
DESIGN POLICY ISSUES

n°3

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EDITORIAL

Indicating Impact, Leading Results and Creating Dialogue.

Despite its strategic importance, the role of design in innovation policies is fragmented across Europe. DeEP – Design in European Policies, is one of six EDII projects focusing on a shared policy evaluation system. The system is envisioned as promoting dialogue and a shared understanding of the impact of design policies within the ecosystem of design innovation policies in the European Union.

To promote more effective design policies and the leveraging of Europe's competitive potential for design driven innovation, the evaluation system is closely connected to SMEs activities. Real impact of design policy initiatives drives change in design capabilities and evaluation of these changes needs to be considered at both micro and macro level.

The virtue of the metrics used in such a system lies in a practical usefulness that both indicates the impact of current policies and thereto leads future design policy results. An open, transparent evaluation system shared across Europe would lessen fragmentation and raise understanding of the European body of design initiatives. Our ambition is a shared evaluation system of such practical usefulness that it contributes to more effective policy making by indicating impact, creating dialogue and leading the generation of future results.

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RESEARCH ABSTRACT

- DeEP -

DESIGN IN EUROPEAN POLICIES

DeEP aims to create an understanding of the impact of design innovation policies by building frameworks and indicators to evaluate these actions both at a macro (regional, national, European) and micro (specific initiative) level.

The role of design in innovation policies is very fragmented across Europe. Only few governments have developed clear national or regional strategies to include design in innovation policies. On the other hand, it is possible to recognise the effort of all European countries and regions to implement design programmes, although often tacitly, while others occupy a middle position with tacit and explicit design innovation policies.

Furthermore, the difficulties in evaluating the impact of design innovation policies are compounded by this lack of frameworks. There is a lack of evaluation that leads to less effective design innovation policies, disconnected from firms' activities.

DeEP seeks to fill this gap by developing and testing theoretical frameworks and practical tools aimed at evaluating the effectiveness of design innovation policies.

The resulting DeEP Evaluation Tool can become an instrument for policy makers, enterprises and other stakeholders involved in design in the policy making cycle to allow the strategic development of new design innovation policies across Europe.

The main deliverables that will be developed throughout the research are:

- A taxonomy of Design Innovation Policies;
- The DeEP Evaluation Tool made of: (a) a Design Innovation Scoreboard to evaluate regional and national performance (set of macro indicators); (b) an analytical framework and indicators to evaluate the impact of specific initiatives directly on companies (set of micro indicators);
- An Open platform for knowledge sharing (online repository of Design Innovation Policies) and for evaluation (web based evaluation tools).

The Elements of the Micro Evaluation System

MICRO INDICATORS

Policy evaluation is the process of determining quality, goal attainment, program effectiveness, impacts and costs of a policy. The main goal of evaluation is to determine whether policy effects are intended or unintended and whether the results are positive or negative for the beneficiaries and society. Even though it is possible to recognise the effort of all European countries and regions to implement design programs there is a lack of evaluation. This evaluation gap can lead to less effective design

innovation policies which DeEP aims to fill by the development and testing of theoretical frameworks and practical tools. The aim of DeEP is to allow policy makers to strategically develop more effective policies across Europe.

Evaluation of design innovation policies uses both micro and macro indicators at three evaluation moments: ex-ante, monitoring, and ex-post.

MACRO INDICATORS



Ex-ante evaluation precedes decision-making and pre-assesses the possible effects and consequence of planned policies in order to “feed” information into the on-going decision-making process. If undertaken on multiple policy options and/or actions, ex-ante evaluation is useful for selecting from a range of alternative choices.

Ex-ante evaluation, and its use of macro indicators, is described more fully in DeEP Design Policy Issues no2.

MICRO INDICATORS



Monitoring evaluation identifies the (interim) effects and results of policies, and measures their implementation and realisation while the policies or policy actions are still under way. Its essential function is to feed relevant information back into the implementation process when this can be used to adjust or redirect the process.

Ex-post evaluation assesses the impact of the policy intervention, and provides a feedback on the degree of accomplishment of the policy objectives. This form of evaluation takes a medium- to long-term view of policy impact.

Figure 1.

INDICATORS

Monitoring and ex-post policy evaluation utilises micro indicators. Micro-level evaluation systems are principally based on micro indicators aimed at evaluating design policy initiatives at enterprise level.

Micro indicators represent a set of design capabilities that enable people-centered innovation as described below.

DESIGN LEADERSHIP

(SYSTEMIC HOLISTIC VIEW, UNDERSTANDING HOW PEOPLE GIVE MEANINGS TO THINGS)

- Design participates in the determining the strategic choices for the enterprise
- Design driven innovation is a core activity
- A people-centered approach is applied throughout the firm

DESIGN MANAGEMENT

(MANAGING THE DESIGN PROCESS AND CREATIVITY)

- Manage human resources connected to design
- Manage design process and creativity
- Manage economic resources linked to design

DESIGN EXECUTION

(APPLYING NEW TECHNOLOGIES, VISUALISING/MATERIALISING)

- Presence of human resources with technical skills
- Presence of design technologies and infrastructures
- Investments in the NPD (New Product Development) process

Micro indicators are further divided into three indicator categories: core, custom and personalised indicators.

CORE INDICATORS

Core indicators are intended to provide a useful set of basic indicators generally useful for the analysis of all design policies.

CUSTOM INDICATORS

A custom set of indicators specific to the policy under evaluation. This set is identified within a wider list by an expert consultant with the help of the policy maker.

PERSONALIZED INDICATORS

This is an additional set specifically created by DeEP consultants when necessary and required.

Micro indicators are both qualitative and quantitative. Quantitative indicators collect numerical data on enterprises' activities relevant to design (e.g. investments, number of products/services introduced, resources, etc...)

Qualitative indicators provide beneficiaries the possibility of subjectively (qualitatively) evaluating their design relevant activities.

Design innovation policies can be evaluated by aggregating the data collected from single beneficiaries.

The metrics are applied in two different moments:
- T0 representing the first moment of data collection (e.g. at the beginning of the design policy)
- T1 representing the second moment of data collection (e.g. at the end of the policy)

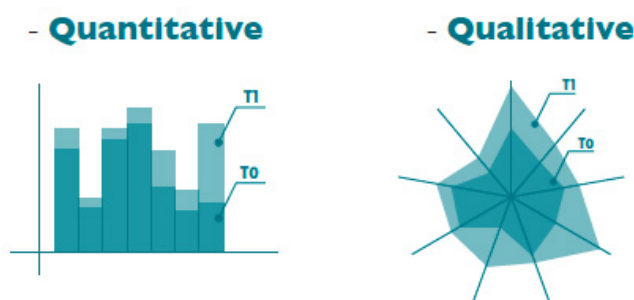


Figure 2. Quantitative and Qualitative measured at T0 and T1

The elements that comprise the micro evaluation system and the core set of micro indicators are described in the following pages.

MICRO INDICATORS

CORE SET

GENERAL REMARKS

The core set of micro-indicators comprise a subset of the complete list of micro-indicators developed to evaluate Design Innovation Policies. The complete list contains indicators that relate to the different policies evaluated, e.g. in terms of policy objectives, type of firms supported, etc.

The core set of indicators on the contrary has been developed to allow comparisons of different policies. The indicators allow the evaluation of policies with different objectives, different firms supported, etc. Furthermore the indicators have been developed to be easy for the firms involved in the evaluations to understand. The core set contains micro indicators from each of the three micro design capability categories and thereto indicators of output.

In the following definitions, the term "product" also includes both physical goods and services.

DESIGN LEADERSHIP

L01) Number of new products launched during last year that integrate functional, emotional and social utilities / Total number of new products launched during last year

This indicator measures the ratio between a) the number of new products that integrate innovations in terms of functions and intangibles, i.e. emotional and social utilities (examples of the latter are aesthetical appearance, form and appeal to customer/user perception of meaning and identity) and b) the total number of new products launched in the last economic year.

L02) Number of new products launched during last year based on the involvement of clients in co-creative practices / Total number of new products launched during last year

This indicator aims to investigate the capability of the firm to explore customers' behaviors and involve them in the design activities. It is measured by the ratio between a) the number of products where customers are actively involved in one or more phases of the new product development process (co-creation) and b) the total number of new products launched in the last year.

L03) There are clear connections between the design activities and the overall strategy

This indicator aims to measure the coherence between the overall firm strategy and the design activities. It measures the alignment and the consistency between objectives associated to the innovation and/or design projects and the strategic objectives defined at the corporate level. It is measured through a Likert scale: completely agree; agree; disagree; completely disagree.

L04) Number of products launched during last year that exceeded sales expectations / Total number of new products launched during last year

This indicator aims to investigate the firm's ability to comprehend customers' needs and wishes and translate them into new successful products on the market. It is measured by the ratio between a) the number of products, in the last year, that exceed sales expectations and b) the total number of new products launched in the last year.

DESIGN MANAGEMENT

M01) Investments in training programs on design during last year / Total revenues during last year

This indicator measures the economic effort made by the firm in relations to design training programs. It is measured by the ratio between a) the amount of investments in training courses programs during the last year and b) the total amount of revenues of the last year.

M02) Number of employees involved in design activities during last year / Total number of employees during last year

This indicator aims to understand how widespread are design activities and competences among the firm. It is measured by the ratio between a) the number of employees involved in design activities (e.g. designers, design professionals, etc) and b) the total number of employees in the firm.

M03) Design activities are managed through explicit processes

This indicator measures the level of formalisation of the design processes in the firm. It is measured on a Likert scale: completely agree; agree; disagree; completely disagree.

M04) Number of new products launched during last year based on the involvement of external design professionals / Total number of new products launched during last year

This indicator measures the capability of the firm to access external design knowledge. It is measured by the ratio

between a) the number of new products launched during the last year whose development involved external design professionals and/or consultancies and b) the total number of new products launched in the last year.

DESIGN EXECUTION

E01) Number of new products launched during last year improving the customer experience and the user interface through new technologies / Total number of new products launched during last year

This indicator measures the capability of the firm to introduce new technologies (totally new or new to the firm) in its products that improve the customer experience and the user interface. It is measured by the ratio between a) the number of new products, launched during the last year; that improve the way customers interact with the product and the user interface through new technologies and b) the total number of new products launched in the last year.

E02) Number of prototypes developed during the last year / Total number of new products launched during last year

This indicator aims to measure the firm's capability to visualise and materialise the concepts developed during the design process. It is measured by the ratio between a) the number of new prototypes developed during the last year and b) the total number of new products launched in the last year.

E03) Investments in hardware and software technologies enabling design activities / Total revenues

This indicator measures the firm's investments in new technologies to support and improve the design activities (e.g. graphic software, rapid prototyping machines, etc.). It is measured by the ratio between a) the amount of investments to acquire new technologies, both hardware and/or software, that enabled or improved the design activities among the firm, during the last year and b) the total revenues of the last year.

E04) Visualization (e.g. storyboard) and/or materialisation (e.g. prototypes) techniques play a crucial role in concept development

This indicator aims to measure the firm's capability to visualise and materialise concepts and how the importance of these techniques is perceived in the firm. It is measured on a Likert scale: completely agree; agree; disagree; completely disagree.

OUTPUTS

O01) Revenues from new products launched during the last year enabling new user experience / Total revenues.

This indicator measures the economic results obtained through design innovations able to modify the relationship between the product and the customers. It is measured by the ratio between a) the amount of revenues from products, launched during the last year; that innovated the way the customers interact

with such products and b) the total revenues of the last year.

O02) Number of design or innovation awards received during the last year / Total number of new products launched during last year

This indicator aims to investigate the public acknowledgements received by the firm for its design activities and/or products. It is measured by the ratio between a) the number of design or innovation awards received during the last year and b) the total number of new products launched in the last year.

O03) Number of industrial design rights and patents associated to design projects developed during the last year

This indicator measures the tangible outputs of the design process in terms of intellectual property rights registered by the firm in the last economic year. Industrial design rights are intellectual property rights that protects the visual design of objects, they are called Community designs in Europe and Design Patents in the USA.

O04) Design activities made it possible to develop new products that would not have been developed otherwise

This indicator aims to measure the relevance of design activities in the new product development processes of the firm. It is measured on a Likert scale: completely agree; agree; disagree; completely disagree.

DEEP CASE STUDY MAP

Case studies based on 14 interviews with policymakers and 23 interviews with firms as beneficiaries of a totality of five policy initiatives was conducted: two in Italy and one in the UK, Poland and Sweden respectively. The case studies were devoted to analyze "Method of Micro Evaluation of Design Innovation Policies".

ITALY: UN DESIGNER PER LE IMPRESE

- NO. OF INTERVIEWS: 4 POLICY MAKERS + 5 FIRMS
- NAME OF FIRMS: LEONE 1947, TUCAN OUBANO, A4A DESIGN, SONNOMED ICA, MERLI MARMI

ITALY: DEA DESIGN AND CRAFT FOR TRENTINO

- NO. OF INTERVIEWS: 2 POLICY MAKERS + 5 FIRMS
- NAME OF FIRMS: AICAD/LIZARD, SARTORI AMBIENTE, RUSTIKLEGNO, GIANMOENA MARMI, SANTONI VETRI

UK: DESIGNING DEMAND

- NO. OF INTERVIEWS: 2 POLICY MAKERS + 4 FIRMS
- NAME OF FIRMS: (ANONYMOUS), NAYLOR INDUSTRIES, CHALLS INTERNATIONAL, OWLSTONE



POLAND: DESIGN YOUR PROFIT

- NO. OF INTERVIEWS: 5 POLICY MAKERS + 5 FIRMS
- NAME OF FIRMS: AMICA WRONKI S.A., ASIMPEX, MARMORIN, MODE:LINA, SOUL AND MIND

SWEDEN: DESIGN SOM UTVECKLINGSKRAFT

- NO. OF INTERVIEWS: 2 POLICY MAKERS + 4 FIRMS
- NAME OF FIRMS: ARCOMA, PERMOBIL, PERIMED, CAMP SCANDINAVIA

A brief description of the key aspects of the example case studys is given in the following page.
Design your profit (Poland), Un designer per le imprese (Italy), DEA Design and Craft for Trentino (Italy), Design som utvecklingskraft (Sweden) and Designing demand (UK).

Case Studies

POLAND : DESIGN YOUR PROFIT

Under the National Operational Programme "Innovative Economy", the Polish Institute of Industrial Design implemented the project "Design Your Profit" (DYP). DYP is an abbreviation of the name of the key project "Improvement of the competitiveness of enterprises through the application of design (process and product innovation)", conducted by the Institute of Industrial Design between 2008 and 2011.

The project "Design Your Profit" provided expertise, methodology and practical solutions in which companies and designers learned how to effectively create innovative product designs and place them on the market. The main objective of the project was to create a professional business environment, conducive to cooperation of entrepreneurs and designers, in the field of industrial design applications.

DYP project was implemented throughout Poland. Workshops were held in 15 Polish cities and attended by 111 large companies and 1247 SMEs.

SWEDEN: DESIGN SOM UTVECKLINGSKRAFT

The Swedish Industrial Design Foundation (SVID) implemented 9 national and 25 local and regional programs between 2003-2005 as part of the program "Design som Utvecklingskraft" (roughly; Design as a Development Force). Initiatives directed towards the industry were the connection between "design and competitiveness" and "design and sustainable growth in SMEs" was prioritised.

In total 490 companies and 60 municipalities (or companies owned by municipalities) participated in these different projects. 498 companies developed design concepts and 406 students gained experience of professional practice.

About 10% of all projects had, at the time of the evaluation, generated increases in turnover and increased recruitment. This 10% were however so successful that they, due to the external evaluator, they economically motivated the entire program.

ITALY: UN DESIGNER PER LE IMPRESE

The policy "Un designer per le imprese" aims to enable a full and strong perception of the design relevance in the SMEs and seeks to enable the use of innovative materials and innovation processes in medium-sized firms. It is a project created to encourage dialogue between the business community and young designers.

The policy has improved incrementally after each implementation. "Un designer per le imprese" in 2012 involved different key players: the Milan Chamber of Commerce (CCIAA), Province of Milan, the Como Chamber of Commerce, the Monza e Brianza Chamber of Commerce, Material ConneXion (MC), six Design Schools located in Milan and Como.

25 firms participated (15 in the Milan area and the other 10 in the Como and Monza e Brianza area) within the framework of 90 projects were 26 prototypes and 4 products launched on the market.

ITALY: DEA DESIGN AND CRAFT FOR TRENTINO

In order to create innovative networks between universities, institutions, micro and small local businesses (MSMEs), DEA have sought to apply the culture of design in territories where the main values of design were in some way not present. Three editions of DEA have been given, the third edition ended 2012. The intention have been to develop a design culture within companies that normally keep their distance from this subject and at the same time connect design and MSMEs at a local level. The budget allocated was approx. 150.000 € by edition. In total have 92 companies participated and have received education, support in selection of project ideas and design support throughout the development of firm specific projects. In total did 60 ideas result in 23 projects and the results of these projects were showcased during the Milan Design Week.

UK: DESIGNING DEMAND

Designing Demand builds design capabilities in UK small and medium sized enterprises (SMEs) by helping them to understand how they can use design strategically and effectively within their business and embed design tools, techniques and management within business to build skills and capability.

A 'learning by doing' approach is adopted where professional design coaches (Design Associates) work directly with businesses to identify specific areas where design can best meet the goals of the enterprise and then provides support to assist in implementing tangible projects that meet these goals.

Businesses are taken through a programme that includes workshops, coaching and peer-to-peer support. Since 2007, the programme has supported over 2000 SMEs, intensively coaching over 700. The programme is part of the UK Government's national portfolio of support for SMEs with high-growth potential. The estimated national gross impacts are combined actual/ anticipated additional revenue of £140m, an overall increase in operating income of just under £28m.

Indicating Strategic Capabilities

Erik Bjurström 2014

This article is based on interviews with policymakers and beneficiaries of different design policy initiatives. The research effort was coordinated through common instructions and a set of questions in a common questionnaire. The interviews generally lasted 1-2 hours and were audio recorded to facilitate the case writing and subsequent analysis. The interviews were split into three sections: the first concerning the policy initiative itself and how the actors got involved, the second about the effects of the policy and the third concerning views on design and design policy. In total, 14 interviews with policymakers were made, in addition to 23 interviews with firms as beneficiaries from a total of five policy initiatives investigated: two in Italy and one in the UK, Poland and Sweden respectively.

FIVE CRITICAL CAPABILITIES

Both the context and the content of design policy initiatives varied greatly among the participating countries. A major finding besides the outspoken success of the design initiatives was the lack of use of metrics for design policy evaluation, with the UK generally being the main exception. The metrics in use typically also focused on the outcomes of initiatives and their impact on firms, such as new jobs created or safeguarded, increased sales, earnings and exports on firm level and e.g. value added for the region. However, the interviews also highlighted a broad range of other results, pointing at lead indicators promoting results in the future, rather than lag indicators focusing on past achievements. Five critical capabilities were detected through the interviews and are presented here below in terms of the DeEP typology of “design leadership”, “design management” and “design execution”.

1. DESIGN AS STRATEGIC INSIGHT

The first conclusion on critical capabilities that can be drawn from the interviews is the decisive importance of gaining an insight of the importance of design as a strategic perspective, as the core of “design leadership”. Hence, strategy here doesn’t only mean plan, but also the perspective on doing business and what the critical parameters for success will be. Taking on design thinking as a paradigm for one’s strategy changes the entire perception of doing business and design becomes a strategic tool, rather than only an aesthetic one. Design thinking then means a new mindset and a

new approach about how to handle things. As stated by one of the firm’s representatives in the interviews: “What is needed is to develop a general feeling that this is really important and becomes a part of the firm’s strategy.” In more practical but still strategic terms, such a shift in perception would also mean an increased understanding of senior management to identify strategic design opportunities.

2. FLEXIBLE MANAGEMENT OF PROCESS

The second insight on critical capabilities concerns “design management” and the insight that as innovative processes are typically of destabilizing character, they are thereby also more difficult to predict. Policy initiatives may therefore purposefully be designed for flexibility of the management process, as was explicitly the case in some projects. In consequence, intermediaries occasionally had different roles to play and targets to meet in relation to the original policy maker. In consequence, several and varying intermediary points of delivery may be needed to consider. Several of the initiatives also remarked a great variability in the innovative processes between different firms. The variability and the need for flexibility in the management of innovative processes also have more general implications not only for the choice of metrics, but also its uses as it introduces the notion of the time factor and timing in the evaluation of innovation processes.

3. ACKNOWLEDGING NETWORKS AS RESULTS

The third critical capability concerns insights into “design management” and recognising the establishing innovative networks of complementary competences not only as a means for innovation, but also as one of the most important outcomes of the process. As emphasised by several interviewees, the design policy initiatives not only produced tangible outcomes for companies in terms of increased sales and revenue, but also changed perspectives on relationships e.g. between companies and higher education institutions. Hence, interactions between companies, academics and intermediaries representing policymakers should not only be regarded as historical events, but should be viewed and accounted for as lead indicators of any actor’s increased knowledge-based resources. While the predictive power of such lead indicators is notoriously questionable, it is at the same time that very forward-looking quality that makes them strategic.

4. EMBRACING OTHERNESS

The fourth among the critical capabilities goes into the very details of “design execution” and is related to remarks about the high variability in different personal collaborations. One of the most critical outcomes of the projects has been the reciprocal growth and cultural exchange in face-to-face collaboration between a local culture of doing in the work-intensive firms on the one hand and a global culture of design in knowledge-intensive design resources on the other hand. However, this ability to collaborate is not self-evident or given in all constellations, but requires a certain quality of the collaboration, building on the openness and mutual learning of participants. In the process, new understandings emerge and are co-produced as the creation of new markets is explored and design supports the whole innovation process. However, this dynamics relies on the actors’ abilities to engage openly-mindedly with each other’s expertise and cultural perspectives.

5. DESIRE TO EXPERIMENT

The fifth critical capability also concerns “design execution” and may even be considered as its very core through its element of tentative exploration and even playfulness. In more general terms, the desire to experiment and passion for one’s work also implicates the virtues of more explorative approaches to innovation than technical specification. Especially when compared to projects promoting development of specific products, the more open approach of promoting collaboration for the sake of development of capabilities and new knowledge was found to be more successful. While from the company perspective, the financial bottom line will have the final word, the bottom line of the design-driven innovation will tend to be the passion for design as a tool for innovativeness in a broader sense of human-centered development.

USING INDICATORS

It should go without saying, that in the policy context with its pursuit of practical results, the virtue of metrics should lie in their practical usefulness. The interviews revealed that if used at all, metrics were calculated only for policy evaluation purposes, while firms’ basis for evaluation would typically be basic firm performance measures such as increased sales and earnings.

At the same time there was a broad acknowledgement of the complexity of several intertwined result drivers generating multiple layers of results, often associated with different time factors and sometimes referred to as side effects or unofficial purposes of efforts. Hence, metrics can easily be criticised from a practical or scientific viewpoint as both the capture of relevant data and its analysis provide formidable challenges to the very idea of perfection.

It is broadly recognised in the management control and performance measurement literature that although central, metrics is highly problematic and that striving for perfection is the most common reason for a failure to implement metrics and systems of indicators. If nothing else, measurement for management purposes is quite a different thing than descriptive statistics in general, in that its purpose is not depiction per se, but an apparatus guiding management action, which implies a swift glance on the numbers to know what to do for the moment. In consequence, the number of indicators needs to be reduced to a minimum of parameters of critical value. In consequence, the depiction will necessarily become selective and will hence not capture the entire complexity of innovative processes in any other way than in the mind of the one doing the analysis by reading what’s between the lines of the metrics.

Whether metrics of innovation processes may be realised in a full-blown analytical model is questionable. Even more importantly, such ambitions should not be confounded with the policymakers’ need for metrics for merely practical purposes: to indicate that something in the process might need management attention.

STRATEGY AS PLAYFUL INTERACTION WITH OTHERNESS

The above findings on critical capabilities and its implications for innovation metrics may be related to the very view on strategy itself. Indeed, control in terms of the follow up by means of indicators and metrics to be assessed in relation to predefined standards is sometimes referred to as the tail of strategic planning i.e. viewing strategy in terms of formal analysis and planning, in turn heavily relying on predictability of events. The emphasis on strategic insight on design, flexibility in

management of process and complementary competences in networks in this study instead rather point at notions of strategy as cognition, learning and culture (c.f. Mintzberg et al, 2008), hence transforming the very notion of strategy itself. Thereby also the very point of reference for metrics and indicators is altered towards the more active and evolutionary stance of the management of innovative processes, where innovation itself becomes the only true standard.

At heart of policy efforts lies the creation of conditions for letting the concrete and local doers in businesses meet the abstract, global thinkers of design in a dynamic co-creation of value in the face of the market. However, meeting otherness (Buber, 2004; Lévinas, 2005) means putting one's own knowledge at risk (Yanow, 2009) and as general von Moltke remarked, the plan may not survive the encounter with reality. However, this is exactly the proper arena for the homo ludens, the playful human being with its joy, satisfaction, passion and excitement of working to explore new possibilities (c.f. Godoe, 2012). At the end of the day, the winning strategy will have the ability to continuously reconnect the dots of the market to stay closer to the customers than anybody else (c.f. Normann, 2001). This demands both design thinking and metrics that support it.

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Repository

The examples provided are an extract from the online DeEP repository. For further documents/suggestions, please visit: www.designpolicy.eu

Reviewing innovation and Design Policies across Europe

Can the Benefits of Good Design Be Quantified?

Profiting by Design

Reviewing Innovation and Design Policies across Europe SEE Report 2011



SEE is a network of 11 design organisations across Europe sharing international best practice to integrate design into innovation policies and programmes. This report has been prepared by the lead partner, Design Wales, based at Cardiff Metropolitan University. Between 2008 and 2011 SEE was co-financed by the European Regional Development Fund through the INTERREG IVC programme. At the last steering committee meeting, all partners committed to continuing the collaboration in the future and expanding the network. The work of the SEE project has been well received by the European Commission and SEE were named finalists for the 2011 RegioStars Award.

This report presents the findings from the 'SEE - Design Policy Monitor' a review of innovation and design policies and programmes in the partner countries and regions. We also present a summary of the SEE project's impact at the end of the current funding period. The aim of the SEE project is to establish an active dialogue between the partners and their government policy-makers, further develop the link between innovation and design and to positively influence innovation policies by integrating design. SEE has certainly achieved this aim and can demonstrate tangible impact in each partner country/region.

SEE has been a successful consortium because the partners invited innovation policy-makers to attend all five thematic workshops. The collaboration between design centres and government policy-makers meant that the project generated practical policy recommendations and applicable tools for enhancing the role of design in innovation policies and programmes. A key initiative of the SEE project has been to examine innovation and design policies and programmes in the partner regions both in 2009 and 2011. Comparing the results reveal that as the policy remit for innovation expands, design is becoming more embedded in support programmes and policies as a driver of user-centred innovation. This is a trend evident across Europe. The SEE partners have played an instrumental role in raising the profile of design among policy-makers in their countries/regions and influencing the latest cycle of innovation policies and programmes.

SEE will continue to monitor policies for innovation and design over the next few years to examine new trends in the future at European, national and regional levels.

SEE is a network of 11 design organizations across Europe sharing international best practice to integrate design into innovation policies and programs. The report presents a review of innovation and design policies and programs in the partner countries and regions.

KEYNOTE ARTICLE

Can the Benefits of Good Design BE QUANTIFIED?

THE BRITISH DESIGN INNOVATION GROUP is a leader in design-management research. In gathering information from a broad cross-section of companies, one of its goals has been to distil objective data on the benefits and strategic role of design in business. Robin Roy reviews two major studies he and his colleagues have completed, and proposes an agenda for the future with respect to both the content of analysis and the methodologies used for collecting and analysing input.

By Robin Roy



Many business managers need convincing, quantitative evidence of the benefits of employing professional design expertise, improving design-management skills, and developing a design strategy before they are willing to invest their companies' scarce resources of time and money. Yet until recently, there has been virtually no quantitative information available concerning the business returns on investment in design and effective design management. Most of the available information has been anecdotal or based on case studies of "winning" companies' and successful projects.¹ Virtually the only systematic quantitative information came from studies of success and failure in industrial innovation² and new-product development.³ Alternatively, some information came from economic research, in which design was occasionally featured as one of many non-price factors in competitors' or a component of research and develop-

ment.⁴ It is hardly surprising that design and design management have long been an other area of business—marketing, R&D, manufacturing, and so on. The Design Innovation Group (DIG) has for many years attempted to provide systematic, quantitative information on the advantages and the risks for business of investing resources in improving design and its effective management. The DIG is a British multi-disciplinary research group based in the Design department at the Open University and in the School of Management at the University of Manchester Institute of Science and Technology. In this article I will outline the different methodological approaches used in some of the studies undertaken

1. See Christopher Laslett, *The Design Dimension* (Oxford and New York: Basil Blackwell, 1986); James Hitchcock, *Design for Goodness* (Harvard and MIT Press, 2005).

STRATEGY

Profiting by Design

by Chris Bedford, George Daniels, Gus Desbarats, Julie Hertenstein, Peter Phillips, Marjorie Platt, and Rob Wallace

The consensus that good design and good business go hand-in-hand continues to grow. The challenge is discovering ways to articulate and, yes, even quantify design's contribution. Boldly and with an array of strategies, these individuals—Chris Bedford, Julie Hertenstein and Marjorie Platt, Gus Desbarats, George Daniels, Peter Phillips, and Rob Wallace—offer their insights on this important but elusive topic.



Gus Desbarats, Gus Desbarats

A Case in Design's Bottom-Line Contribution
Trying to measure the value design brings to a project? Get in line. Every part of the organization is vying for a share of the brand's success. In the market, what department doesn't want to justify its existence and make manifest its commitment to corporate success?

They're all working to align themselves with the business drivers—market share, sales volume, brand reputation, customer loyalty, profit margins, channel growth, and so on. This can become especially challenging when sales and marketing seemingly want to own a number of the key metrics of brand success. So how does design get the recognition it deserves, and what metrics are available for it to work with?

One approach to testing the economic impact design can have is to neutralize as many contributing factors as possible, thereby reducing the number of influencing factors and other drivers that can lay claim to the success of the

project. A case in point is a website we recently redesigned for Bernard Callebaut, a Calgary-based chocolate maker with 34 retail stores across Canada and the US. Their existing website suffered from poor navigation and usability and lacked in brand presence and communication. The role of design was to consider the following:

- Brand identity and personality
- Brand experience
- Site structure and navigation
- Usability and retail strategy




Figure 1. Gus Desbarats' new design for the corporate website clearly focused sales sites, as well as the content of each site.

The article discusses ways to articulate and quantify how good design contributes to good business.

The British Design Innovation Group – DIG, has for many years attempted to provide objective data on the benefits and strategic role of design in business. In this article is two major studies reviewed, a content of analysis and methodologies for collecting and analysing input is proposed.

Evaluating Design: Understanding the Return on Investment

Global Design Watch 2010



Evaluating Design: Understanding the Return on Investment

by Anna Whicher, Gisele Razlik-Murphy, and Gavin Cawood

An increasing body of knowledge asserts the positive contribution of design to economic growth. In recent years, researchers and practitioners have strived to evaluate the impact of design at micro and macro levels in comparative studies around the world.¹ Despite encouraging results, some of these methods remain im-

practical for providing concrete input for informed and strategic policy-making. This is particularly significant as a time when design is rising up the policy agenda. Due to a myriad of converging factors, design policies are emerging and maturing across the globe. Not least among these factors is awareness of successful cases in which design has been integrated into a government strategy for economic growth. Asian and Scandinavian examples are among the most prominent, as was demonstrated in the most recent issue of this journal.

In Europe, design has received more and more attention at the policy level. In 2009, a European Commission survey asked about various barriers to the better use of design in Europe. The most significant obstacle was considered to be "lack of understanding of design among policy-makers." The second was "lack of knowledge and tools to evaluate the rate of return on design investment."² Following the consultation, in October 2010, design was highlighted as a

1. Design and Innovation: A European Commission Report (2008), March, 2008.
2. European Commission, "Survey of the State of Design in Europe as a Driver of European Innovation" (March, 2009).

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Global Design Watch 2010
DESIGNUM - Centre for Innovation in Design*

Immonen, Järvinen, Nieminen



Global Design Watch 2010

Design Policy and Promotion Programmes in Selected Countries and Regions

A Aalto University
School of Art and Design

see SHAPING EXPERIENCE DESIGN POLICY INNOVATION DESIGN

The article provides an overview of current practice in design evaluation and proposes a number of dimensions to be taken into consideration when evaluating design at both micro and macro level.

The situation of 2010 is in the report examined and compared to the situation of 2008. Factors examined are main objectives and implementation of national design programs, the measures used for promoting national design and the organisations they are targeted at.

Partners

POLITECNICO DI MILANO (IT)

Politecnico di Milano is a scientific-technological university, which trains engineers, architects and industrial designers. The University has always focused on the quality and innovation of its teaching and research developing a fruitful relationship with business and productive world by means of experimental research and technological transfer. Within DeEP, Polimi is represented by the Department of Design, and the DIG Department (Management Engineering).

MUNKTELL SCIENCE PARK (SWE)

Munktell Science Park operates mainly within the southwest region of Stockholm, Sweden. It has a strong relationship with MDH of which it is a spinoff. The park is an innovation arena with about 90 tenant companies and about 200 employees focusing on innovative SMEs and on business development assistance.

LANCASTER UNIVERSITY (UK)

Lancaster University is consistently placed with the top 10 academic institutions in the UK with strengths in interdisciplinary research and business engagement. Within DeEP this is represented by Imagination-Lancaster, a design led research lab that investigates emerging issues, technologies and practices to advance knowledge and develop solutions that contribute to the common good

THE WORK FOUNDATION (UK)

The Work Foundation is part of Lancaster University, and is a leading provider of research-based analysis, knowledge exchange and policy advice in the UK and beyond. It conducts practical research on a range of economic, social and organisational issues, and focuses particularly on developing clear messages for policy advice. As an externally facing organisation, TWF interacts with a wide range of partners in business, as well as policy makers and media outlets.

MÄLARDALEN UNIVERSITY (SWE)

Mälardalen University is one of the most important business schools in Sweden. The School of Innovation, Design and Engineering (IDT) is the main participant within DeEP, with a research profile in Innovation and Product Realisation (IPR) and with competencies in Design and Visualization; Innovation Management; and Product Realization.

CONCORDIA DESIGN (PL)

Concordia Design is a centre for innovation, design and creativity. It operates in the Polish market since 2007 and has implemented several projects involving design, while operating as a platform for cooperation between different creative fields. It also delivers training on innovation and creativity, design management, and personal development

CONFARTIGIANATO (IT)

Confartigianato Lombardy is the most representative trade union organization for Lombard crafts. Founded in 1972, it represents more than 100,000 firms and entrepreneurs in Italy belonging to 35 fields of activity. The institution promotes the growth of a business culture in SMEs and the full acknowledgement of their role in the economic growth of the Lombardy Region.



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