult, depending on the structure of the value proposition. For example, benefit may be customer retention rates, which can often be related to positive customer relationships. Therefore, not all benefits derived from strategic design can be directly attributed to financial return. When determining the true value offered by design, companies must consider the benefit derived within their own processes and activities, and be aware of the indirect value offered to their customers.

Research has shown that design, when applied strategically, can have a positive affect across almost every aspect of a business. Due to a limited view and restricted application of design within their operations, traditional manufacturing companies can be resistant to extending their design activities and applying design strategically. Stakeholders must be aware of the company cultural norms which can prevent or adversely affect the application of a design strategy. Utilising the eight rules, stakeholders can facilitate and account for these key areas when transitioning to a design strategy. This will both convey the potential benefits to be gained and ease the transition process.

//Conclusions

In 2013, the European Commission is developing a Design Action Plan for Europe. Design is increasingly part of innovation policy at multiple levels of governance across Europe. Design support programmes are one of the prime implementation mechanisms of design policy. In 2012, twelve European countries had a design support programme in operation. However, there are still barriers to the large-scale take up of design expertise in small companies and the public sector across Europe. Design still largely remains excluded from the broader innovation and business support programmes. The SME Wallet and Extraversion are examples of programmes where design is an eligible cost for which companies can receive subsidies. As such, the key recommendation of this SEE policy booklet is to integrate design as a component of broader innovation and business support programmes and promote the take-up of design in national programmes targeted at SMEs.

Innovation policy is no longer purely technological and driven solely by R&D. Innovation is increasingly about services, society and the user. Design is a tool for service, societal and user-centred innovation. As such, the partnership also advocates that design stakeholders and public authorities pilot design support programmes as a means of implementing specific innovation policy targets, such as economic growth for specific sectors like manufacturing, healthcare or life sciences. Demand for design will only increase if the supply of design expertise is of a sufficient quality. Design actors should provide support for both supply of and demand for design expertise by improving the skills and business models of the professional design sector as well as training for companies and public officials to use design methodologies and user engagement tools.

Most design intervention programmes are targeted at small businesses that, as highlighted by the research undertaken by Linzi Ryan, lack a maturity of organisational structure and management expertise. In order to have greater impact with medium and larger sized organisations intervention programmes will have to become more focussed and specialised.

A serious setback to design forming part of innovation policy mechanisms across Europe is a lack of evidence of the value of design for innovation. The results and impact from design support programmes is currently not sufficient to inform policy-making. We recommend that organisations build evaluation into the implementation costs of the programme so that ex ante indicators can be established and interim and ex-post data collected. We also need a set of common evaluation indicators across Europe to empirically measure and evaluate design support programmes; including for example, new products or services launched, new spending on design expertise following programme intervention and return on investment. With robust empirical metrics, programme evaluation results will feed into policy and programme improvement.

The SEE partners are collaborating to make a bank of evidence to support policy-making for design. The partners are supporting organisations looking to develop design support programmes and delivering a series of hands-on workshops across Europe. If you would like to know more about design support programmes email **info@seeplatform.eu.**

//Acknowledgements

The data for reviewing the design support programmes in Europe was collected in survey among the SEE partners. Design Wales would like to thank the following partners for their valuable contributions:

/ Design Flanders – Ingrid Vandenhoudt
/ Design Flanders – Helga Willems
/ Regional Development Agency of South Bohemia (RERA) – Tomáš Cílek
/ Regional Development Agency of South Bohemia (RERA) – Jan Pileček
/ Danish Design Centre – Christina Melander
/ Danish Design Centre – Anne Dorthe Josiassen
/ Estonian Design Centre – Jane Oblikas
/ Estonian Design Centre – Kaire Sõmer
/ Estonian Design Centre – Diana Tamm
/ Aalto University, School of Art and Design – Jaana Hytonen
/ JAMK University of Applied Sciences – Juha Tuulaniemi
/ Business and Cultural Development Centre (KEPA) – Christina Skoubridou
/ Business and Cultural Development Centre (KEPA) – Neoklis Stamkos
/ Border, Midland and Western Regional Assembly – Adrian O'Donoghue
/ Castle Cieszyn – Ewa Gołębiowska
/ Castle Cieszyn – Anna Pilch
/ Castle Cieszyn – Magdalena Mendrek
/ Design Council – Ailbhe McNabola
/ Design Council – Bel Reed
/ Design Wales – Victoria Jones
/ Design Wales – Paul Thurston

Authors:

Anna Whicher – Design Wales
Gavin Cawood – Design Wales
Linzi Ryan – Institute for Technology Sligo

Design Wales is part of the National Centre for Product Design and Development Research (PDR) at Cardiff Metropolitan University.

Contact:

Design Wales / PDR
Cardiff Metropolitan University
Western Avenue
Cardiff Met CF5 2YB
United Kingdom

info@seeplatform.eu
www.seeplatform.eu