

Design delivers for business

A summary of evidence from the
Design Council's Design Leadership Programme
September 2012

**A boost to
business growth**

**Improved capability
and confidence**

Lasting impact

**The difference
is design.**

www.designcouncil.org.uk/leadership

Design boosts business growth



“During the process, we re-energised our staff, leading to an increase in turnover of around 25%, and the creation of eight new jobs. I firmly believe that without the support our growth would have been severely hampered”.

Service business, South East

Business results

- Design increases turnover: For every £1 invested in design, businesses can expect over £20 in increased revenues
- Design is linked to profit: For every £1 invested in design, businesses can expect over £4 increase in net operating profit
- Design boosts exports: For every £1 invested in design, businesses can expect a return of over £5 in increased exports

The Design Leadership Programme has helped businesses to identify their biggest strategic challenges and create new opportunities to overcome them by using design effectively. By identifying design opportunities to drive innovation and growth, businesses have then invested in and commissioned design projects with ongoing coaching support to ensure they are implemented successfully.

Business areas strengthened through design

- Stronger and more compelling brands that stand out in the market
- Accelerating new ideas to market
- Creation of new products and services that have transformed existing markets or opened up new ones
- Establishing improved or new processes for product and service development to more effectively support innovation activity

Design improves business capabilities

The programme aims to make British businesses (in particular SMEs with potential for growth) more aware of the strategic value of design and how to manage it for effective long term results. Businesses overwhelmingly (over 96%) stated that the Design Leadership Programme was strategically important in tackling issues not previously dealt with.

In addition to the tangible business impacts, the programme has been changing the way businesses work, which in turn has improved organisational culture and performance. 72% of businesses surveyed felt the Design Leadership Programme had changed the culture of their organisation into one that was more design-focused.



“... we are (now) better at finding the solutions to some of our issues and are consistent in our approach to design and brand.”

Food and drink manufacturer, South West

£20+

For every £1 invested in design, businesses can expect over £20 in increased revenues

Design increases turnover

£4+

For every £1 invested in design, businesses can expect over £4 increase in net operating profit

Design leads to profit

£5+

For every £1 invested in design, businesses can expect a return of over £5 in increased exports

Design boosts exports

“The Design Leadership Programme made a significant contribution to the growth of our business ... it provided a fantastic boost to morale at a time when it was much needed and raised our team confidence and external perceptions of our capabilities. It inspired us to go forwards with confidence and consequently transformed us from an average firm to a market leader.”

Service business, Yorkshire

Design increases business confidence

The programme’s supportive coaching approach and exposure to working with designers has meant that businesses become more knowledgeable about the value of design and how to make design deliver for them.

63% of those surveyed were not confident about working with design before participating in the Design Leadership Programme. As a result of the coaching received on the programme this figure rose to 100%.

In addition, businesses are clearer that design has an integral role to play and should not be side-lined for other strategic requirements. Before the programme 55% viewed design as integral to business, compared with 98% after the programme.



Good design practice has a lasting impact

Businesses went on to procure design beyond the programme, showing that once they have been exposed to design tools and good design management practice, they are equipped to do it again themselves. 48% of businesses surveyed have invested in further design projects since completing the programme.

During the programme just under £4.7m was invested by the respondents in procuring external design agencies to undertake projects identified. This equates to a national average net investment made directly by each company of just under £11.5k per project.

After the programme participants plan to invest an additional £7.8m in design projects between 2011 and 2014. The evaluation has found that this spend can be attributed directly to the influence of the Design Leadership Programme.

“... the legacy has been to make design an integral part of the business going forward.”

Start-up aerospace business, South East



Before the programme 55% viewed design as integral to business, compared with 98% after the programme.

Evaluation methodology

This independent study by Eden Partners is the first national picture of the impact over time of the Design Leadership Programme for business.

Business impacts measured

- Pounds return for every pound invested by the business in design as a result of the programme, including increased operating profit, revenues and exports
- Strategic Added Value such as impacts on organisational culture and capabilities

Government impacts measured

- Gross Value Added and Net Value Added for every pound of public investment
- FTE jobs created and safeguarded
- Additional exports generated

The evaluation methodology involved the amalgamation of findings from three previous regional evaluations of the programme which captured detailed data from 130 businesses, with additional primary research in 2012 capturing detailed data from a further 119 companies. The study calculated up to date economic impacts on businesses, in this case primarily SMEs and high-tech start-ups.

In addition, qualitative research was undertaken with a sample of design agencies providing support to businesses to understand the impacts on their businesses and to triangulate evidence from the business survey. The evaluation methodology uses deadweight, leakage, substitution, and multiplier effects where applicable to accurately reflect the additional impacts of the programme.

About the Design Leadership Programme

The Design Council's Design Leadership Programme is a national coaching programme that promotes the value of strategic design to business to help boost their commercial performance. The Design Leadership Programme for Business – Designing Demand – was previously delivered on a regional basis, and has supported over 2000 SMEs and coached over 700 to use design as a business development tool since 2007. From 2012 the programme has been delivered directly by the Design Council. The programme aims to foster a greater understanding of the strategic role design can play in business and embed design tools, techniques and management within business to build skills and capability.



For further information including case studies from the evaluation, go to www.designcouncil.org.uk/leadership

Email: leadership@designcouncil.org.uk