

## **The Practical Power of Design**

The Design Council's Corporate Plan 2004-07

## **Design Council: a history of achievement**

**1944:** established as the Council of Industrial Design to expand British exports through improved design standards.

**1954:** worked closely with UK manufacturers to prepare for the opening of Britain's first national Design Centre in the Haymarket, London

**1964:** central to an emerging popular debate about design with a campaign of public engagement through publications and exhibitions

**1974:** pioneered a closer relationship between industrial design and engineering

**1984:** advanced design in schools and acted as an arbiter of consumer taste with a high-profile retail store and product kitemark scheme

**1994:** relaunched to address the demands of international competitiveness with such ground-breaking initiatives as Millennium Products

**2004:** a new corporate plan to demonstrate the practical power of design.

Now read on...

## Contents

- 1 Introducing our plan
- 2 Context for design
- 3 Obstacles for the economy
- 4 Responding to the challenge
- 5 Mechanisms for change
- 6 Corporate plan summary
- 7 Measuring our impact
- 8 What it will cost
- 9 Summary organisational structure

# 1 Introducing our plan

Every economy in the developed world depends on design to make a difference to national performance and prosperity.

Over the six decades since the Design Council was set up, in the final days of World War Two, design has emerged across the world as a core strategic component in business and a vital contributor to quality of life.

- As international business markets have been radically transformed by unprecedented competition and pressure to innovate and meet the productivity challenge, so design has emerged as the key differentiator in an era of rapid change and rising global brands.
- As public services have come under increasing pressure due to social and demographic change, so politicians and public service providers have looked to design to find smarter, more sustainable solutions for planning and delivery.
- And as the economy has relied more and more on creativity, knowledge and technology rather than plant and equipment, so national design expertise has assumed a growing importance in all aspects of economic and social improvement.

For a modern Britain committed to strengthening its business and industrial base and renewing its public services, the role of design is essential to the process of generating the new ideas and ways of doing things that will improve all our lives. As the UK's national authority on design, the Design Council has developed a new programme to improve business performance and enhance public services through a demonstration of the practical power of design, and to maximise the potential of the UK's design industry to contribute to national objectives.

This Corporate Plan sets out our new programme - the challenges we face and how we intend to address them. It describes the new delivery mechanisms we will introduce in a reshaped organisation, the measures we will use to assess the impact of our work over time, and the costs of implementing the plan.

*"Design is not incidental to industry, it is absolutely integral....In the new economy, where raw materials and capital can be bought from anywhere at any time, national economic prosperity will definitely depend on our skills, creativity and ideas."* Rt Hon Gordon Brown MP, Chancellor of the Exchequer, 20 October 1999

## 2 Context for design

Design has a critical role to play in increasing our economic prosperity, enhancing our quality of life and making the most of our creativity as a nation.

### **Our economic prosperity depends upon business innovation which is unlocked by design**

Design has a key role to play within the business innovation process. According to the Design Council's National Survey of Firms 2003, 68% of rapidly growing companies in the UK say design and innovation have contributed to increasing their turnover to a fair/great extent, compared with only 9% of static companies.

*"One of the most potent sources of innovation is design. Design can play a catalytic role in the development process, bringing together all aspects of a business from research, through production, sales and marketing."* Lord Sainsbury of Turville, Parliamentary Under-Secretary of State for Science and Innovation, April 2003

### **Our quality of life depends upon public services that are enhanced through design**

Public services are undergoing a major programme of modernisation and have enormous spending power – their combined expenditure on goods and services was £122 billion in 2002-03. Design can play a part in ensuring that this expenditure helps to meet user needs and support appropriate solutions to complex problems.

*"It is not our tax and fiscal positions which are holding us back as a nation. It is productivity and the state of our public services."* Rt Hon Tony Blair, Prime Minister, 2001

### **The design sector is a major contributor to economic and social development**

Design not only supports key economic and social objectives but the professional design consulting sector comprises internationally active businesses which bring in vital revenues to the UK. The design sector had a turnover of £5.9bn in 2001-02 and employed 67,000 people – and overseas fee income increased by 40% in 2002 to £1.2 bn as organisations all over the world sought British design expertise.

*"We are fortunate to have an abundance of talent, which is sought after around the world. The challenge is to harness that creative energy and bring it close to the decision-making process. Only in that way can we raise standards and genuinely encourage innovation".* Lord Foster, House of Lords debate, January 2003

### 3 Obstacles for the economy

Design Council research consistently shows that design can improve business performance and enhance public services. The UK design sector has demonstrated its value as a vital component of a modern economy and a cohesive society.

Despite Britain's long history of achievement in design, there is still considerable scope to raise our game within the world context. The Chief Executive's Review of the work of the Design Council identified a number of obstacles as constraints to economic and social improvement in Britain.

#### **Within business:**

- design skills and methodologies are under-utilised in the process of commercialising new science and technology
- design is not sufficiently valued as a core strategic business discipline within management teaching, advice and practice
- UK companies and business advisors lack exposure to international examples of best practice in design

*"We cannot compete on the basis of low cost, low skill, low margin goods and we should not want to. Our response to even faster change and even greater competition cannot be protectionism. It has to be innovation."* Rt Hon Patricia Hewitt MP, Trade & Industry Secretary, February 2003

#### **Within public services:**

- public procurement policy does not fully exploit the added value of good design practice
- public sector managers are not provided with the opportunity to transform public services through design
- Government does not lead by example in exploiting design as a strategic process across its own departments

*"Design skills and design thinking have a central role to play in transforming our public services. Design offers creative innovation and a new perspective on persistent problems. If public services are to be valued by the public, they must be redesigned around the needs of the users—the pupils, parents, patients and passengers."* Lord Pendry, House of Lords debate, January 2003

#### **Within the design sector:**

- a fragmented infrastructure in the sector undermines design influence across UK industry, education and government
- current education practice creates barriers between design and other business and organisational disciplines
- there is an under-developed public awareness of what design can deliver

*"Design - whether one talks of functionality or style, of product or service - has consistently been a national strength, even if at times we have been slow to exploit it."* George Cox, Director General, Institute of Directors, July 2000

## 4 Responding to the challenge

In order to overcome the obstacles to the effective use of design that currently constrain economic and social improvement in Britain, the Design Council needs to address a number of key challenges:

### **In business, we must:**

- demonstrate design's strategic role within business processes and the commercialisation of new science with robust and inspiring first-hand evidence
- develop, support and influence national programmes which support UK managers seeking to use design to transform their businesses
- connect business advisors, front-line managers, and educators with international best practice in design

### **In public services, we must:**

- create new models of public procurement in which the value of design is a key element
- demonstrate, through practical interventions, the role of design in modernising public services
- influence opinion-formers in key Government departments and agencies to encourage strategic design thinking and applications

### **In the design sector, we must:**

- help to strengthen design sector infrastructure in relation to training, representation and education
- facilitate stronger educational links between design and other business and organisational disciplines
- initiate a public engagement programme which promotes the practical power of design

These priorities point to a Design Council with a more focused agenda, enhanced delivery mechanisms, a stronger campaigning profile - and a reinvigorated purpose:

**To improve prosperity and well-being in the UK by inspiring and enabling the best use of design**

## 5 Mechanisms for change

Overcoming the obstacles that currently impede the effective use of design in Britain demands the creation of new delivery mechanisms by the Design Council that are capable of achieving practical, transformative change in business, public services and design.

To achieve this change, the Design Council will put in place a dynamic programme of **Campaigns**.

These Campaigns will be amplified nationally by three further mechanisms:

- **research and development (RED)**
- **information and support (Design Solutions)**
- **public engagement. (UK Design Biennial)**

We will focus these mechanisms on three critical audience groups:

- One - **intermediaries** in business, government, design and education who can help us reach and influence front line managers.
- Two - **frontline managers** in business and public services; designers and educators at all levels.
- Three - the **general public**.

## Campaigns

The Design Council has pioneered a demonstration process that introduces professional design expertise at a strategic level within organisations. This technique will be extended into a programme of tightly-focused Campaigns aimed at target sectors in business, public services and design education. The purpose will be to accelerate innovation and business transformation.

Each closely monitored Campaign is chosen to reflect current national priorities and will run for three to five years over three distinct phases:

- **Investigate:** to provide compelling evidence from high-quality design demonstrations that deliver tangible benefits to small groups of selected organisations within a given sector.
- **Engage:** to use that evidence to create change in a wider target sample within that sector through the piloting of practical programmes and the imaginative communication of findings across management, design and education.
- **Transfer:** to multiply this impact across the entire sector through the creation of self-sustaining models in which intermediaries will take a lead in delivering training programmes, business support and knowledge.

Design Council Campaigns will work to achieve sector specific targets as well as address broader priority themes including strategies on sustainability, partnership and international best practice.

Technology	Manufacturing	Design Skills	Learning	Health*	Services*
Purpose: to connect technology to market needs by encouraging a more strategic use of design in the commercialisation of new science and technology by early-stage businesses.	Purpose: to improve manufacturing innovation and productivity by enabling senior managers in UK companies to use design more strategically within their business.	Purpose: to support design education, establish links with professional practice and to increase students' skills and understanding of the context for design and its strategic role.	Purpose: to challenge those involved in the design, planning and resourcing of Britain's schools to provide innovative and effective learning environments.	Purpose: to use design to deliver user-centred services, products and systems that enable people to understand, manage and improve their health.	Purpose: to improve the effectiveness of UK service companies through the use of design
Sustainability					
Partnerships					
International best practice					

\* these programmes are in development

## **Amplifying the Campaigns**

### **Research & Development (RED)**

The Design Council has recently completed policy work with a number of government bodies including the Home Office and the Department of Health on subjects ranging from design's role in fighting crime to improving patient safety in hospitals.

We will further develop this pro-active policy stance in order to transfer applicable knowledge from Design Council Campaigns to opinion-formers and policy-makers, as well as support government in taking a design leadership role across its span of activities.

A new unit will be established supported by an independent group of Design Council Associates. These will be world-leading thinkers and doers, who will assist the Design Council in investigating topical issues of national importance.

By adopting a more proactive role in policy development, the Design Council will reinforce the impact of its current work, identify future Campaigns and refine the UK's ability to look at current economic and social issues through a design lens.

### **Information and Support (Design Solutions)**

In collaboration with Regional Development Agencies, Business Links and the private sector, the Design Council has been developing a range of design resources for commercial and public sector intermediaries.

These activities will be enhanced in order to widen access to high quality design knowledge and strengthen connections between leading institutions in design, industry and education.

A comprehensive information and research function will be developed in order to augment Design Council data with knowledge from leading international centres of excellence. Research will include a FTSE Design Index that tracks the performance of publicly-quoted companies that use design effectively.

Information solutions will be largely web-based but supported by training and outreach work enabling key business and design intermediaries to access and offer advice. This will include a carefully validated database of professional design expertise in the UK, with advice on how to brief, select and evaluate a designer.

**Public Engagement (UK Design Biennial)**

A new emphasis will be placed on public engagement through a major biennial hosted in UK cities that are epicentres of regional economies. This programme of events will disseminate findings from our Campaigns, showcase the best of current design thinking and create a series of popular initiatives designed to be inspiring and participative.

Based on the idea that design is all around us, each city intervention will creatively highlight design stories across the urban landscape, from retailing to transport interchanges. This approach will be supported by business, public sector, design and educational activities set up around the main event, celebrating British ingenuity and creativity whilst introducing best practice from around the world.

The aim will be to drive up informed public awareness and demand for design, support local design infrastructures which can be a magnet for fast-growing, value added industry and strengthen regional economies.

## 6 Corporate plan summary

The Context for design	Business Our economic prosperity depends upon business innovation which is unlocked by design	Public Sector Our quality of life depends upon public services that are enhanced through design	Design Public Sector and business advisors lack exposure to international examples of best practice in design. The design sector is a major contributor to economic and social development
The Obstacles for the economy	Design skills and methodologies are under-utilised in the process of commercialising new science and technology	Design is not sufficiently valued as a core strategic business discipline within management teaching, advice and practice	UK companies and business advisors lack exposure to international examples of best practice in design
Responding to the challenge	Demonstrate design's strategic role within business processes and the commercialisation of new science with robust and inspiring first-hand evidence	Develop, support and influence national programmes which support UK managers seeking to use design to transform their businesses	Connect business advisors, front-line managers, and educators with international best practice in design
Mechanism/Activity	<div style="border: 1px solid black; padding: 5px;">                     Design Campaign: Technology                      Design Campaign: Manufacturing                      Design Campaign: Services                 </div>	<div style="border: 1px solid black; padding: 5px;">                     Design Campaign: Health                      Design Campaign: Learning                 </div>	<div style="border: 1px solid black; padding: 5px;">                     Design Campaign: Skills                 </div>

Research & Development  
Information & Support  
Public Engagement

## 7 Measuring our impact

The Design Council will measure organisational transformation in two ways:

- By the impact of our work on the performance of the individual organisations with which we work directly. These targets will be established at the beginning of each Campaign and measured during the evaluation phase.
- By the impact of our work on the sectors that we target through the transfer of our knowledge. These targets are detailed below and will be quantified after establishing an appropriate baseline.

We have shown that there is a strong positive correlation between the degree to which organisations value design and their performance. By measuring the change in the degree to which organisations value design we can also make an assessment of the likely impact that design will have on their performance and, by extension, the performance of the sector in which they operate.

	<b>Response to the challenge</b>	<b>Short term impact measure (over which we have direct influence)</b>	<b>Long term impact measure (over which we have indirect influence)</b>
Business	Demonstrate design's strategic role within business innovation and the commercialisation of new technology with robust and inspiring first-hand evidence	Design skills and methodologies are valued more highly by the companies with which we work directly	Increase the performance of the companies with which we work directly
	Develop, support and influence practical and nationally accessible programmes which assist UK managers seeking to transform their businesses by design	Design is valued more highly by business managers in the sectors that we target	Increase the degree by which the target sectors value design
	Connect business advisors, front-line managers, and educators with the best and latest design examples and methodologies that reflect international best practice	International design best practice is valued more highly by our target audience	Increase the degree to which the target sectors value international design best practice
Public services	Create new models of public procurement in which the value of design is a key element	Design is valued more highly as a criterion for procurement within target public service organisations	Greater value for money is achieved within target public service sectors
	Demonstrate, through practical interventions, the role of design in modernising public services	Design skills and methodologies are valued more highly by the public service organisations with which we work directly	Increase the performance of the public service organisations with which we work directly
	Influence opinion-formers in key Government departments and agencies to encourage strategic design thinking and applications	Design is valued more highly by opinion formers in the public services that we target	Government provides clear and specific guidance on the use of design within target departments.
Design Sector	Help to strengthen design sector infrastructure around training, representation and education	Design sector achieves more coherent and cohesive representation.	Design sector is valued more highly by users
	Facilitate stronger educational links between design and other business and organisational disciplines	Design is valued more highly by educationalists and institutions with whom we work directly	Students within target sectors are more aware of the value of design
	Initiate a public engagement programme which promotes the practical power of design	Design is valued more highly by partners in the public engagement programme	Increase in the perceived value of design by the public

NB: Performance here refers to an appropriate basket of indicators that reflect rate of growth and may include turnover, competitiveness, sales growth, effectiveness, value for money or fitness for purpose.

## 8 What it will cost

To achieve the targets outlined above we will need to increase the scale of our activities and restructure the organisation so as better to deliver our new approach.

These plans are based upon an annual grant of £6.5m per year in core funding from the DTI. However, this is insufficient to deliver successfully the increased range of activities; in order to ensure that our work has real impact we intend to lever additional funding from elsewhere.

We will increase the amount of money generated from additional sources that contributes directly and indirectly to our work. As we demonstrate the value of design in helping other Government Departments achieve their objectives, we will raise funding for our project work and that of our partners, and this will be a further measure of our success.

Similarly we will generate additional income from commercial sources as we enter partnerships with the private sector. By 2007, we aim to generate over 30% of our income from sources other than our core grant.

We will keep tight control of our costs and limit overheads to less than 30% of expenditure. We intend that by 2006-07, the proportion of total expenditure spent on overheads will reduce by more than 10% compared to 2003-04.

## Summary Budget 2004-07

£,000s		2004-05	2005-06	2006-07
		Budget	Forecast	Forecast
<b>INCOME</b>				
	Grant in Aid	6,705	6,470	6,470
	External funding	2,563	3,250	4,000
<b>TOTAL INCOME</b>		<b>9,268</b>	<b>9,720</b>	<b>10,470</b>
<b>EXPENDITURE</b>				
Direct costs				
	Direct Staff Salaries	1,491	1,551	1,613
	Programme costs	3,664	3,847	4,232
<b>Total direct costs</b>		<b>5,155</b>	<b>5,398</b>	<b>5,845</b>
Indirect costs				
	Corporate Support: I&S	348	358	381
	Corporate Support: Media	1,178	1,300	1,500
	Corporate Support: Planning	2,587	2,665	2,745
<b>Total indirect costs</b>		<b>4,113</b>	<b>4,323</b>	<b>4,626</b>
<b>TOTAL EXPENDITURE</b>		<b>9,268</b>	<b>9,720</b>	<b>10,470</b>
GiA as % of total income		72%	67%	62%
Overhead as % of total expenditure		28%	27%	26%

## 9 Summary Organisational Structure

In order to inspire and enable the best use of design, the Design Council must itself be an exemplar of good design practice. To this end, and in all that we do, we aim to:

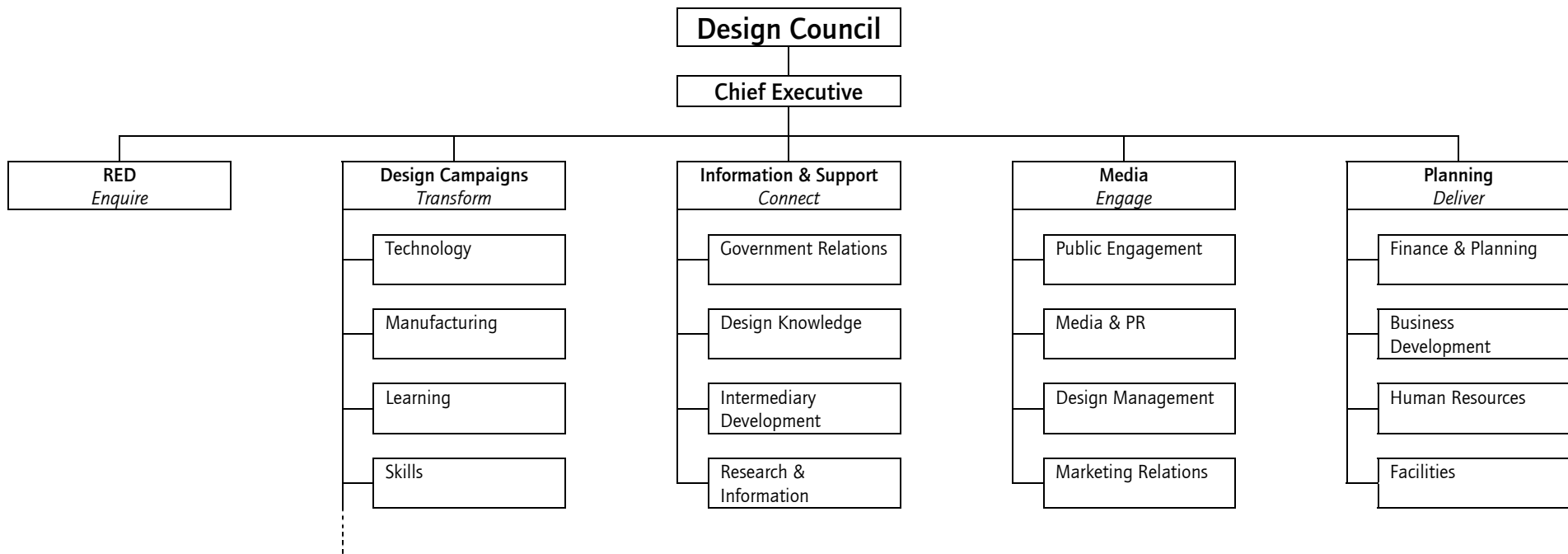
**Pursue excellence in our people, processes and premise**

Our values

**Making a Difference   Humanity   Relevance   Cogency   Possibility**

As an organisation and as a group of individuals, we will ask ourselves:

- Will it make a difference?
- Is it challenging and rewarding?
- Does it meet the needs of our audiences?
- Is our argument strong, clear and compelling?
- Is there a better way to do it?



**Purpose**

To define internal policy and shape external policy through practical programmes of enquiry that place current social and economic problems under the design lens

**Key responsibilities**

- Direct practical interventions (rapid turnarounds) which inspire government and industry policy-makers with new strategic design solutions to their problems
- Transfer applicable knowledge from Campaigns to external policy makers
- Research, develop and set up future Design Council Campaigns
- Support government in adopting a design leadership role
- Instigate an Associates programme of senior external opinion-formers

**Purpose**

To accelerate innovation and transformation within UK business and public services through targeted practical interventions that promote the strategic use of design

**Key responsibilities**

- Setting up and overseeing Design Demonstrations
- Setting up and maintaining international best practice networks
- Publishing and promoting evidence, findings and policy recommendations
- Piloting practical programmes
- Developing self-sustaining initiatives with third parties (eg training/business support/education)

**Purpose**

To facilitate public and business access to the best available design resources and strengthen connections with government and between the key organisations in design, industry and education

**Key responsibilities**

- Commissioning and managing Design Council research and collaborations
- Publishing on-line design knowledge resources (eg case-studies, signposting)
- Developing training and support initiatives for intermediaries (eg Business Links)
- Ensuring the provision of a high quality directory of designers
- Co-ordinating strategic relationships with central and regional government and its agencies

**Purpose**

To drive up informed public awareness of design and engage all the Design Council's key business audiences as well as the public

**Key responsibilities**

- Directing a programme of public engagement including a design biennial
- Maintaining a strong and consistent Design Council brand across all communications
- Maximising media opportunities for the Design Council and its Campaigns
- Developing and maintaining an organisation-wide programme of relationship management
- Providing strategic and active communication support to Campaigns

**Purpose**

To ensure that the Design Council operates as an excellent business with robust plans and processes delivering to time and budget

**Key responsibilities**

- Overseeing strategy and business planning for the Design Council
- Setting and maintaining high standards of governance and accountability
- Managing the organisations financial and business processes
- Setting and agreeing methods of evaluation and monitoring outcomes
- Ensuring that the Design Council people and premises meet the organisation's needs

