



Centre for Design Innovation Sligo, Ireland

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First off I'd like to thank Ingrid for inviting me here, my first time in Brussels and incidentally Bruges, which has to be one of the most beautiful places I've ever been to. So it's a pleasure.

I'm going to talk about several things in the presentation. I'm going to introduce you to the Centre for Design Innovation, speak a bit about some research we just published which I've got 20 copies of here so I'm not going to go into too much detail. I'm going to spend the most amount of time on the programme we're launching with SMEs in Ireland and then I'm going to finish up with 10 guidelines that we've come up with, we're calling them the 10 Commandments, out of the work that we've done around some ideas from other people who've created similar programmes. What might be (defined as) core guidelines. And most of the content of this presentation is taken from presentations we're using with companies so the other thing you'll get to see is how we're communicating with companies, as opposed to the presentation just talking about the Centre.

The Centre for Design Innovation is located in Sligo, Ireland in the north west, 120 miles from Dublin, so we are on the other end of the country from the major urban centre. We are in a strategic location though, because Sligo borders Northern Ireland which is a nice strategic place because there's a lot happening in cross border relationships. We're funded by Enterprise Ireland which sounds similar to Enterprise Flanders. They're one of three bodies that support organisations and companies in Ireland and they focus on SMEs and exports. We're dubbed as the 'centre of excellence for the research, understanding and promotion of the effective use of design and innovation in Ireland'. We're funded initially for 3 years and effectively we've been up and running for 10 months, so a relative newcomer to promotion. So what we might lack in time, we have some interesting experience. Our director, Toby Scott, is a former director of the UK Design Council; before coming to Ireland I was doing design management in the States for Crayola; and David Tormey is our local guy from 20 miles south who has a Doctorate in Design Research.

Loosely, what we do at the centre can be grouped into three areas and it even (matches) the 3 of us. Essentially, we're trying to provide proof that design actually makes a difference in business, and has an effect on innovation. (We are) creating products and programmes for companies that can help them effectively use design and promoting that, we're trying to change policy within Ireland. We are all on the demand side, there are other bodies in Ireland that work with designers specifically, all our programmes are to do with helping business in the private and public sector.

So does design really provide value – the million dollar question – and the good news is that the answer appears to be yes. But, like most of you, there's evidence scattered around all the various countries, there's different things that are happening and as we went out to promote what we were doing in Ireland, we needed Irish proof. Like many of you we were using other data like the Design Index from the UK, but we needed evidence that we could go out and say, "this is the story in Ireland". So the first thing we did was a research report called 'The Design Difference'. We talked to 405 Irish SMEs across the whole of Ireland, north and south, across the whole range of sectors. The research was fielded late last year and published in the Spring of this year. The other model we work on at the centre is that everything we do, unless there are some rights issues, is open source, so if you want access to the data, the methodology, to what we're doing, programming etc just contact us and we'll make that available to you, so you don't have to just rely on what we put in the reports – if you've got people who know SPSS, you can crunch the data any way you like.

So what were the findings? Simply, at the top level, Irish companies that use design are more successful than those that don't. They innovate more often, they innovate more successfully and the more strategic their use of design, the faster they grow. In addition to that, the more companies use design the less they compete on price, so these are the messages that were going back to companies. So how much more? Here's the design ladder, where we talked about strategy. We applied the Danish design ladder in Ireland and what I find most interesting is that you look at companies that are either not using design or, I would argue, unconsciously using design, companies that are using design as styling - there's a divide here in that the companies that are using design from a process point or from strategic innovation standpoint - the majority of those companies grow, statistically. Whereas these companies here – they're growing on both sides but companies have more of an opportunity to grow if they're using design at that step. It effectively relates to companies at the higher end of the scale that are strategically using design are two and a half times more likely, so 75% of companies using design at a strategic level are growing and those companies not using design are 4 times less likely to experience growth than those companies who are using design strategically.

Not so surprising, because we've seen it in other reports as well, companies say that "design is important, we love design, design is important for us strategically", yet only 15% are using design at this strategic level. We don't know exactly why yet, but one of the reasons might be that they just don't know how.

IV: 12% (in Flanders)

JK: 12%, and its similar in Denmark. If you have specific questions about the research, David Tormey is your man.

My responsibility as programme manager at the centre is developing these programmes and we created the Innovation by Design programme. Right now it's a pilot and it's starting next month or to be more specific, we're launching it with our organisations tomorrow, the first user-centred design workshop. It says '7 companies across a range of sectors', I'm going to talk about contingency later, it's now 6 companies, we actually worked hard getting six companies, it went to 7 and one of those organisations has decided it's just not good timing for them. And this is all within the northwest of Ireland because that's where our initial funding specified. We're looking at an area in the northwest which is not as developed as the area around an urban centre like Dublin.

This is what the process looks like, or at least a calendar of what's happening. The programme itself is about 18 months long. It took us, very nicely bookended by the SEEdesign events, we started developing the programme right after the SEEdesign event and we basically completed

the content development by this event. We did that in a very collaborative way. We had a number of people from the US and Europe coming together and look at best practices and then we refined that group down and really got into the specifics of what our outline for the programme was. Folks like Jonathan Ball were involved in developing the content and also the core of the programme is a user centred design workshop which we worked on with Jonathan and Colin Burns, who many of you might know – ex-director of IDEO in Europe.

In the set up phase we spent about 3 months doing company selection. We started with 200 companies in Ireland, we narrowed those down to a shortlist of 20. I went and visited each of those companies individually and out of that we chose the final 6 candidates. So we're being a bit selective because from our standpoint we're trying to assemble proof, so we're looking for good stories. Stories that are specific to the region, specific to Ireland, across a range of sectors, small companies, large companies, we're looking to develop case studies out of the programme, it's not just 6 agricultural companies or 6 moulding companies. We have a very interesting range of organisations. We're working with a college, Sligo Institute of Technology, we're based in the Innovation Centre there, so one organisation is a college. We're working with Knock Airport, which is the regional airport just 40 miles south of Sligo. We're working with a precision moulding company that does precision moulding for medical components. We're working with a crane manufacturer from County Donegal, a software developer and the second largest agricultural cooperative, Connacht Gold. Some of you might be familiar with Kerrygold, Connacht Gold is how farmers in the northwest are selling their goods under the brand Connacht Gold. So it's interesting to have education, tourism and transportation, we've got a region that was very famous for mouldmaking and obviously, based on the economics, it's very hard to do mouldmaking cost-effectively in Sligo. Crane manufacturing, construction, software technology is big in the northwest and agriculture, so we're really touching a lot of hot buttons in the area (and) saying, 'you can apply design processes to a diversity of companies'.

What does it look like? On 12th June we're taking all the companies through an entire day of user centred design workshop and when we talk to companies about design we divide it up into two chunks – the terms aren't the greatest but – design thinking and design practice. What we really want to do with this programme is give companies skills so they can do design research, they can understand their users, approach innovation from a user centred perspective and also have a better understanding of what those opportunities are. Then we can pair them up with design resources that can implement that. So companies go through a workshop in June, they then go into the field and do some actual research. They're doing this paired up with a mentor, which I'll get into later, they do some research, they identify some opportunities, and these red dots represent when all the companies get together as a network.

So they get together for a user centred design workshop, they go off specifically themselves, they do work research in the field, they come up with opportunities then everybody comes back together and says 'this is what we learned and this is the opportunity we're going to pursue.' Then when they go into implementation we get them together for networking events approximately every 3 months and we take a branding road trip when we go to Dublin to visit a number of organisations and have an expert talk about branding, but we also take them to organisations and have real Irish companies talk about how they're leveraging brands to grow their business. The other topics we're going to decide as we get into the organisations so we can tailor them to what might be a specific issue.

We're hoping that racks up in September 2008 with glorious stories and 6 great successes, right?

The big question is, why user centred design? I hope I'm not talking down to anyone as I'm going through this, but this is how we describe it to the companies. We're taking a very specific approach in saying we will put the user at the centre of the process. User centred design approach to innovation isn't the only approach to innovation but we feel that it's the most effective. Sorry to bore you with the Dyson example, but it works very well with the organisations which we get to. We co-opted the Design School in the States venn diagram and talked about this. So many businesses are internally focussed on what they do, they're really dealing with business issues – they can innovate in this area but they're asking questions all the time: "should we do this? What can we do to grow our businesses?" We're concentrating on what they actually can do, what they have the capacity to do and at the intersection of this you have process innovation and other manufacturing and business services. But this is very internally focussed as opposed to starting from the aspect of understanding users and what they want, because customers and consumers, in our opinion, are only actually dealing with the companies at these intersections – which are the products and services they develop and also they're relating to the businesses as brands, they're really outside. Apart from some ethical issues around sustainability and that the company's not stealing money, they're communicating with the company through brand. And this lovely spot in the centre which is where design innovation happens.

We walk through the companies and describe what goes on here and they nod their heads, but we want them to move to taking this external perspective of the user. And then we go in and understand their business, we describe our boundaries or the opportunities we're going to work on. Where design comes in is maybe around product and service and branding, and though this strategic piece might influence what we do, because obviously that's context for innovation, we're not going to do business consulting with them. We're not going to help them with manufacturing processes, we're really concentrating on this end. Does that make sense? And there's this virtual circle that when companies understand their users needs and develop opportunities and go through a design thinking process they develop products and services that meet those needs and are more successful and when they're branded effectively, they deliver on those promises and there is this virtual circle.

So how does Dyson fit into this? Some of you may know this story better than I do, but the way we describe it to companies is you essentially had one guy who had some insight around the vacuum cleaner that it couldn't provide enough suction and he took an analogous product technology, the cyclonic technology, applied a design process to that in doing 5000 prototypes before he released the first vacuum. The brand then became this name, he developed the brand and now they have the market share in Europe for vacuum cleaners.

More about the programme: when we get to the companies we're very up front about what we think the key qualities are of the companies that we work with and I'm sure that many of these ring bells. Obviously senior management support is one of the most important things – all the companies that we've dealt with, we're taking the executives of those companies through the user centred design workshop, it's not just the people who are working in product development. They need to understand there's a risk involved, especially to bring new products and services to market. We're really only asking for time and capital, I'll get to how much the programme costs but if you thought the Finnish programme was cheap, ours is really cheap. We are expecting them to implement one of the opportunities. The reason we're doing this is around stories and so that we can have a replicable methodology that we can scale up across Ireland outside of this pilot programme. Companies are going to leave with skills and also identified opportunities to help them compete and differentiate their businesses.

How does the programme work? Each company is partnered with a mentor. We have one mentor assigned to three organisations. We spent a lot of time on the selection process of the companies and, in order to get up to speed faster, we're recruiting mentors from outside of Ireland that have done these programmes previously. It's much easier for us to use folks who have worked with companies in a similar way in the past. We take them through this user centred design workshop, we don't go in as design experts and tell them what is wrong with their business, we want the organisations themselves to uncover the insights. We think that's important for them too, to develop the skills and tools and also ultimately they have a lot of buy-in when they themselves identify where there's an opportunity that they're going to pursue. So they develop the opportunities and the mentor does work in partnering them with design resources. A lot of the organisations we talked to said "help us, we're terrible at briefing designers, we know what we want to do but we really don't know how to work properly with designers."

Everyone's going to be sharing learning, there's a really wonderful thing that 6 very diverse companies are getting together. An airport and an educational institution, talking to a software development company, it's non-competitive, and I find the network very exciting. The company's themselves, one thing that's stood out in talking to them is that they're excited about working with other companies.

The impact of the programme will be measured. David's job in addition to producing beautiful reports like this, is to produce case studies. All the organisations, before the mentors start their intervention, David has gone in and shown the indicators we're looking at. We have 5 indicators around turnover, profit, product development and we're also looking at soft indicators about their attitudes towards design before they begin the programme, what their processes look like inside, things around collaboration, innovation etc. We're going to measure before the programme starts, in the middle of the programme and at the end.

What will the programme cost? Each company pays 1500 euros to participate. For 1500 euros they get 10 days of time, I believe it's 5 days of network time when companies are all together and another 5 days of one-on-one consultancy with the mentors. There is some flux time built into our budget as well so if there's some companies that need a little more time around a specific issue we can go and intervene a little bit more, or if we need to bring in a specialist around a certain area we subsidise that. The cost to us is just under 20,000 euros per company so that was one of the reasons we chose 6 companies, it's a 120 thousand euro programme to take the 6 companies.

The companies obviously are working outside of that time as well because we're asking them to do some pretty significant things. This is a programme that is pitched specifically at the strategic end of the design ladder. We do have access to some funds for implementation, there's a wonderful scheme called Innovation Partnerships in Ireland and some companies can be subsidised up to 80% to implement the opportunities they choose and the scheme allows them to pay the 20% that they're responsible in kind, for example dedicating employees to work on a specific opportunity would count so it doesn't necessarily have to be capital expenditure.

IV: What kind of strategy? Innovation?

JK: Innovation Partnerships, and there is this loose line between whether it needs to be science and technology based or purely around structured innovation, so there may not be perfect fits and the companies know that going in. The baseline is 50% for any company that applies in Ireland, if they're based in the northwest then add another 10%, if they're associated with doing research with an IT (Institute of Technology), another 10% and if they're an SME, another

10%. I believe each project is funded at a cap of a ¼ million euro so it's pretty significant money and the scheme is fascinating in the sense that they'll tell you within 48 hours whether you'll be fast-tracked for approval and they meet on a monthly basis so it's a very quick turnaround and once you get through the initial feasibility application something like 98% of those applications get approved. So you know very quickly, you can take advantage of it.

Companies are mainly investing time and capital and the programme ends in September 2008. What have we told the organisations that they're going to receive? Hopefully competitive advantage through design, access to world-class innovators and design specialists. The content's been created through other programmes – the Design Council, ZEBRA, IDEO – we've tried to cull as much as we can from best practices that are out there. This non-competitive network is a highlight to them – what I'd really like to see is a legacy of in-house skills and capabilities. We talked to a lot of companies and they're wary of consultants. Half the companies I talked to, maybe because of the way I talk, said “Are you a consultant? Are you just going to come in and leave?” But no, we want them to do the work.

IV: You invited IDEO etc to Ireland?

JK: Absolutely. I think you'd be surprised, but I've talked to several people, there's an innovation consultancy that's set up in Ireland and they called IDEO in the States and said “We'd like to come out and see what you guys do” and they spent 3 days with them.

There's an issue of capacity in Ireland. There are six product development companies in the whole country and two of those are firms, four of those are more individuals. There's a plethora of graphic design but we have an issue of capacity when we're looking at scaling up this programme that is a concern for us. Do we have the capacity within Ireland to help all the companies we're taking through? I think some of these companies will have to look outside of Ireland, but some companies have already looked outside for specific design support. There was also the concern that you've got the Yank, the Brit and the Irish researcher and now we're going to use UK mentors. We were very straight with companies in saying that this is an Irish centre, this is an Irish programme, you're an Irish business, how are you going to react to your programme manager being from the States and your mentor being from the UK and they not only accepted it, they said that they want the best people. As they also need to be focussed on exports, in some ways they feel that additional advantage may come from elsewhere.

So the Ten Commandments, this actually came out of the first meeting that we had, I hope they're useful, I actually think they're pretty good.

1. Invest time in the selection process: especially for the pilot because it's so much about the stories and talking to organisations. Are they asking the right questions, are they opening up versus closing down. I think it's really important to work with the right type of companies and know that not all companies are ready to do disruptive innovation or do a programme that's at that level. What we haven't done, partially based on the resources, we will get to programmes at the other end of the scale for raising interest for companies, giving them the proof, recruiting them into other programmes but not every company is ready for this. The same can be said for the mentor selection process, that once we've gone through the programme and we've got folks with experience in the space, we will start to recruit domestically because we feel that regional delivery is probably the most effective. We don't want to be deliverers, we want to create the programmes that regional networks of expertise will deliver in the future.

2. Speak their language: and what I mean by that, we talk about it all the time: words like ‘ethnography’ go right over their heads and you define what we mean by design innovation and we talked more about offering them competitive differentiation and growing a business versus necessarily strong design, the approach we're taking is a design led process, but what we're doing is we're going to help your business.

3. Don't scare them with too many details: no one really knows what's going to happen on the user centred design workshop, if they knew they probably would be scared, but we laid out the process, they know where the milestones are along the way, they have a fair idea of what they can expect but we didn't give them all the charts, the worksheets, the theory etc., we kept it pretty simple.
 4. Be explicit about the rewards: as much as you can in a programme. You saw how we're not tremendously explicit, but we can say we are going to introduce you to new skills and process, a design-led process. For some of you, you are going to grow your business, it might be a project in certain areas, but be explicit about rewards.
 5. Establish a diary at the outset: during the set-up, interacting with the companies and doing all the stuff that feels like the heavy lifting of the project, the thing that scares me the most is coordinating 6 companies, 2 mentors, workshops, etc., and it's been really helpful giving them a schedule as soon as possible and getting them to sign up for dates. Just to get 6 managing directors in one place for an evening and the next day for a user centred design workshop, the planets have aligned, it's happened, but we started in March telling them what those dates would be.
 6. Understand the psychology of a diverse team: there's three or four people from each organisation and as much as we want the MD there and if there's a head of the business unit, or the person who works on product development or the head of design, we do ask people to think about the various roles you need on teams. You do need the creative folks but you also need the do-ers and the planners, I think it's important to understand that going in.
 7. What are the users? What do you know about them?: Companies have already done research and when we had the head of research from ZIBA out he said that some information is better than no information and even just asking companies what they know about their users, you'd be surprised what some organisations already know.
 8. Pick good stories: I wouldn't say that we were working towards a number to begin with, but we had this magical number of 10 in our heads and I think it's more important to look at stories and the best that we could find – I don't think we could have done better than those 6 companies in terms of what they touch on within the region, but don't look for numbers.
 9. Have a contingency: we've already had one company drop out of the programme, I'm sure that not every company is going to be successful. In terms of good stories, a good story might actually be a bad story. I was reading a transcript from a SEEdesign event when a gentleman from France was talking about how badly a design intervention programme went and I learned more from that than from hearing about a project that went perfectly. It's nice too if you have set dates and then the mentors can fill in these gaps and as schedule permits or a company is ready they can go back into the organisation. So half the dates are set and half of them are flexible.
 10. Learn from others that have done similar programmes: We wouldn't be here if we didn't spend time learning from others. I think these networks, like SEEdesign, are incredibly important. Working with others who have done this work before. I think the reason we have a programme up and running in an organisation that's only been going 10 months is because we've really culled a lot of things from various places.
- That's it. Thankyou.

For more information on the Centre for Design Innovation or Innovation by Design programme please go to: www.designinnovation.ie

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