see platform

SEE PLATFORM BULLETIN ISSUE 9 – JUNE 2013

SHARING EXPERIENCE EUROPE
POLICY INNOVATION DESIGN

Supported by the European Commission

EDITORIAL

Design is hotting up in Europe on different policy levels. In early 2013, both Denmark and Finland launched design strategies and the European Commission is also preparing a 'Design Action Plan for Europe'. As part of this, the Commission has launched a new call for European Design Innovation Initiative (EDII) projects to complement the six existing projects. The EDII is well on its way to achieving the Commission's ambition to embed design in government policies across Europe.

The SEE Platform, one of the EDII projects, is firing on all cylinders. In the past year, the SEE Platform has delivered hands-on workshops on the themes of design policy, design support programmes and public sector service design to 246 design stakeholders including 139 policy-makers.

SEE has also launched a report called 'Design for Public Good' that is a collection of case studies and tools to enhance the understanding of design for public sector innovation and facilitate the integration of its methods into mainstream practice. The report is a collaborative project between the Design Council, Danish Design Centre, Aalto University and Design Wales and is available to download from the SEE website. A summary of the report is available on p.12.

The SEE 'Design for Public Good' report complements the UK Design Commission's public inquiry on 'Re-designing Public Services', which collates insight from across Europe on the impact of service design in the public sector. In this issue we also present the Lapland Design Policy and its implementation progress as well as design policy updates from Denmark, Taiwan and Silesia in Poland. Finally, we present a case study from Flanders on the 'SME Wallet' a subsidy programme for companies to invest in design and design management.

If you are interested in having a SEE workshop on design policy, design support programmes or public sector service design in your region please contact us at info@seeplatform.eu

Anna Whicher and Gavin Cawood

SEE PLATFORM PARTNERSHIP

The SEE bulletins are produced by Design Wales based at Cardiff Metropolitan University as part of the activities of the SEE Platform. From 2012 to 2015, SEE is operating as part of the European Commission's European Design Innovation Initiative.

SEE is a network of eleven partners engaging with national and regional governments to integrate design into innovation policies and programmes.

Design Wales/Cardiff Metropolitan University *(UK)*
Design Flanders *(Belgium)*
Regional Development Agency of South Bohemia (RERA) *(Czech Republic)*
Danish Design Centre *(Denmark)*
Estonian Design Centre *(Estonia)*
Aalto University, School of Arts, Design and Architecture *(Finland)*
JAMK University of Applied Sciences *(Finland)*
Business and Cultural Development Centre (KEPA) *(Greece)*
Border, Midland and Western Regional Assembly *(Ireland)*
Cieszyn Castle *(Poland)*
Design Council *(UK)*

The Finnish Design ROI Project

Assessing the impact of design is a worldwide challenge and a subject of research interest. What better way to argue for the benefits of investing in design than with reference to robust facts and statistics? However, design return on investment (ROI) is relatively under researched. On this premise, in 2011, the Finnish Design Business Association (FDBA), Aalto University and Tekes - the Finnish Funding Agency for Technology and Innovation, launched a research project with the ambition of developing a methodology and tool to measure the ROI of design. Here Anne Veinola (communications manager at Design Forum Finland - the national design promotion organisation), and Antti Pitkänen (managing director of Seos Design, founding member and board member of the FDBA and project manager of the research team at Aalto University) present the first stage of the project, a review of previous research, a framework of assessment and the first version of the Design ROI tool.

The Design ROI project, instigated in 2011 by the FDBA, Aalto University and Tekes, set out to increase the understanding of the impact of design in firms and businesses by using the language of business. Fifteen members of the FDBA also participated in the project, representing a wide range of Finnish expertise in product, spatial, service and brand design. Five researchers under the direction of Antti Pitkänen carried out the study and Professors Jaakko Aspara and Kalevi Ekman of Aalto University supervised. The ultimate aim was to create a tool that design agencies could use with their clients to demonstrate the qualitative and quantitative economic benefits of design. The first stage of the project was presented in October 2012 and included a review of current practice in ROI research, a framework of assessment and the first version of the Design ROI tool with metrics. The preparations for the next stage of the project are now underway – which is to validate the metrics and test the tool.

REVIEWING CURRENT RESEARCH

The Design ROI study began by reviewing current research on design ROI and compiling information on the design sector in Finland and abroad. Design is understood here as involving four distinct aspects: competence, process, service and results. It belongs to the creative industries, which are contributing to a growing share of the gross domestic product in all developed countries. Previous studies on the effects of applying design have found connections between design investment and economic performance at both the micro and macro levels (The Value of Design, Design Council, 2007 and The Economic Effects of Design, Danish Design Centre, 2003). The Design ROI study employed a design evaluation framework (Raulik-Murphy in Whicher et al., 2011, Design Management Review 22:2) for analysing the current state of design. The framework (Figure 1) examines four dimensions: at micro level, private sector companies and individual public sector programmes and at macro level, the national design industry and the impact on the national economy and society as a whole.

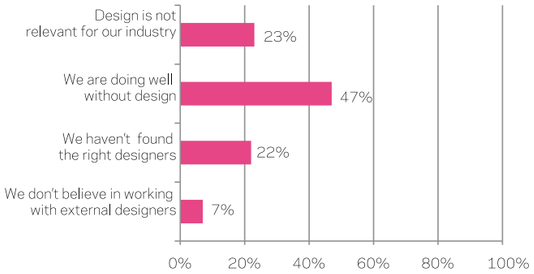
Figure 1. Levels of design evaluation (Source: Raulik-Murphy in Whicher et al., 2011)

The Design ROI project's scope focused on the private sector at micro level, i.e. individual companies and their economic performance. The study was further delimited to the projects of FDBA's members' clients. Nevertheless, the entire evaluation framework was considered to obtain a comprehensive picture.

APPLICATIONS OF DESIGN IN FINLAND

The background survey carried out in collaboration with the Association for Finnish Work in 2012 shows that 53% of Finnish firms have made some use of design in recent years. Participating companies also estimated that their use of design would stay the same (47%), increase (39%) or increase a great deal (12%) in the coming two years. On the other hand the same survey also pointed out reasons why companies were not currently investing in design (Figure 2). Some of the respondents did not see the relevance of design to their industry (23%) whilst others had not found the right designer (22%) or claimed to be doing well without the use of design (47%).

Figure 2. Why haven't you invested in design in the last two years (n=578)



The Design ROI study explored the profitability of business operations in general and that of design projects in particular. The monitoring of profitability however, was not methodical in companies, and it was based more in opinions and feelings than facts. It was obvious that assessing design should be integrated with the metrics of other areas of business in order to be utilised. It would also be necessary to create specific metrics for monitoring how goals are achieved in this area.

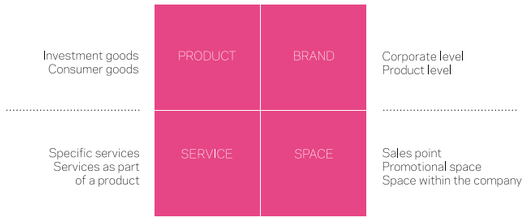
The main obstacles to applying design in companies were the notion that it does not benefit the company and insufficient knowledge of the uses and opportunities of design. The definition of design was a problem and the content of services provided by design agencies was not understood. Commissioning design was also felt to be costly and the benefits of these investments could not be evaluated. According to company managers, qualitative evidence is not enough to justify expenditure on design. The Design ROI tool is specifically aimed at addressing this problem.

THEORETICAL ASPECTS OF DESIGN ROI

The theoretical section of the Design ROI study charted general methods of design-related economic monitoring and factors influencing design projects. Return on investment with regards to design is simply the ratio of profit to investment, but the effects can be direct or indirect. Direct effects provide more revenue, while indirect effects increase immaterial capital, where other investments may begin to produce greater yield. Immaterial capital includes, among other things, competence and brand value.

Challenges for evaluating the impact of design include vague definitions, the perception of design as solely incurring costs and not as an investment, and the separation of the significance of design from the company's other key operations. In response to this, one of the goals of Design ROI was to define the targets of design investments in companies and how they can be linked to economic metrics. Four specific focuses were defined: the product, service, space and brand (Figure 3). Factors contributing to the success or failure of projects were also listed.

Figure 3. Four focus areas of the Design ROI project

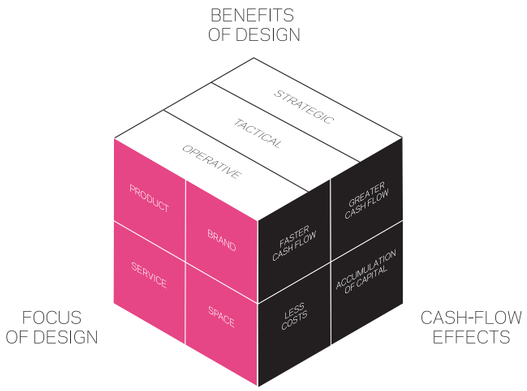


THE DESIGN ROI FRAMEWORK

At this first stage, Design ROI produced a framework defining the foci and levels of applying design along with different design activities, benefits and related metrics. The prototype of the actual tool was developed with the aid of the framework, theoretical measurements, investment calculations and interviews. The tool seeks to simulate the measurement of design impact in practice and to gather necessary information and contributing factors.

The framework was developed from the Danish Design Centre's Design Ladder model. The Design ROI framework employed the four focus areas of design: product, brand, service and space to three levels of applying design: operative, tactical and strategic to four types of cash flow effects: faster or greater cash flow, or reduction of costs and accumulation of capital by the project. These provide the following three-dimensional model (Figure 4).

Figure 4. Theoretical model of Design ROI



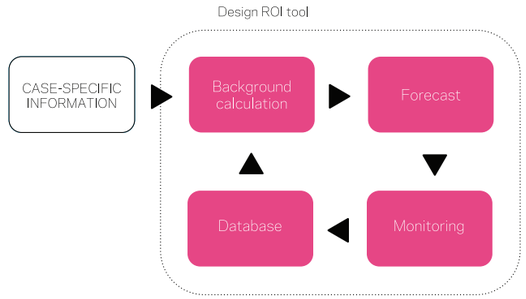
The model was applied in evaluating design competence and the use of design in the client companies of the FDBA members. The benefits of design vary according to the level and focus of application and can thus be measured with a variety of qualitative, quantitative or monetary metrics.

THE DESIGN ROI TOOL

When ready, the Design ROI tool will be an online system that can be used for identifying the measurable benefits of design in decision-making, monitoring and evaluations of results. It helps design agencies and their clients speak the same language. Before launching a design project, the tool is an aid for defining objectives, whether economic or qualitative, and for choosing the metrics for monitoring implementation. The progress of the work can be followed during the project. After the design project, the tool can be used for comparing results with goals and forecasts and with other projects of a similar nature.

The tool consists of a series of metrics grouped according to the level of applying design, measurable benefits and the specific nature of the metric (monetary – qualitative – other quantitative metric). The tool also includes a database of information on completed design projects. The project being studied is compared with this information.

Figure 5. The evaluation process of Design ROI



There are five stages in the evaluation process of the tool (Figure 5). In the first stage, initial information specific to the company and project is compiled, including the anticipated benefits, information on investments and schedules. In the second stage, the tool is used to calculate an estimation of the results of the project compared with the average results of completed projects in the databank. The tool also provides a list of possible factors contributing to the results. In the third stage, a forecast of minimum and maximum results is drawn up for a period chosen by the client. It is still possible to change the metrics at this stage. The fourth stage involves monitoring, the evaluation of the success of the project with the aid of economic markers and comparisons of benefits with set goals. In the fifth stage, the results are entered into the tool's database, which in turn will improve the accuracy of forecasts made in the future.

KEY FINDINGS

Design can have a positive return on investment, but this is influenced by a number of different industry, company and project specific factors.

Design as an activity can be divided into different categories by the focus areas (Space, Brand, Product, Service) and the level of use (Strategic, Tactical and Operative). This categorisation allows us to further understand the implications of design. Nevertheless, the Design ROI methodology needs a larger set of data to validate its functionality and to carry out more precise calculations.

There is a large number of different metrics that we can use to measure the impact of design. These metrics allow us to better understand the effectiveness of a design investment. Nevertheless, this calculation will only be an estimate at best. Based on this estimation it is possible to make a more educated decision whether to pursue a design project or not.

Communicating design by the use of quantitative figures can be a very powerful tool to underline design as an economic activity. There is a clear need from the side of the designers and design agencies to argument the use of their services, as well for the in-house design managers and decision makers to argument their internal budgets and projects.

THE FUTURE OF DESIGN ROI

This research calls for an open dialogue and coordinated efforts between different design stakeholders in order to advance our understanding of design ROI. The focus of this project was on the methodology and creating the tool to understand the mechanics and influencing factors behind design value creation and how that could be measured. Despite concerted efforts, the team were confronted with the fact that the type of information needed to carry out the calculations was often deemed confidential in companies: information would disclose data on the company-specific practices and activities, or finding the necessary facts and figures would take a considerable amount of time and effort in their already hectic schedules.

A number of in-house design managers and directors have now expressed an interest in testing the Design ROI tool, which will enable more efficient data gathering, which is a critical part to further develop the Design ROI tool. For the FDBA, the fact that design agencies and client companies are willing to participate in an open dialogue and collaborate in creating common methodologies and understanding is one of the major achievements of the project. The main potential client of the Design ROI tool will still be design agencies, but also client companies, ranging from fast growing start-ups to SMEs. The information produced by the tool will permit understanding of the content, meaning and results of the design process. Design ROI is a step towards design in more measurable terms.

The study is currently available in Finnish but will soon be available in English: www.designroi.fi

Translation by Jüri Kokkonen.

Developing and Implementing a Design Policy for Lapland 2010–2015

Päivi Tahkokallio, CEO of Tahkokallio Design+ Ltd, Dr. Satu Miettinen, professor of applied art and design and Jouni Piekkari, design co-coordinator in the Faculty of Art and Design at the University of Lapland have been involved in developing the regional policy for Lapland between 2009 and 2011. Dr. Satu Miettinen was also one of 17 members of the steering committee developing the new national level design policy for Finland in 2012. The Lapland Design Programme 2010-2015 sets out the regional development guidelines for a five year period and turns them into concrete actions. The programme intends to influence the use of design by Lapland's businesses, public sector, third sector, and population and to promote the export of design from Lapland.

CONTEXT

The main objective of the Lapland Design Programme 2010-2015 is to increase the strategic use of design in Lapland in the private, public, and other sectors. The role of designers is becoming increasingly diverse in Lapland. This is reflective of a broader trend across Finland and the Ministry of Employment and the Economy has drawn inspiration from the Lapland Design Programme in preparing a national design policy to be launched in 2013. In both the national and regional policies, design and user orientation are emphasized as a catalyst for the innovation process.

The concept of design has changed considerably in recent years. Design is no longer confined to form, action, materials, production, and usage. Instead it focuses on the interaction between people, products, services, and technology. The Lapland Design Programme provides opportunities to use service design in different business areas and in the user-oriented development of public services. The Lapland Design Programme treats design as a broad and diverse concept and aims to influence the reform of the entire spectrum of design. The programme seeks to improve how Lappish design ranks among international forerunners.

The Lapland Design Programme 2010 – 2015 defines regional design development guidelines and turns them into concrete objectives – into questions that challenge people to a response and thus incite them to implement the programme.

PREPARATION

The motivation behind the design policy work was to implement the objectives of the Regional Strategic Programme for Lapland and the Strategy for the Creative Industries in Lapland by the Regional Council of Lapland. Design as a force that connects creativity and innovation was identified as a priority in these policies. The Lapland Design Programme 2010-2015 defines regional design development guidelines and turns them into concrete objectives – into questions that challenge people to a response and thus incite them to implement the programme. In addition to workshops, the programme has evolved through discussions with a multitude of actors and through comments received during the construction process. The steering group was a diverse selection of actors working in various fields in different parts of Lapland.

The preparation of the Lapland Design Programme was steered by the Faculty of Art and Design at the University of Lapland. The preparation was undertaken between 1 August 2009 and 30 June 2011 through project financing granted by the State Provincial Office of Lapland as part of the European Regional Development Fund and Ministry of Education and Culture Programme for Northern Finland within the EU's Structural Fund Programme.

As part of the preparation phase there were 100 people engaged in interviews, expert meetings, steering group work, discussions and seven workshops across Lapland focusing on local themes. There was also a mobile workshop travelling from place to place. The preparation has reinforced the idea that Lapland needs its own design policy to increase the volume of design and to promote design and design actors in Lapland. Challenges in developing the policy lay in agreeing and concretizing the implementation of the policy and its actions. In preparing the policy, there had to be a strong link with strategic management and budget planning by the stakeholders.

The output from the consultation phase was 'Kirnu', the target framework for the Lapland Design Programme. Kirnu's outer circle proposes questions that are answered by the programme implementers using the tools in the inner circle. The ninth question (How would you increase design in Lapland?) provides an open opportunity to take part in the implementation of the programme.

Figure 1: Kirnu, the target framework of the Lapland Design Programme

IMPLEMENTATION

The policy adopts a novel implementation approach. Responsibility for implementing the programme is shared and decentralized to ensure that as many design actors as possible can participate in the process. The policy makes 49 policy proposals. The Lapland Design Programme links design actors with the Strategy for the Creative Industries in Lapland and the Innovation Strategy of Lapland and thereby reinforces the connection between creativity and innovation. Design actors can use the tools on the inner circle of the Kirnu chart (assignments, design research, workshops, events, student projects, development projects or other tools) to implement the policy. This means that individual actors are responsible for implement the policy. The policy is a management tool that helps and motivates actions that implement the objectives.

The Lapland Design Policy makes 49 recommendations. Responsibility for implementing the programme is shared and decentralized to ensure that as many design actors as possible can participate in the process.

Implementing an initiative is divided into three parallel parts: programme management (stimulating actors), coordination (bringing actors together), and communication (making actors and actions visible). The programme's financers make the financing decisions case-by-case according to their own procedures. Coordination should focus on large schemes.

Communication enhances the programme's visibility and makes the design actors aware of one another and one another's activities. The programme can be implemented by means of distributed liability, which means that each question has a dedicated implementer who is responsible for concrete action. Proactive questions attract parties to join the implementation of the programme. The Lapland University Consortium plays an important part in implementation. Through multidisciplinary design education, basic research on design, and applied research the consortium develops Lapland according to its innovation programme. Design is a cross-cutting theme in the innovation programme.

Municipalities, development organisations, and municipal federations function as the Programme's main and partial implementers in terms of work input and funding. During the preparation phase many municipal and regional development organizations have been interested in increasing the use of design in the private, public, and third sectors. Municipal actors may exploit the possibilities of e.g. service design in business development as well as in all the other municipal sectors, including the areas of technology, education, and social affairs and health. New possibilities can be found e.g. from collaboration with design research and education. Businesses also contribute private funding or through other funding channels such as Tekes, the Finnish Funding Agency for Technology and Innovation..

There are a number of common challenges to implementation: individual actors need to be motivated and seek funding to specific actions, which includes significant administrative work and as there is a number of actors it is challenging to measure the impact of the policy. Yet, it is important that a broad number of actors are committed in the design policy and all generate actions together. This makes the policy work strong at a grass roots level.

IMPACT

Examples of concrete action include the Lapland Chamber of Commerce establishing a design committee to promote the design industry in Lapland, the City of Rovaniemi has established a Rovaniemi Design Week and will complete its design strategy work in April 2013 and the national Ministry of Economy and Employment has included "Arctic design" in the Arctic Development and Research policy.

The policy is currently focused on implementation and mobilizing funding for implementing the actions. The next phase is evaluating the impact and several actors are involved in implementing the programme - the innovation programme of the Lapland University Consortium, the Regional Council of Lapland, the Lapland Chamber of Commerce, and the Regional Organization of Enterprises in Lapland – will lead this initiative.

For more information visit: www.lapinmuotoiluohjelma.fi

Design Policy and Promotion Map

To get a global perspective on the growing number and increasing maturity of design policies and promotion programmes, this feature presents statements from design practitioners from three countries. Each interviewee provides an overview of developments in their country and outlines how design fits into various government strategies, in order to build a profile map of the state of affairs around the world.

DENMARK

Design has long been a strength in Denmark. Denmark's first design policy was launched in 1997 by the Ministry of Business and focused on three domains: design promotion in the private sector, encouraging public institutions to demand good design and strengthening design competences. This led to design being integrated into the policy 'Denmark in the Economy of Culture and Experience' in 2003 as well as the study the 'Economic Effects of Design'. The Economic Effects of Design research, leading to the Danish Design Ladder that categorises companies' use of design, was repeated in 2007 and 2010. In late 2005, the Government appointed the 'Commission for Danish Design Promotion', which in mid-2006 submitted 16 recommendations for strengthening design as a factor for economic growth. As a result in 2007, the Government produced the policy 'DesignDenmark' aspiring to raise Denmark to the 'international design elite'. The key challenges addressed by the policy were creating better market conditions for design, making design education more commercially orientated and promoting design internationally. The 'Danish Design2020 Committee' was appointed in autumn 2010 to articulate a vision for how design can contribute to productivity and innovation resulting in the vision that "in 2020, Denmark is known worldwide as the design society that, at all levels has integrated the use of design to improve the quality of people's lives, create economic value for businesses, and make the public sector more efficient".

As part of a new, more targeted business policy, in early 2012 the Danish Government decided to appoint eight "Growth Teams" with the task of giving specific recommendations to the Government on how to improve growth conditions within sectors, where Denmark has special strengths and potential - each growth team comprising people with special expertise within the sector in question. One of the teams established was the "Growth Team for Creative Industries · Design". In 2012, the team met five times, held two stakeholder consultation meetings and conducted numerous interviews and in November 2012 delivered their set of recommendations to the Danish Government. Following the recommendations from the growth team, the Danish Government in February 2013 launched an action plan for the creative industries and design. The 27 initiatives in the plan cover four focus areas: improving business skills and access to finance in the creative industries; ensuring more creative products and design solutions to reach the market; strengthening education and research for the creative industries and promoting Denmark as an international 'business growth hub' in architecture, fashion and design. As one of the initiatives, the state investment fund is expected to support financing of the creative industries with €26,8M in the next three years.

Rasmus Pedersen
Ministry of Business and Growth
www.evm.dk

Christina Melander
Danish Design Centre
www.ddc.dk

POLAND

The Regional Government of Silesia, the Marshall Office, have made design a cornerstone of the 'Regional Innovation Strategy of Silesia Voivodeship for the years 2013-2020' and through the implementation programme Design Silesia delivered in partnership with Castle Cieszyn. However, Castle Cieszyn and the Marshall Office have the ambition that design should form a key part of innovation policy across Poland. Through their participation in SEE, Castle Cieszyn organised two 'SEE Design Policy Workshops', one in Łódź and one in Katowice to gather insight from design stakeholders on the role of design in policy. As an outcome from the workshops, Castle Cieszyn has prepared a Polish Design Manifesto that was supported by 55 designers, entrepreneurs and policy-makers. Design Manifesto was launched on 1st February 2013, as part of Castle Cieszyn's eighth birthday. The Manifesto has six areas of activity to influence innovation policy in Poland: 1) competitive products and services, 2) innovative public sector, 3) research in design, 4) education and competences in design, 5) social innovation through design and 6) consistent promotion of design. In February, the Director, Ewa Gołębiowska, presented the manifesto to the President of Poland Mr Bronisław Komorowski, European Parliament Member Jan Olbrycht, Polish Parliament Member Aleksandra Trybuś, Minister of State in the Ministry of Culture Monika Smoleń, and President of the Polish Patent Office Alicja Adamczak. The most important task for the manifesto's authors is to generate interest in the issue of innovation through design among people who could have a real impact on the development and implementation of national innovation policy.

Ewa Gołębiowska and Anna Pilch
Castle Cieszyn
www.zamekcieszyn.pl/en/

Details of design policy and promotion programmes in more countries are available at www.seeplatform.eu.

TAIWAN

The Taiwan Design Center (TDC), established by the Government of Taiwan in 2003, is tasked with promoting the development of the cultural and creative industries as a mechanism for national competitiveness. TDC's main mission is to enhance the original creativity of Taiwanese designers, promote international design exchanges, upgrade the market competitiveness of Taiwanese industries, help enterprises build up their own brand and tell the world that the era of "Designed in Taiwan" has come. Through the 2011 International Design Alliance (IDA) Congress in Taipei, in which 3,000 designers from 60 countries and 1.36 million visitors participated, the TDC was able to not only raise the profile of Taiwanese design across the world but crucially in government. The Taipei City Government has acknowledged how design could make the city more liveable, recognizable, and competitive and has begun to cooperate with TDC to integrate design into more of its policy-making processes. For example, a series of design related activities and urban design scenes have been set up to support Taipei's bid for the 2016 World Design Capital in order to attract more resources for design to change the city. In 2012, the Taipei City Government began to actively bring its different departments together through meetings with 674 designers and experts, a survey of hundreds of international design case studies, 6 design workshops for 129 government officials and 20 designers to introduce design thinking to its operations. The approach was both bottom-up and top-down so that designers could get involved in urban planning. Furthermore, Taipei City has embedded design as a category in its public procurement procedures and enlarged the budget to over 30 billion New Taiwan dollars. Design promotion activities such as the IDA Congress, 2011 'Year of Design' and the first design museum in the greater Chinese region are proving a powerful force for improving understanding of the strategic value of design in industry, the general public, and government.

Chun-Yuan Chen
Managing Director
Taipei Design Center Duesseldorf GmbH
www.tdc.org.tw

Cheng-Chu Chiu-Wei, Ph.D.
International Design
Development Section
Taiwan Design Center

Restarting Britain 2: Design and Public Services, Design Commission Inquiry

Jocelyn Bailey, Associate Parliamentary Design and Innovation Group, London

Following an evidence gathering exercise, the UK Design Commission has published the findings of its second inquiry in the 'Restarting Britain' series on design and public services.

Over the last nine months the UK Design Commission – a self-appointed body of Parliamentarians and senior design industry figures – has been reviewing the state of play in the UK for using design in public services. On the 13th March 2013, the week before the Chancellor's spring budget announcement, in which yet more fiscal doom is expected, the inquiry's final report was presented to a buzzing room of designers and civil servants in the Palace of Westminster.

Its co-chairs, Baroness Denise Kingsmill, Labour member of the House of Lords, and Barry Quirk, CEO of Lewisham Council, both gave animated speeches, calling for a new wave of 'design evangelists' to step forward and push for more design practice in government. So far their call, and the report, seems to have been very positively received by the design sector and by those in government with an interest in the field. The jury is still out on its take-up more widely across government and its reception by ministers – a key audience we will pursue over the coming months.

As the name suggests, this was the second report in the Commission's 'Restarting Britain' series. The first (reported on in SEE Bulletin 7) looked at the link between the design education system and economic growth in the UK. This was partly as a reaction to proposed changes to the education system which would have adversely affected design at all levels. The report articulated to government the reasons it should think carefully about making changes which would risk cutting off the design supply chain.

This second report has its roots in a more positive agenda. The Commission wanted to position design, again to government, as a source of aid in dealing with the dual public service challenge of ever-reducing budgets and ever-increasing demand.

The UK Design Commission seeks to position design, again to government, as a source of aid in dealing with the dual public service challenge of ever-reducing budgets and ever-increasing demand.

For anyone with a designerly frame of mind, it should be obvious that the standard way of making policy decisions in government is doomed to failure. The traditional policy-making process is like a checklist of how not to solve a complex problem: decide your strategy based on very little knowledge of the user group and only patchy agreement of the actual problem, assemble a range of policy options based on things that have been tried previously, pick one on the basis of cost and what will cause the least disruption to existing institutional structures, launch it publicly and loudly

Baroness Denise Kingsmill launches the Design and Public Services Inquiry findings, March 2013

UK Design Commission inquiry: Restarting Britain 2 Design and Public Services

without really testing it, and when it becomes manifest that it isn't working and it really isn't possible to carry on regardless, sack the person in charge. Admittedly, this is perhaps a little harsh… But it is not a million miles from the truth, and in this light it is not hard to see how some designerly rigour might improve things.

In the context of local government, the problem is even more acute. It is local government that handles most interfaces with the general public, and where the money gets spent. This makes for more tangible design problems. Many council services are labouring with, as Barry Quirk characterises it, '21st century needs shoehorned into 19th century designs. Lewisham's libraries are full of people using the internet.' Design can be equally useful in this context, not only in rethinking the nature of the problem and solution, but also in engaging citizens in the change process.

Thus a small steering group under the direction of Barry and Denise Kingsmill was tasked with evidence gathering. Although all members of the steering group were natural design sympathisers, if not actually designers, we tried not to prejudge our findings. We followed a truly investigative process, which saw us interviewing a range of 'witnesses' in the autumn of 2012: both sceptics and believers, from central and local government, from think tanks, design agencies and academia. On each occasion the conversation began with the same question: 'how can good design practice be put at the heart of government?'

Through these conversations we discovered several key things.

First, there are many people in local government struggling to do a good job with diminishing resources, and most have no time to think laterally about the services their council provides and how they might be reconfigured. For this reason, if no other, we were determined to produce something that would be of practical help to this generation of over-stretched government employees. In design terms, we had identified a key group of users.

Secondly, across all levels of government there is confusion about what design is, what it can do, and who can do it. This is not simply because those in government are 'ignorant' about design. The sector itself has been complicit in creating this confusion, albeit probably entirely unintentionally. It is both a strength and weakness of designers that they often talk in terms of possibilities rather than limiting themselves to cruel realities – which can sometimes sound to embattled public sector ears like over-claiming. That, then, was our second challenge. Rather than describing design as the 'magic pill' or 'added spice' or 'agent of change' that the public sector needs, we knew we had to be clear about what is meant by design in this context, who is professionally equipped to do it, what skills those people might have, which problems might be ripe for some design thinking (and which not), and under what circumstances non-designers might – with a little bit of training – be able to use some of these processes and tools themselves. We also knew that, without airing the industry's dirty laundry in public, we had to reflect critically on the practices of the design industry, and identify room for improvement where needed.

How can we make design practice systemic? How might it come to be accepted as part of the range of tools that civil servants are expected to wield? How can we bring design into the canon of public service theory and thinking?

Third, whilst we spent a good couple of months identifying all the defects in the design landscape and all the reasons why the public sector has been slow to use design to improve its offering – all necessary work to understand the barriers to good design practice – during this time we also came across plenty of good examples of people applying design thinking or methods and producing positive results. Some were unqualified successes, but often we saw interesting experiments that seemed to work but (for reasons we then tried to find out) went no further – didn't scale or weren't fully accepted by the organisation. In all cases, we also consistently asked: how did this project come to be? What was the critical pathway that led to this design work happening? More often than not, the conception of the project was accidental – and therefore tricky to repeat. So we had found our third challenge: how can we make design practice systemic? How might it come to be accepted as part of the range of tools that civil servants are expected to wield? How can we bring design into the canon of public service theory and thinking?

The report we produced is our response to these three challenges. Part-polemic, part-handbook, we have set out why design is an essential skillset for governing, and what steps those working in government can take to increase their own, and their organisation's, design capacity.

For more information and to download the report visit: http://www.policyconnect.org.uk/apdig/redesigning-public-services-inquiry-report

Design for Public Good – a report for the European Commission

Bel Reed, Design Council, London

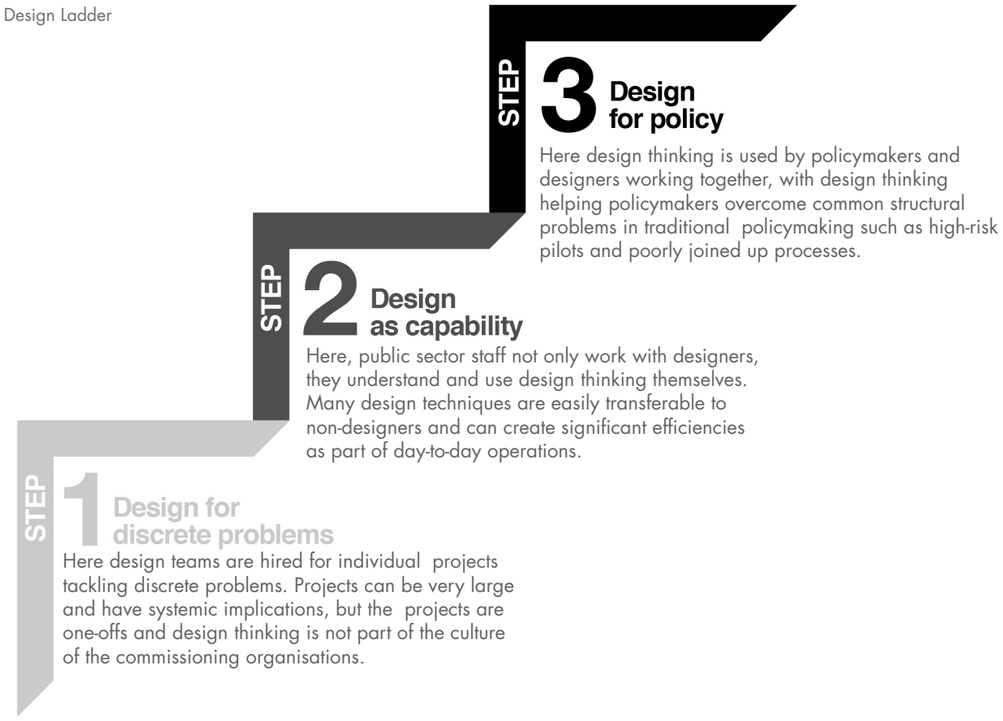
At the end of April 2013, the SEE Platform published the 'Design for Public Good' report, a collection of 12 case studies and tools to enhance the understanding of design for public sector innovation and facilitate the integration of its methods into mainstream practice. The report is a collaborative project between the Design Council, Danish Design Centre, Aalto University and Design Wales. The partners put forward the concept of a public sector design ladder to assess how public authorities use design, whether for discrete problems, as a capability or for policy-making as well as four case studies of evaluation design initiatives.

We are at a critical point for governments and citizens across Europe. Public officials in local and national government are confronting a number of paradoxes – the need to innovate with fewer resources, provide more personalised services on a larger scale and deliver greater transparency in decision-making. To address these challenges new modes of problem solving are required.

Design for Public Good is the culmination of research on best practice design-led innovation for the public sector and presents a new framework, accompanied by a series of international case studies and set of design tools, for understanding the role of design in this context. The aim of the report is to enhance understanding of design for public-sector innovation and facilitate the integration of design into mainstream practice.

Authored by four SEE platform partners – the Design Council, the Danish Design Centre, Design Wales and Aalto University – the report comes out of the European Commission's *European Design Innovation Initiative*. In 2011, the Commission publicly recognised the role of design in supporting and driving the European innovation system. In 2013, the Commission will build on this by announcing a new Action Plan for Design-Driven Innovation. It is intended the Action Plan set out a series of initiatives to accelerate the take-up of design in innovation policies at European, national and regional levels, and will recognise that in addition to being a tool for growth, design methodologies can be instrumental in strategic policy decision making processes when addressing complex and systemic challenges. We hope that *Design for Public Good* will provide inspiration to those looking to respond to the Action Plan and further use of strategic and service design to drive public sector renewal.

Public Sector Design Ladder



At a recent Design Council event in London, *Responsive State – public innovation by design*, we looked at how the application of design methodologies for this wider benefit is increasing rapidly – with countries such as New Zealand, Australia, South Korea and Singapore all adopting design-led innovation to drive public-sector renewal and solve societal challenges. Although the case studies presented in the report focus on Europe, the international context is key. In a progressively global economy, EU member states will rely on knowledge, quality and sophistication to drive growth. It is becoming apparent that technological innovation and incremental adaptation of public services will no longer suffice. To be truly competitive European member states will have to instigate new approaches to innovation in both public and private spheres – and ensure we close the divide between the advanced regions and those lagging behind in applying design-driven innovation.

In *Design for Public Good* the SEE Platform authors argue that service design and the strategic use of design thinking will be key in delivering a sustainable public sector that does not just survive, but flourishes. We believe design thinking can do this because it offers a highly effective methodology for squaring the circle between cost savings and connecting with citizens – at all levels of government, from service delivery to policy making.

No longer just an add-on, design has evolved into a full-spectrum, fully joined-up innovation process. There is increasing understanding in the private sector of the enormous value this adds, even in areas such as services not traditionally seen as the preserve of design. Likewise, and for similar reasons, it is increasingly clear in the public sector that design thinking is the way to overcome common structural flaws in service provision and policymaking:

- Design-led innovation is a joined-up process, with no inefficient handover from analysis to solution to implementation.
- Rather than disjointedly patching together incremental solutions to problems as they arise, design thinking starts by understanding needs in order to ensure solutions are appropriate and waste is avoided.
- Design approaches engage users in order to understand their needs, beyond the usual approach of surveys and focus groups, design methods enable policy makers to tap into unspoken motivations through observation techniques and ensure buy-in when new measures are enacted by engaging users in co-creation approaches.
- Rather than jumping straight to expensive and risky pilots, design process tests iteratively, starting with low-cost, simple prototypes, uncovering unforeseen and unintended consequences and designing out risk as prototypes become more evolved.

- Silo structures are a perennial problem in government. While the structural factors that cause this may be stubborn, design methods offer uniquely effective ways of understanding which departments are relevant to a problem and engaging multidisciplinary teams in collaborations.

A NEW FRAMEWORK

The report outlines a series of case studies such as the Danish government's Mindlab unit and the Design Council's *Reducing violence and aggression in A&E* project, which illustrate how a design-led approach can tackle service delivery and policy implementation problems.

These case studies are categorised according to the Public-Sector Design Ladder, a new framework that can be used as a diagnostic tool and roadmap for progression to move the public sector from disjointed incrementalism to systemic innovation.

The report is available from the SEE website at: www.seeplatform.eu/publications

SME Wallet, Flanders, Belgium

The SME Wallet is a business support programme launched in 2002 and delivered by Enterprise Flanders. It enables small and medium-sized companies in Flanders to obtain subsidies of between €100 and €25,000 for training, advice, technology watch, advice on internationalization, coaching and strategic advice. In 2009, design became an eligible cost and between 2009 and 2012, 134 design projects were subsidised amounting to €282,627.40. In 2013, design management has become an eligible cost under strategic advice meaning that companies can access a maximum of €25,000 for design management expertise.

The SME-wallet is a web application through which small and medium sized enterprises (SMEs) with operational headquarters in Flanders can obtain subsidies. Only enterprises with an acceptable legal form (for example, non-profit organizations are excluded) and an activity in the accepted NACE code range can apply for aid. The support can be obtained when purchasing external services provided by approved suppliers under six pillars: training, advice, technology watch, advice on internationalisation, strategic advice and coaching. 34 designers are approved as recognised service supplier for the advice pillar. The minimum acceptable project cost is €100 in the training pillar, €500 for advice or advice on internationalisation, €1,000 for the technology watch and €500 for coaching. In case of a subsidy application for strategic advice, the minimum project amount is €7,500.

The aid percentages and aid upper limits:

	Training	Advice	Technology watch	Advice on Internation-alisation	Strategic Advice	Coaching
Aid %	50%	50%	75%	50%	50%	50%
Upper limit per pillar	€ 2,500	€ 2,500	€ 10,000	€ 5,000	€ 25,000	€ 25,000
Max per period	€ 15,000				€ 25,000	
Period	One year					

Aid can be obtained for the following six pillars:

Training:
Training programmes for managers and employees, with the aim of improving the current or future operation of the enterprise. Legally obligatory training programmes are also eligible.

Advice:
A bespoke analysis by a consultant of a specific challenge including written recommendations and an implementation plan. Legally obligatory and periodical advisory opinions are excluded from aid. Services regarding subsidies, guidance and the implementation itself are not eligible either.

Technology watch:
A study providing an answer to a specific technological problem with regard to a product, process or service, tailor-made for the SME.

Advice on internationalisation:
Written, specific, efficient suggestions, studies, plans and recommendations with regard to internationalisation.

Coaching
Coaching is a relatively new pillar, introduced in 2013. With the pillar coaching support will be given for coaching within specific policy-relevant challenges in SMEs. Initially support will only be possible for coaching in the context of business transfer or coaching programs requested by potential growth companies.

Strategic advice:
Advice related to the transformation of the entire company. There are eight types of strategic advice:

1. A feasibility study
2. A re-launch plan for Enterprises at risk of difficulties.
3. An action plan to prepare for the business transfer to new management
4. Strategy determination
5. Strategic advice on energy efficiency within an SME
6. Strategic advice related to environmental issues within an SME
7. Strategic advice for potential growth companies
8. A design management plan: the development of a new design strategy for the entire organisation of the SME

APPLICATION PROCESS

The application process involves a number of steps. First, you must register your company on the website in advance including registering as trustee of the enterprise by means of your electronic identity card. Consequently, you can search for suppliers and conclude an agreement with a service provider. You must submit the subsidy application within 14 days from when the service starts. It is the service provider that confirms the application. It is the service provider's responsibility to investigate whether the service is eligible and if the application is submitted on time. When the application is confirmed by the service provider, the enterprise must pay its own contribution in full to the electronic portfolio, within 30 days. For example: The accepted training costs amount to €10,000, exclusive of VAT and the company must pay €2,500 in the portfolio, the government adds €2,500 (the aid limit for training) and the remaining part of € 5,000 (+ VAT) is paid directly by the company to the service provider. Applications are automatically accepted, random check-ups post implementation verify that the service was eligible.

SME E-Wallet application and payment procedure

DESIGN IN THE SME WALLET

Design has been an eligible cost in the SME Wallet since 2009. From 2009 to 2012, 134 design projects were subsidised where approved designers gave advice to companies with subsidies totalling €282,627.40.

Year	Projects	Subsidy paid
2009	22	€ 89,297.62
2010	36	€ 65,409.38
2011	45	€ 65,409.38
2012	29	€ 65,409.38
Subtotal:	134	€ 65,409.38

In spring 2013, design management was introduced as an eligible cost as part of 'strategic advice' by the Flemish Minister-President and Minister of economic affairs, Kris Peeters. Design management has been recognised by policy-makers as tool for companies to support the uptake and integration of design as a strategic tool for growth. This is a result of SEE and the ERDF project 'Strategical Enterpreneurship'. Now companies can access a minimum subsidy of €7,500 and a maximum of €25,000 for design management expertise. Smaller projects can also be subsidised and the threshold for strategic advice will be reduced. The aim of including design management in the strategic advice pillar is to encourage companies to integrate the design expertise throughout their company.

EXAMPLE

LINUM EUROPE NV is a Belgian company with headquarters in Flanders and offices in the Netherlands, Northern France and Germany. The family-owned company have been active for nearly three decades in the development and sales of high-quality professional products and accessories for commercial and industrial refrigeration, cold insulation, and equipment for food preparation, hotels, catering and shop-fitting sectors. The LINUM EUROPE group currently has a team of 60 staff.

In 2009, the Pilipili design agency advised the company on knockdown table legs for stainless steel working counters in industrial kitchens. The innovative plastic connection pieces resulted in a patent. A subsidy of €5,000 was granted through the SME Wallet.

In the same year, the Pilipili design agency gave strategic design advice to LINUM EUROPE NV and researched the possibilities of new products and new markets. As a result of this cooperation, LINUM EUROPE NV was able to expand its product range to offer customers a more complete range. For example, stainless steel bread racks with integrated LED lighting for use in bakeries, along with the development of the knockdown table legs and a range of serving trays. A subsidy of €24,570 was granted for this strategic advice through the SME Wallet. This subsidy has been of considerable assistance in enabling the company to take further steps towards greater investments. Currently the prototype phase has been completed and the newly-developed products are being offered as a standard product. The first installations have already led to a growth curve.

For more information visit: www.kmo-portefeuille.be www.agentschapondernemen.be

With thanks to Helga Willems and Ingrid Vandenhoudt, Design Flanders

A Design Action Plan for Europe?

In October 2010, design formally became a priority for innovation in Europe as part of the policy 'Innovation Union'. As a consequence, in early 2011, the European Commission selected the European Design Leadership Board[1] tasked with making recommendations to better integrate design into innovation policy, which launched its report 'Design for Growth and Prosperity' with 21 recommendations in September 2012. The Commission is now embarking on a process of developing an 'Action Plan for Design' and in February 2013, a consultation session took place with 40 stakeholders.

On 6 February 2013, at the stakeholder meeting on the 'Action Plan for Design in Innovation Policy', the European Commission articulated design as a strategic means of encouraging innovation. Commission representatives from the Innovation for Growth Unit at the Directoratate General for Enterprise and Industry stated that the aim of the Action Plan is to accelerate the take-up of design in innovation policies at European, national and regional levels and to promote the increased use of design in European industry as well as in the public sector to promote value creation, competitiveness and resource efficiency. The Commission's motivations for integrating design in innovation policy have three dimensions:

- **in the business sector, design plays a key role as an intangible asset for value creation and improving market potential** – transforming ideas, concepts and prototypes into viable business propositions, often with radical design-driven innovation of meanings;
- **in the public sector, design is contributing to user-centred and cost-efficient services** – using design methodologies and tools to renew public services and administration to meet the needs of the 21st century;
- **in decision-making processes, strategic use of design offers innovative solutions in solving complex issues** – translating data to knowledge by visualising the "architecture" of complex issues.

A key reflection in the stakeholder meeting by policy-makers was the need to understand the impact of design. Design came under scrutiny for not being evidence-based. There is an imperative to support design policy development through access to information on the economic impact of design and other intangible assets in value creation and to create a comprehensive picture on the investment in design across Europe.

It is envisaged that the Action Plan would focus on three strategic areas: 1) promoting the understanding of design's impact in innovation, 2) promoting design-driven innovation in industries to strengthen Europe's competitiveness and 3) promoting the increased adoption of design to drive renewal in public sector. The Action Plan will be the first tier of actions. The Commission has reiterated its committed to all 21 proposals but the three priorities reflect the present situation. The Action Plan is a framework - to be completed with more actions at later stages. The initial proposal for the Action Plan will be refined in accordance with the insight from stakeholders and disseminated to the participants for further comments. The Commission intends to announce the Action Plan together with the launch of the second call for European Design Innovation Initiative projects in spring 2013.

With thanks to Kaire Sõmer, Estonian Design Centre.

[1] http://ec.europa.eu/enterprise/policies/innovation/policy/design-creativity/edii_en.htm

Editors: Anna Whicher & Gavin Cawood
Design: Malin Flynn

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

To receive or unsubscribe to SEE bulletins please email: info@seeplatform.eu

Design Wales
Cardiff Metropolitan University
Western Avenue, Cardiff
CF5 2YB, UK
email: info@seeplatform.eu

www.seeplatform.eu
www.designwales.org

9 772044 322004

WORLD LAND TRUST™

The SEE bulletin is printed alcohol free using vegetable based inks on 100% recycled paper made from post consumer waste.