

5 Stories of global  
competitiveness

Design Council Annual 2005/06

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## Introduction

**This year's Annual features a bumper crop of stories. And they're all true. Their theme is that the successful economies of the future will be those that drive new thinking and new ideas, using design and creativity to generate innovative solutions to complex problems.**

**Focusing on five topics, the stories demonstrate how design is supporting and strengthening our country's economy and society.**

**The penny's dropped. Design is getting the recognition it deserves. From Downing Street to Davos, policymakers and business leaders are realising that meeting our economic and social challenges requires a regular dose of design thinking.**

The Cox Review, commissioned by the Chancellor of the Exchequer, sets out the steps the UK must take to make best use of its world-class creative talent. It also explains why. There is a clear and growing threat from rapidly expanding economies that are developing their own creative skills. China and others aren't content to simply supply cheap, low-skilled labour. They're investing in talent and ideas.

To take on this deadly duo of high skills and low costs, the review says British business must be more enterprising in the way it uses design. Specifically, it calls for the Design Council's business support programme to be made more widely available.

Needless to say, we're enthusiastically answering the call. At the same time, we're extending our initiatives to support government in its endeavour to improve public services through design.

The stories in this Annual tell how the Design Council is inspiring and enabling the best use of design. We think they're a jolly good read and we hope you do too.

Sir George Cox, Chairman  
David Kester, Chief Executive



We influence national policy through a joined up design strategy

# 12345 Design Policy



## 12345 Design Policy Mr Brown's Question

**Mr Brown is an important man. When he asks a question, people work hard to come up with an answer. Last year he asked, 'How can we best enhance UK business competitiveness by drawing on our world-leading creative capabilities?' Sir George Cox, Chairman of the Design Council, took on the task of finding the answer.**

Mr Brown's question was triggered by concerns about how UK business can meet the challenge of increasingly tough global markets. Emerging economies such as India and China have entered the high-technology, high-skilled sectors with gusto and their low costs give them a dangerous competitive edge.

Identifying design and creativity as the paths to new products and services and the route to greater productivity, the Cox Review made a series of recommendations. They focused on the need to improve the business community's understanding and use of design and prepare the next generation by bringing business and design education together. They also urged government to stimulate demand for design through incentives and lead by example through innovative procurement.

The review's five key recommendations were approved by Mr Brown and we're now working with our partners to help make them happen. We have been asked to take the lead role on the report's first recommendation to roll out a nationwide programme of direct support to UK firms. Behind the scenes, we're supporting the cross-Whitehall and ministerial boards as they put the review's other suggestions into effect.

Fostering demand for design talent and skills is fine, but we also need to address supply. After all, we can't take our 'world-leading creative capabilities' for granted. In a rapidly changing national and international environment designers must learn to seize new opportunities and confront new challenges.

Working in partnership with Creative & Cultural Skills, we've set up the Design Skills Advisory Panel of leading design employers. Their ideas to equip the sector with the right skills to thrive in the new global economy are now being debated across the design community before recommendations are submitted to government. With a broader, deeper range of skills and a more receptive client base, the design industry will be well placed to play its part in addressing Mr Brown's question.

Here at the Design Council, our priority is to help turn the answer into action.

## Joining up the creation and implementation of a design policy for the UK

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### What we've done

Moved design to the heart of government thinking on business competitiveness and public sector performance

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### What we'll do next

Work to turn Cox Review recommendations into reality and finalise plans to expand design industry skills

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### More info

[www.designcouncil.org.uk/coxreview](http://www.designcouncil.org.uk/coxreview)

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We initiate new thinking on the application of design

# 12345 Design Innovation

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## 12345 Design Innovation

### Ask Angela

**Most people who use buses, trains, health facilities and other public services have a pretty good idea how they could be improved. Their frustration is that they have no forum to put forward their ideas.**

This situation is changing, as designers are increasingly seeking input from the users of the products and services they're designing. In Bolton, healthcare professionals are tapping in to this approach, working with designers and alongside diabetes sufferers to find new ways to control the disease. (And control NHS costs.)

Angela has diabetes. She's 'road-testing' a new set of cards that help her deal with the disease and work out what issues to raise at her regular check-ups. Apart from easing her condition, this eases pressure on the NHS, which is struggling to cope with around 1.8million cases of diabetes nationally, at a cost of £10million a day. In Angela's case the 'I'm in denial' card helped her accept and handle her diagnosis.

The Bolton project is an R&D exercise by our RED unit, working with government agencies to find new ways of creating and delivering services. We're exploring how people can 'co-create' the public services they need, making them more efficient and affordable. Our theory (now practice) is that making 'users' part of the service design process allows them to contribute their experience for the public good.

Service innovation and 'transformation design' demand new skills from both designers and clients. This is something we're working on because it's imperative that the lessons being learned in the NHS around rapid innovation can be applied with confidence across many other areas directly affecting our quality of life.

Then, like Angela, users of these services will be able to shape them around their individual needs, taking pressure off the service providers. What Angela doesn't need now, by the way, is junk food, as one of her cards regularly reminds her. She's controlling her diabetes, not letting it control her.

## Testing new ways to design better public services with the people who use them

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### What we've done

Achieved tangible results from practical demonstrations of design's potential role in transforming public services

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### What we'll do next

Work with government agencies to embed design thinking in how services are developed and delivered

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### More info

[www.designcouncil.org.uk/red](http://www.designcouncil.org.uk/red)

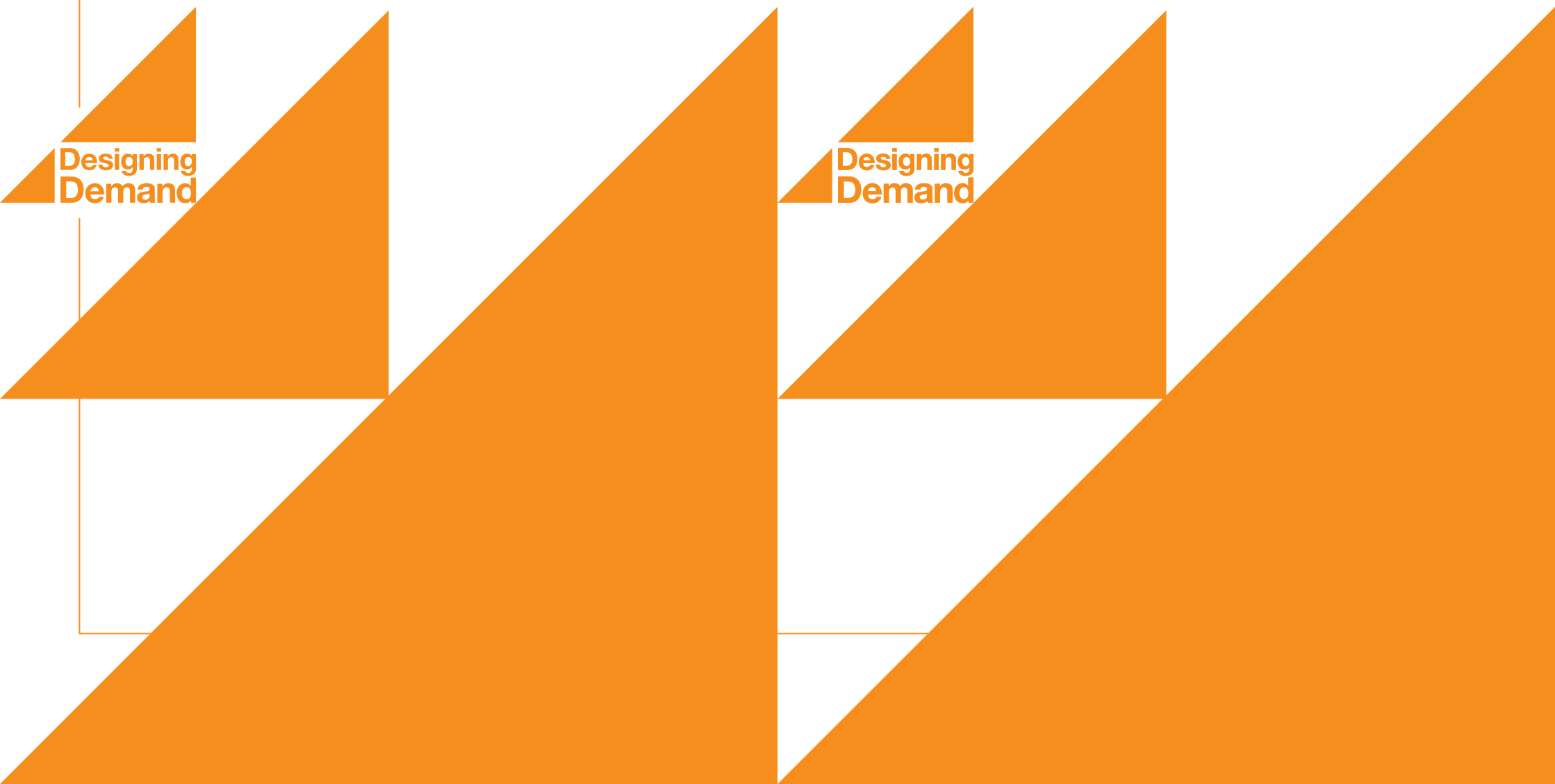
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We direct a programme of design support for UK businesses

# 12345 Design for business

Designing Demand

Designing Demand



## 12345 Design for Business Eureka!

OK, Nigel Harrison wasn't exactly sitting in the bath when he had his Eureka experience, but he was sitting nearby. Nigel is the MD of Kingkraft, a Sheffield company making specialist baths and showering equipment for people with disabilities. His moment of revelation came when he discovered the principle of design as an accelerator of business growth.

It all started when he opened a matchbox. He was at a workshop we ran in partnership with the regional development agency and he took part in the Matchbox exercise. This is a kit we developed for businesses to gain and share insights into the business opportunities generated by design. It must have worked, because Nigel took the box back to the office for further examination. He describes the follow-up session with his colleagues as 'the best strategic meeting we've ever had'.

Excited by the prospect of using design and creativity to change the direction of their business, the Kingkraft team joined our Generate service, working with a Design Associate to develop new products. A new bath, looking less like medical equipment and more like a bath, is about to go into production.

We already have hundreds of stories like this and we're planning to tell plenty more. We've launched a new programme called Designing Demand, so businesses across the country can exploit design to sharpen their own competitive edge and the nation's. We're ramping up delivery through the Regional Development Agencies and the first are already on board. In line with the Cox Review, they're working with us to make design an integral part of UK business support.

So we're confident that many more business people will soon be having 'Eureka' moments of their own as their enterprises overflow with ideas and possibilities.

**Designing  
Demand**™

# Eureka! Eureka! Eureka!

## Helping businesses seize new opportunities by exploiting design

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### What we've done

Developed the Designing Demand programme to help firms compete by using design to drive innovation and better performance

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### What we'll do next

Oversee national delivery of Designing Demand through Regional Development Agencies

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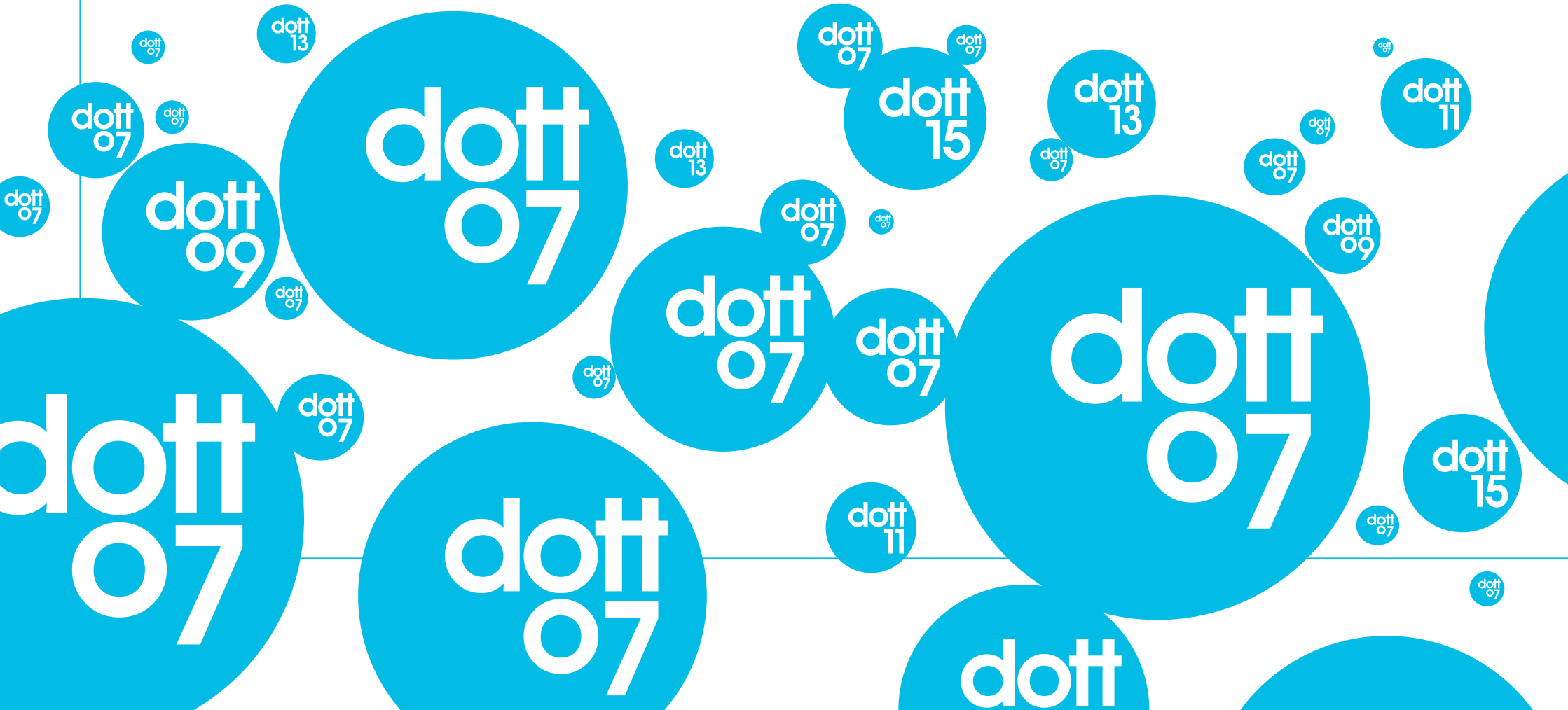
### More info

[www.designcouncil.org.uk](http://www.designcouncil.org.uk)

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We drive a biennial national design promotion

# 12345 Design for the Public



## 12345 Design for the Public

### A Tale of Two Revolutions

Back in 1829, Robert Stephenson built the Rocket steam locomotive in buildings beside the Tyne. Around him, North East England was the fiery, noisy cradle of the Industrial Revolution. Right now, those same buildings are the base for another revolution. Designs of the time (Dott) will focus on the Creative Revolution. Less noisy than its predecessor (but in its own way, equally hot) Dott 07 is mobilising design to capture the spirit of the age.

The first of a series of biennial design promotions, the initiative is giving designers, businesses and public service providers the chance to engage with people to improve their lives through design. Dott 07 is already proving to be an inspiring, involving affair, provoking the people of the North East to appreciate the value and importance of design. Not that they need much encouragement, of course, as the region is already using design to create a dynamic regional economy.

Taking core themes such as school, community, health and the environment, Dott 07 is working with people to frame specific challenges as design opportunities. These will be the basis for projects that draw on the full range of design disciplines, including architecture, product, graphic, industrial and service design.

Dott 07 isn't an elitist, 'establishment' event. Public design commissions involve real people in real places exploring how design can improve an aspect of their daily lives. In education, the programme is bringing school pupils, students, teachers and communities together to tackle collaborative projects.

To make Dott 07 happen we're working closely with One NorthEast, the region's development agency, along with a range of other regional, national and international organisations.



dott  
07

Throughout 2007, events in museums, galleries and festivals will examine the power and potential of design. The results of all the projects will be presented at October's Dott 07 Festival, although we expect the North East to benefit well into the future.

Although the legacy from Dott 07 will be rather different from Stephenson's Rocket, people are just as keen to get on board. From Stockton to Darlington, from Gosforth to Gateshead, we're working industrially to sign up converts for the Creative Revolution.

# Engaging people and changing lives

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#### What we've done

Launched Dott 07 in the North East, working with regional, national and international partners

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#### What we'll do next

Put Dott 07 in the national spotlight and lay the foundations for a successful Dott 09

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#### More info

[www.designcouncil.org.uk/dott](http://www.designcouncil.org.uk/dott)

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We provide the UK with authoritative design research, knowledge and signposting

# 12345 Design Knowledge

<http://www.designcouncil.org.uk>
<http://www.designcouncil.org.uk/coxreview>
<http://www.designcouncil.org.uk/red>
<http://www.designcouncil.org.uk/dott>
<http://www.designcouncil.org.uk/research>
<http://www.designcouncil.org.uk/ourpeople>
<http://www.designcouncil.org.uk>
<http://www.designcouncil.org.uk>

## 12345 Design Knowledge

### Steve's Proof

**Steve runs Smallfry, a product design agency near Coventry. Although his UK and international clients appreciate the value Smallfry adds, many other businesses don't. To overcome this barrier, Steve and his colleagues often use our statistics to help make the business case for design.**

Now they can go further. Using our new Value of Design Factfinder, they can create a tailor-made report on the benefits of better design. One fact the Smallfry team frequently quote is that for every extra £100 clients spend on design, they could push up sales by £225.

The Factfinder is an interactive online tool that allows designers and businesspeople to draw on Design Council research. It shows how design can beef up the bottom line and how 'design alert' businesses consistently beat their competitors. Compared to others, for instance, these firms are twice as likely to have opened up new markets or developed new products and services recently.

The Factfinder illustrates the importance of the web in helping us provide authoritative design research, knowledge and signposting. We're developing a new website that will deliver all that and more. It will offer practical help for anyone buying or supplying design, together with a platform for design debate. The site will also provide case studies and information from expert authors alongside clear routes to other sources across the international design network.

A robust research programme is essential to back up our ongoing transfer of knowledge. We're deepening the Design Council research base across business, the public sector and the design industry. We're also expanding our programmes through partnerships with industry and universities.

Results are already emerging. For example, we've published The Business of Design, the first comprehensive research on the design sector. Its findings have triggered debate across the industry.

In all our research and knowledge sharing, our priority is to demonstrate how design can strengthen and support the UK economy. Fortunately, we have many facts to prove this point. One statistic that's bound to impress Smallfry's would-be clients is that, on average, design alert businesses increase market share by 6.3 per cent using design. As Steve says, 'Case proved'.

## Inspiring and supporting the use of design with advice, facts and opinion

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### What we've done

Published online research underlining the value of design to business, plus a ground-breaking survey of the design industry

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### What we'll do next

Launch a new website as the UK's most extensive and visited online hub for design

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### More info

[www.designcouncil.org.uk/research](http://www.designcouncil.org.uk/research)

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## Our Finances Pound Stretching

**At the Design Council, we've learnt to make a little go a long way.**

**We're carrying out all the work you've read about here on a core income of just £6.6m from the Department of Trade and Industry, topped up to £7.6m by special project funding. To put things in perspective, that's as much as the Department of Transport spends to buy about 300 speed cameras.**

How do we do it? We've realised that the way to get the most out of a relatively small budget is to seed ideas and initiatives that other people will pay for. They find them so attractive that they're prepared to invest their own money in seeing them through.

Designs of the time (Dott) and the Designing Demand business support programme are good examples. Both involve Design Council thinking made real by like-minded partners. Right now, our partners include organisations and agencies across the UK, including all the Regional Development Agencies.

By leveraging resources, we manage to punch well above our weight. For instance, for every pound we spend on Dott, our partners will spend £4.70.

Despite a challenging climate, we will keep working in innovative ways to diversify our income and maximise national design investment.

Expenditure 2005/06	Spent £
<b>12345 Design Policy</b>	<b>2,439,000</b>
<b>12345 Design Innovation</b>	<b>1,251,000</b>
<b>12345 Design for Business</b>	<b>2,665,000</b>
<b>12345 Design for the Public</b>	<b>610,000</b>
<b>12345 Design Knowledge</b>	<b>2,061,000</b>
<b>Total</b>	<b>9,026,000</b>

## Our Mission

**We are the national strategic body for design.**

**Our purpose is to strengthen and support the economy and society by inspiring and enabling the best use of design.**

**Our goal is that UK management is the best user of design in the world, supported by the most skilled and capable design professionals.**

## Our People

### Council members

**Sir George Cox**  
Chairman

**Bonnie Dean**  
Marshall Thermo King

**Penny Egan**

**John Hazelwood**

**John Hollar**

**Jim Hytner**  
Barclays Bank

**Jonathan Kestenbaum**  
NESTA

**Geoff Kirk**  
Rolls-Royce

**Stuart MacDonald**  
Gray's School of Art

**Geoff Mulgan**  
The Young Foundation

**Paul Priestman**  
Priestman Goode

**Jonathan Sands**  
Elmwood Design

**Janet Walker**  
Ascot Racecourse

**Peter Williams**  
Alpha Airports Group

**Richard Williams**  
Williams Murray Hamm

**Chris Wise**  
Expedition Engineering

### Executive directors

**David Kester**  
Chief Executive

**Jeremy Brown**  
Planning Director

**Hilary Cottam**  
Director – RED

**Deborah Fitzgerald**  
Media Director

**Ruth Hasnip**  
Media Director (currently on maternity leave)

**Harry Rich**  
Deputy Chief Executive

**Design Council**

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**[www.designcouncil.org.uk](http://www.designcouncil.org.uk)**