

**Design 4
Innovation**
Interreg Europe



pdr.



Design 4 Innovation

Policy Booklet 2:
Integrating design into
policy documents for
SME competitiveness



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Executive Summary

Small businesses are in fact the largest sector of the economy. Micro businesses, employing up to 10 people account for 93% of all businesses in the EU. When we add those known as small and medium (below 250 employees), it is a staggering 99.8% of European firms. Together they give jobs to 93 million people, accounting for 67% of the non-financial business sector workforce, and contributing 57% of value added to the EU GDP¹. However, it is not only the numbers that make them so important. Local businesses are crucial for strengthening coherent and sustainable communities.

But it is not easy for them, few would disagree that SMEs need help. They need access to finance, friendly legislation, efficient infrastructure and skills.

Given their significance, it comes as no surprise that SME competitiveness is high on policy agenda across Europe. Each country or region looking to increase its level of innovativeness and competitiveness should look to design. Not just because it is recommended by the EU but because it is a cost-effective way of innovating with users.

¹ Statistics for EU-28 non-financial business sector in 2016. European Commission (2017) Annual Report on European SMEs 2016/2017. Focus on self-employment.

Small businesses could do better if they were more aware of design. They should examine customer service, brand proposition and design and innovation processes to define a cutting edge.

Companies supported to use design are known to have better alignment of their products and services to customer needs, stronger brand and business identity, more effective and sustainable processes, and therefore are more productive, grow faster and are more attractive for investors.²

Design for Innovation is collaborative, interregional learning project looking to identify best practice in design support and develop action plans aiming to enhance use of design for innovation in SMEs in eight European regions. In this policy booklet, we share lessons from the project activities on developing and implementing design support programmes and how design can help to achieve innovation and business goals.

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² see reference in Chapter 3 pg. 10





About Design4Innovation

Design4Innovation a collaborative project of eight European partners working together to enhance competitiveness of European SMEs by design. Through a series of seven hands-on knowledge exchange workshops, identifying the best practice and using design tools, partners are going to develop Design Action Plans to support SMEs in their regions to use design more strategically and help them differentiate and innovate, and in result be more profitable and grow faster. The consortium includes the following partners:

- **Wales – PDR, International Design and Research Centre**
- **Flanders – Flanders Innovation & Entrepreneurship**
- **Greece and Central Macedonia – KEPA, Business and Cultural Development Centre**
- **Latvia – LIAA, Investment and Development Agency of Latvia**
- **Malta – Valletta Cultural Agency**
- **Silesia – Marshal’s Office of Silesia Region**
- **Galicia – Galician Agency of Innovation**
- **Catalonia – Barcelona Design Centre**

Design4Innovation is a five-year project funded from European Regional Development Funds through Interreg Europe programme. During the last two years, the project will monitor its results to provide a thorough assessment of the impact of Design Action Plans.

3.

Where design adds value in business

Stereotypically, design is often understood as 'colours and fonts' and business managers often struggle to see its value beyond aesthetics and styling. However, design can add value at every stage of business and level of management from daily operations to the strategy.

From the very beginning, a firm needs a functional, competitive and desirable product or service, and an effective visual identity to communicate with customers. Later in business maturity, design is crucial to increase market share, diversify into a new market or adopt a new technology.

Business objective	How design can help
Setting up a business	Visual identity development
Launching a new product/service/store	User needs analysis, concept development, product development, service design, UX design, interior design
Launching a brand	Name development and graphic design
Increasing market share	Customer service design, process design
Regaining market share	Product/service redesign
Diversifying into a new market	Product design, product servitization, brand extension
Improving R&D strategy	Concept development, policy design
Being a design leader	Global design, design as strategy

Table 1. The business triggers of design. Based on B. Borja de Mozota (2003), *Design Management – Using Design to Build Brand Value and Corporate Innovation*, Allworth Press, New York, s. 188.

Well-designed products and services are more likely to earn higher premium, gain bigger market share, be of better quality, cost less to produce and deliver and be more sustainable. The contribution of design to business value creation and to innovation has been widely recognised. There are numerous studies and reports confirming the value of design as a source of competitive advantage. Woudhuysen and Ford summarizing case studies and statistical data on the value of design in firms say that they 'show cost/benefit ratios of perhaps 1:5'³. A recent McKinsey report "The Business Value of Design"⁴ analysed two million pieces of financial data and more than 100,000 design actions that happened over the period of five years in 300 publicly listed companies. The study showed that companies with in-depth and strategic approach to design had '32 percentage points higher revenue growth and 56 percentage points higher total returns to shareholders growth'⁵ than their industry counterparts. This correlation was evident across all studied industries, suggesting that design can be applied universally, no matter of what the final business outcome is.

³ Woudhuysen, J., Ford, P. (2014). 'Publicly funded design support for SME manufacturers'. First published at AgIdeas conference, Melbourne, April 2014.

⁴ Sheppard, B., Sarrazin, H., Kouyoumjian, G., Dore, F. (2018) 'The Business Value of Design'. McKinsey Quarterly.

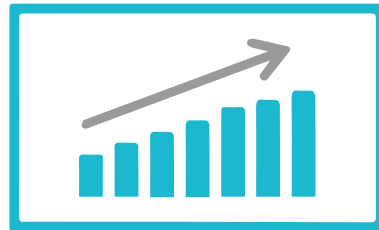
⁵ Ibid. p. 2.



Business benefits of design⁶:



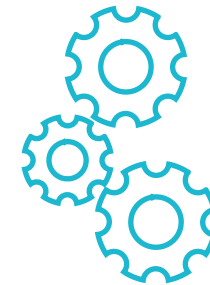
Differentiation of products or services – avoiding competing on price alone



Increased sales



Success in introducing innovation



Improved processes, production flexibility, reduced material costs

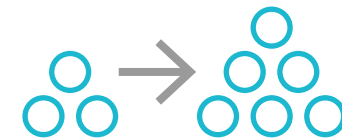
Higher premium – bigger profit



Increased export



Improved quality

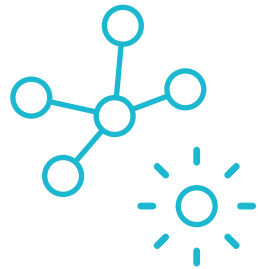


Increased productivity

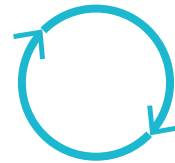
⁶ Galindo-Rueda, F., Millot, V. (2015). 'Measuring Design and its Role in Innovation'. OECD Science, Technology and Industry Working Papers.
 Borja de Mozota, B. (2003). 'Design Management – Using Design to Build Brand Value and Corporate Innovation'. Allworth Press, New York.
 Design Council (2012). 'Design Delivers for Business. A summary of evidence from the Design Council's Design Leadership Programme', London.
 Confederation of Danish Industries, Danish Design Centre (2016). 'Design Delivers – How Design Accelerates Your Business'.
 Design Council (2018). 'The Design Economy 2018. The state of design in the UK'. London.
 Maeda, J. (2018). 'Design in Tech 2018'. <https://designintechreport.wordpress.com>
 Lawlor, P. et al. (2016). 'Design-driven Innovation: Why it Matters for SME Competitiveness'. Northern & Western Regional Assembly, The Circa Group Europe.
 Sheppard, B., Sarrazin, H., Kouyoumjian, G., Dore, F. (2018) 'The Business Value of Design'. McKinsey Quarterly.
 Schwatrs, J. et al. (2016). 'Global Human Capital Trends 2016. The new organization: Different by design'. Deloitte University Press.



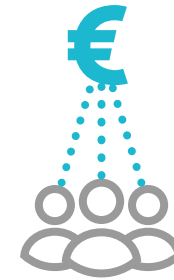
Growing employment



Ability to create new products and services and open up new markets;



Reduced risk through iterative testing and prototyping



Increased company's value - higher returns to shareholders



Increased employee satisfaction, productivity and enjoyment



Greater customer loyalty and increased satisfaction



Accelerating new ideas to market



Attracting investment



Improved internal communication

Large and fast growing companies understand the benefits offered by design and commonly use it to innovate and prosper. But the smaller ones, who represent the overwhelming majority of all businesses, are much less aware of design and often do not know how to access and use good design.

As part of research into how SMEs adopt user-centred design to involve their users and clients for product innovation, De Lille⁷ lists a number of weaknesses and challenges that small and medium companies face in their attempt to perform innovation, such as:

- Financial bottlenecks – limited finances to invest;
- Limited internal know-how on innovation processes;
- Rare internal perception of a need to innovate – innovation is usually triggered and financed by specific client or user request;
- Limited market know-how;
- Internal-orientation and weak external contacts;
- Lack of skilled labour.

On the other hand, SMEs can be quicker react to change – less bureaucracy and hierarchy, proximity to users and dedication of staff and management, are big advantages when starting a new design project.

⁷ De Lille, Ch. (2014). 'UCD4SME – Small to Medium-sized Enterprises involving their users and clients for product innovation', pp. 54-55.



4.

How we can help SMEs to innovate and grow by design?

SMEs are the backbone of European economy and a vital part of coherent and sustainable communities. Together with micro enterprises they give jobs to 93 million people in the EU and contributing 57% of value added to the EU GDP⁸. However, it is not easy for them. They need access to finance, simple legislation, efficient infrastructure and skills to be able to stay competitive and grow.

Given their significance, it comes as no surprise that SME competitiveness is high on policy agenda across Europe. Each country or region looking to increase its level of innovativeness and competitiveness should look to design. Not just because it is advised by the European Commission, but because it is a cost-effective way of innovating with users, based on market demand.

Small businesses could do better if they were more aware of design. They should examine customer service, brand proposition and design and innovation processes to define a cutting edge.

There are many ways in which businesses can be encouraged and helped to use design. They usually range from promotional activities aimed to reach large groups of people, through seminars and workshops for specific groups, to providing tailor-made, individual support to small number of businesses⁹. Park, Nam and Chung¹⁰ suggest looking at design promotion mechanisms through criteria of public/private orientation and direct/indirect interaction, to distinguish four types of instruments for:

1. Design Support (private-direct) – directly helping companies to use design through funding or provision of design consultancy.
2. Design Encouragement (private-indirect) – broader promotion of operational and strategic use of design in companies through training and workshops.
3. Design Enlightenment (public-direct) – educating citizens and public institutions through campaigns and publications.
4. Design Furtherance (public-indirect) – providing infrastructure and environment in which citizens, NGOs, government and public sector can creatively solve social challenges.

In Design4Innovation project, **design support is defined as an initiative aimed at improving the demand for design by raising understanding, capability of and readiness for design among companies and public organisations**. Nevertheless, design support can also focus on the supply of quality design expertise in the professional design sector through training and mentoring. Design support mechanisms can be divided into:

- **Financial instruments** – providing funding or other financial incentive to obtain design services, such as: grants, subsidies, voucher schemes, tax reduction, tax credit, preferential loans and equity investment.
- **Soft support** – raising awareness and building capacity through services such as: dedicated advising, workshops, seminars, promotional events, networks, clusters, matchmaking, exhibitions, labels, awards, trade shows, research programmes.
- **Infrastructure** – providing space and tools to promote and practice design, including: design centres, incubators, labs, prototyping spaces, industrial parks, coworking spaces etc.

⁸ Statistics for EU-28 non-financial business sector in 2016. European Commission (2017) Annual Report on European SMEs 2016/2017. Focus on self-employment.

⁹ Tether, B. (2006). 'Evaluating the Impacts of Design Support'. SEEdesign Bulletin, Issue 3, September 2006, pp. 8-10.

¹⁰ Park, J., Nam, K. Y., & Chung, K. W. (2010). 'Promoting design nationally: Influential factors'. Design Management Journal, 5(1), pp. 32-39



SOFT SUPPORT

Improving designers capabilities in order to:

- Expand their existing offerings;
- Make them more relevant and accessible to the existing support ecosystem.

Direct provision of design expertise in order to:

- Encourage practice of design among SMEs;
- Build design and innovation capabilities in SMEs.



FUNDING

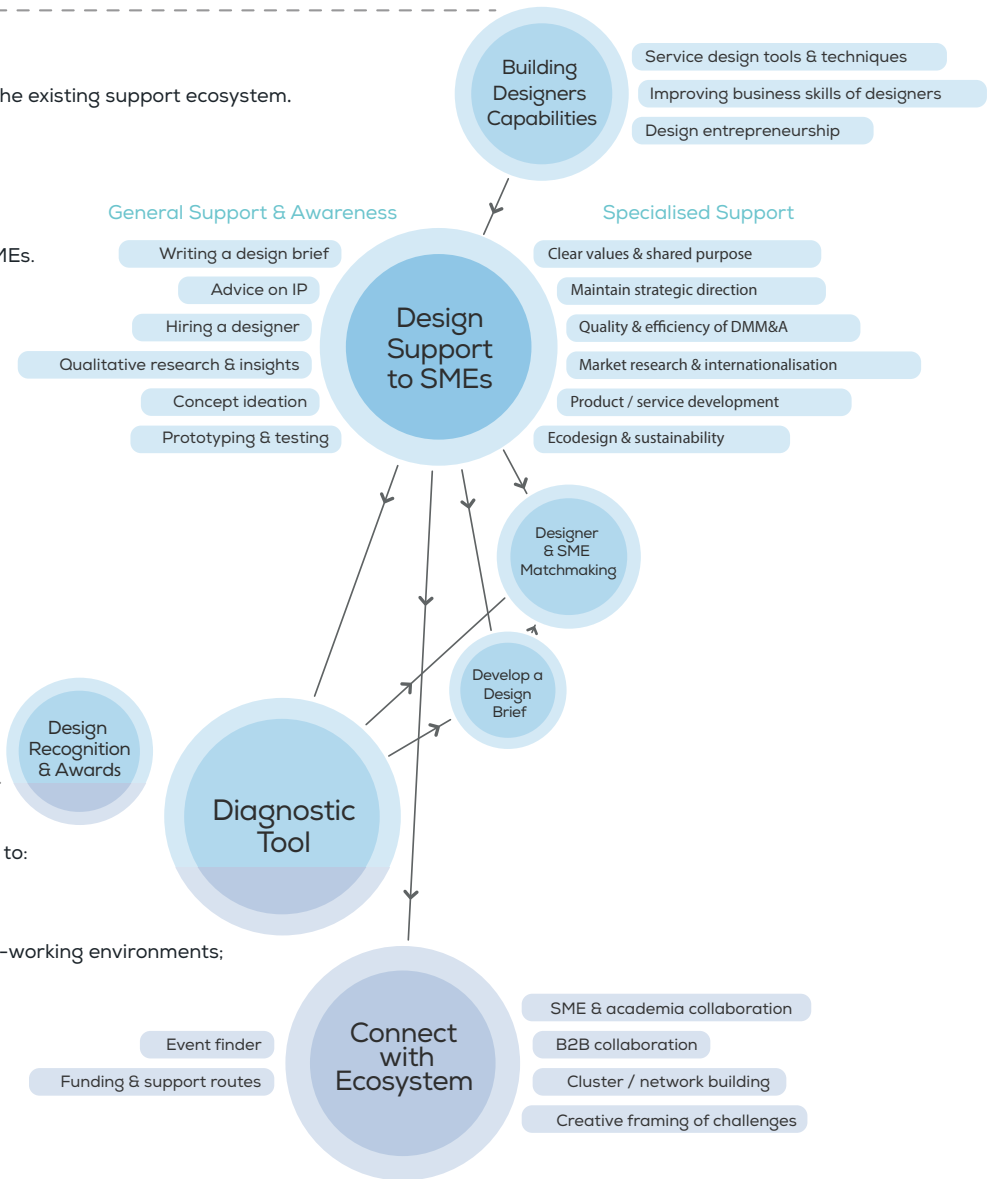
Grants, subsidies & incentives for accessing and procuring design.



PHYSICAL INFRASTRUCTURE

Integrating with physical environments in order to:

- Encourage practice of design among SMEs;
- Identify new relationships and opportunities;
- Develop shared understandings;
- Build design and innovation capabilities in co-working environments;



Graph 1. Design & Support Ecosystem. From Gaynor, L., Swiatek, P., Whicher, A. (2019) User Factor - Good Practices in Developing Design Support. PDR - International Centre for Design & Research, Cardiff, Wales.

5.

What to consider when developing design support for SMEs?

To build an effective support system and deliver the most value, a holistic approach including a mix of different mechanisms is required depending on the local context and needs of businesses. For instance, if you plan to launch a voucher scheme for design, you also need to make sure that innovation advisors will be able to explain design benefits to businesses (training for business support organisations) and that there are quality design services offered on a local market (building a database of design businesses or training in new methods for designers). Furthermore, to ensure that the intervention has a lasting impact, a company should have a stage to promote results of its design project (design award scheme or trade show support).

Regional needs analysis and mapping of what is already available are crucial first steps to developing your support scheme. For example, the Design4Innovation partners performed a mapping of the Design Ecosystem to identify active players, stakeholders and initiatives in order to understand the existing landscape of support and where the gaps were. However, there are a couple of general points that you should always bear in mind. We have combined a literature review¹¹ with the outcomes of a discussion on success factors and challenges of design support during fourth Design4Innovation Partnership meeting in Valletta, Malta in April 2018, to present a list of recommendations to take into consideration when developing design support for SMEs:

¹¹Thomson, M., Koskinen, T. (2012). 'Design for Growth & Prosperity. Report and Recommendations of the European Design Leadership Board'. DG Enterprise and Industry

De Lille, Ch. (2014). 'UCD4SME – Small to Medium-sized Enterprises involving their users and clients for product innovation', pp. 60-61

Woudhuysen, J., Ford, P. (2014). 'Publicly funded design support for SME manufacturers'. First published at Agldeas conference, Melbourne, April 2014.

REDI (2014). 'Supporting design driven innovation: A review of selected programmes'.

Nesta & Sage (2017). 'The State of Small Business. Putting UK entrepreneurs on the map'

European Commission (2018). 'Funding – Awareness – Scale – Talent (FAST). Europe is back: Accelerating breakthrough innovation. Full set of recommendations from the Independent High-Level Group of Innovators on establishing a European Innovation Council'. Directorate-General for Research and Innovation.

1. Make your support as simple as possible

Accessing public support for innovation and business growth is perceived as complex, slow and bureaucratic. SMEs are time-poor and lengthy demanding processes will discourage them from innovating. Work hard to make your programmes easy to find, understand, apply for and comply with. Most successful programmes keep bureaucracy as light-touch as possible, have user-friendly online systems, clearly explain support journey and provide feedback in short amount of time.

2. Provide funding, but also advice

Small companies tend to be cash-poor and obtaining finance is generally difficult for them. Funding targeted specifically for investment in design is usually rare. Whilst the state might be effective in distributing funding for innovation and design, making sure that the investment is successful and has impact on company's culture is much more difficult. Companies need pre-intervention consultancy to help them clearly articulate their needs and establish the best method to support their project. You need to be selective and make sure that an SME is ready for design project. During the intervention, it is important to offer help if a company faces challenges, rather than merely demanding dry reports. A change of mind-set is also needed to accept failure. Innovation projects generally have a very low success rate. Even though user-centred and market-driven approach of design can help to greatly reduce that risk, not every project will be accomplished.

3. Getting the owner / manager on board is essential

Innovation advisor needs to have a good understanding of design to be able to explain its value and convince business owners/managers to take up a new project. SME owners can have limited experience of working with designers or even be sceptical about their services. It is important to position design as an investment rather than cost and be able to present the possible impact for a specific company. However, there needs to be balance of being enthusiastic and realistic – advisors need to manage expectations and not overpromise on results – not every company need to be the next business unicorn! Engaged manager will make sure that anything is possible.

4. Innovation in SMEs is rather ad-hoc and impulse-driven

Innovation processes in small companies can be rather informal and weakly structured. They usually have no dedicated designers, user researchers or R&D specialists. Support should envisage key staff involvement in the design process to enhance awareness, build internal capability and re-orientate the business culture towards a more strategic outlook on innovation. Treat the intervention as a learning experience. Make it flexible so that employees can get involved and develop their knowledge on how to collaborate with designers or use design tools on their own.

5. Learn from good practice and adapt it to your local context

There is already a lot of good practice and lessons learnt from providing design support across Europe and beyond. Draw on the experience of others and evidence of what works. However, simple 'copy-paste' approaches will most likely fail. You need to adapt good ideas to your local context and make sure they fit within a broader innovation ecosystem. On the other hand, don't be afraid to experiment with new ideas – innovation support needs innovation too!

6. Promote and connect

Promotion via official public sector gazette might not be the best idea. Try to be where your client are – ultimately business support is your business. Remember that inexpensive interventions can add huge value – if support for design is eligible in a broader innovation programme, make sure to promote that and signpost businesses to relevant schemes, otherwise design can get lost. Regularly communicate to your local audience what is available for SMEs in your area.

As design and innovation gets more complex and specialized, it is also important to foster co-operation between SMEs and universities, research centres and design agencies through networking events. Consider creating a community of beneficiaries or organising final event for cohorts of funded projects to give stage to talk about the results and reinforce the impact.

7. Provide infrastructure

Very few SMEs across Europe are able to do their own research or have sophisticated technological equipment in order to innovate. Workshops with tools and machinery, prototyping labs and materials are equally important as individual advice and funding. Pull resources with academia – universities and research centres might already have infrastructure that could be invested in and used more widely and effectively. As suggested by Woudhuysen & Ford, Higher Education Institutions (HEIs) might also potentially be a great mean of providing design support, as they have research interests that go beyond time and money, making them more committed to assisting company on their design project throughout the whole process.

8. Ensure that there is a pool of quality design services

There is little sense in launching a dedicated design programme for, for instance service design, if there are no service designers in your region. You need to work with your design sector not only to get to know what the realistic costs of design projects are, but also to support their development and encourage interdisciplinarity if needed. Designers can be siloed too, and apprehensive towards moving away from their discipline or specialization.

Programmes should be open and inclusive of different design service providers. However, developing guidelines on the quality of services or experience of an agency might be useful. A substandard design service will lead to disappointment and SME rejecting design after use in one project.



9. Don't rest on your laurels

Supporting SMEs needs to be systemic. If a company has successfully completed their design project, assist them further to develop internal design capability and move to strategic use of design. Constantly improve your support offer in order to make sure that you are responding to their needs and ultimately that you are able to deliver the most impact and value to them.

Evaluate results of your programme – look broadly and include spillovers. Make sure to promote the impact to policy-makers.

Benefits of design support

Effective evaluation of design support programmes remains challenging. It tends to be limited to measures of activity such as the number of companies supported, the number of participants in events or total amount of money spent. Nevertheless, some of the evaluation reports managed to capture very promising results. They show deep and lasting positive impact of design interventions on supported companies and macro level as well.

In 2017, the UK Design Council commissioned evaluation of recipients of their support schemes from 2002-14. The report shows that compared to control groups from wider business database, businesses supported to use design:

- **Survive longer** – 91% of them were still trading after 5 years compared to 49% of a control group.
- **Grow twice as much** – businesses supported by Design Council grew by around 40% between 2008 and 2016, more than double that of a control group.
- **Are more productive** – turnover growth exceeded growth in employment, what suggest increase in productivity¹².

Earlier evaluation of businesses participating in Design Council's programme 'Designing Demand' between 2007 and 2012 showed strong impact of the scheme on the macro scale:

- Created 918 FTE jobs safeguarded
- 1,543 jobs generated
- £96.3m in additional revenues, £66.5m Gross Value Added (GVA) and £43.9m Net Value Added (NVA); translating to **£5.67 GVA and £3.75 NVA for every £1 of public investment**¹³.

On a company level, the report revealed an often-cited correlation between design investment and its business effects:

"For every £1 businesses invest in design, they can expect over £20 in increased revenues, over £4 increase in net operating profit and over £5 in increased exports."¹⁴

A recent study by PDR of a design support scheme provided by Scottish Enterprise also shows positive impacts of design interventions on performance and culture of supported firms¹⁶:

- Companies estimated that thanks to the grant, their **sales increased on average by £240k** in the next three years;

¹² Bonner, K., Hart, M., Heery, L. (2017). 'Design Council Support and Business Survival and Growth'. A report prepared for the Design Council by the Enterprise Research Centre.

¹³ Eden Partners (2012). 'Design Demand National Evaluation 2007-2012'.

¹⁴ Ibid.

¹⁵ Gaynor, L., Whicher, A. (2019). 'By Design Grant Evaluation'. User-Factor project report. PDR & Scottish Enterprise.

- Over 71 % of SMEs declared that their investment in design increased since receiving the grant, amounting to £26k on average;
- The majority of companies stated that the grant helped them to **increase profitability**;
- Before the By Design grant, 44% of companies had never used design. Since receiving the grant, **91% of companies have continued using design**, including a 21% increase in using external designers on a regular basis (30% in total);
- Companies believe that future investment in design will contribute to improved image (96%), enhanced competitiveness (91%), bigger turnover (91%), new and improved products introduced (90%), increased profits (88%), better understanding of user needs (86%) and increased market share (86%).

The By Design grant programme (2015-ongoing) aims to support SME's in using design to develop new or improved products and services that meet their customers' needs. Scottish Enterprise worked with PDR to evaluate programme's results in order to increase

grant engagement and improve the experience for companies receiving and offering support.

Other qualitative results of design support programmes include **increased awareness of design**, more **strategic approach to design and innovation**, increased **confidence and attractiveness for investors** and stronger **brand and business identity**, better **alignment to customer needs** or improved **environmental sustainability**¹⁶, among others.

The above-mentioned evaluation results prove that properly developed and implemented design support can be very beneficial. However, there is still need for the future research to establish what institutional, funding and mentoring support arrangements can be most effective to build long-lasting design capacity in SMEs.

¹⁶ Bitard, P., Basset, J. (2008). 'Design as a Tool for Innovation'. PRO INNO Europe.

6.

Design in Policy

Policy is ubiquitous but can be confusing. There is a whole myriad of public policy documents and in the simplest terms, public policy is what government decides to do or not to do¹⁷. However, in order to make a design support intervention successful, it needs to fit within innovation system and align to broader policy goals.

Innovation and business support has long been on top of public policy priorities, as they generate job creation, growth and wellbeing. When design has become recognized as a method of user-centred and market-driven innovation, it started to feature in innovation policies across Europe.

Design has been present in the EU innovation strategies since 2010 and continues to play a central role in renewed policy documents for Innovation and Growth. The importance of design as an activity to bring new ideas to the market was highlighted in the Innovation Union strategy, a flagship initiative of the Europe 2020 Strategy. In 2013, the European Commission published a document 'Implementing an Action Plan for Design-Driven Innovation' aiming to "accelerate the take-up of

¹⁷ Howlett, M. (2011). 'Designing Public Policies: Principles and Instruments. Routledge London, p. 15.

¹⁸ European Commission (n.d.). "Design for Innovation". EC website https://ec.europa.eu/growth/industry/innovation/policy/design_en [accessed 20.03.2019]

design in innovation policies and to create the capacity and competencies needed to implement these policies”¹⁹. In the plan, the Commission encourages countries and regions to implement corresponding actions.

Several countries in the EU, including Denmark, Estonia, Finland, France, Ireland, Latvia, Netherlands and Sweden, developed dedicated policies for design. Some of those policies, like in Denmark or Finland are in their subsequent cycle and some are at the beginning of the journey. Having a dedicated policy or action plan for design helps to look at it in a systemic way and ensures a balance of supply and demand. However, developing a design policy is not a goal in itself. It is crucial to consider how it is best to achieve your goals – through a dedicated policy, integrating design as an element or horizontal enabler in other policies or a combination of both. A policy process that ensures the following will help to establish the best way to progress design for innovation:

1. Involvement of stakeholders in policy co-creation from the beginning;
2. Understanding of government and stakeholder objectives;
3. Analysis of current design ecosystem and taking stock of what is available.

In Design4Innovation project, we examine our national and regional Operational Programmes (OP). These are policy instruments developed by the Member States and their regions, which detail how money from the European Structural and Investment Funds will be spent during the programming period . Operational Programmes are a part of EU regional policy that direct investment towards achievement of the Europe 2020 strategy goals, such as job creation, competitiveness, economic growth, improved quality of life and sustainable development. Design can contribute to attainment of those objectives, therefore we want to capitalise on the opportunities it presents by integrating design in the Operational Programmes.

¹⁹ European Commission (n.d.) "Regional Policy". EC website https://ec.europa.eu/regional_policy/index.cfm/en/ [accessed 20.03.2019]





Design4Innovation journey to implementing design support into policy documents

Design4Innovation project seeks to develop Design Action Plans detailing how to integrate design into innovation support instruments for SMEs offered through the Operational Programmes, such as innovation vouchers, grants and subsidies as well as mentoring and coaching programmes in incubators, science parks, clusters and innovation centres. This might require complementary actions in other parts of design ecosystems to ensure that support is effective, like for instance mobilizing local design sector, training business advisors or organising promotional campaigns for design. We are taking a design approach to developing our action plans to iteratively achieve a plan that is targeted and realistic, yet ambitious.

Our learning process involves exchange of experience event that blends theory and practice in hands-on workshop and study visit. Each workshop introduces creative design tools to facilitate peer-learning. After each workshop, partners replicate the workshop for stakeholders in their region, to bring the interregional learning back and for the partners and stakeholders to jointly develop all outputs and create vested interest.

All workshops are connected and the sum of all the activities will result in the Design Action Plans:

1) Mapping Design Ecosystems Bruges, 7-9 March 2017

When policymakers develop innovation policy, it is based on an analysis of the innovation ecosystem. To develop our action plans, we mapped design ecosystem in our regions and analysed their strengths and weaknesses. We share lessons learnt from this process in our first Policy Booklet.

This exchange of experience event also involved a study visit to three Flemish companies that have accessed support scheme “SME e-Wallet” offered by Flanders Innovation & Entrepreneurship to successfully introduce design-driven innovation.

2) Exploring Operational Programmes and opportunities for design Thessaloniki, 31 May – 1 June 2017

The second step of our interregional learning journey was to delve deeper into the Operational Programmes and their existing implementation mechanisms in order to identify the opportunities for the integration of design into support programmes for SMEs. Lightning presentations of the OPs given by representatives of the Managing Authorities from partner regions clearly demonstrated the diverse scale and the varied approaches to providing support to businesses. Programmes on a national scale such as EPANEK in Greece or ‘Growth and Employment’ in Latvia offer a broad range of both financial and non-financial support opportunities to thousands of companies either directly or via intermediaries, whereas in Flanders for instance, this support is focused mostly on non-financial means of support which are channelled through various business support organisations, research institutes or local authorities. The presentations revealed that in many of the partner regions the use of design in SMEs could be financed under Thematic Objective 1 ‘Research and Innovation’.

3) Identifying good practices in financial support Santiago de Compostela, 7-8 November 2017

Having explored our design-innovation landscapes and the opportunities to influence Operational Programmes, Design4Innovation partners have come to Galicia to share best practice in financial support mechanisms for SMEs. Financial support instruments in our partner regions range from innovation vouchers, grants, loans and equity investment to combined mentoring and funding programmes for young entrepreneurs. There are dedicated programmes for design or creative sectors, but most of these address innovation broadly and design is included as an eligible cost. The experience of the partners shows that for programmes where design is not the main focus, a more active promotion of design projects eligibility is needed as businesses are usually unaware of this possibility and only small proportion of the funding goes to design related projects.

In the workshop, we used service design tools – personas and user journey mapping, to think about the support programmes from the perspective of our end users –

SMEs. Personas are archetypes of the people that use a service and by developing a range of personas, we can better understand users' needs and expectations. User journey mapping is a tool for visualising a person's experience of a service through the whole set of circumstances and tasks. It helps to identify pain points and improve the process by making it more transparent, effective and user-friendly. Often quoted challenges, such as excessive paperwork, unclear processes and long decision time are time-consuming and costly, and in effect might deter small companies from applying for support.

4) Identifying good practices in non-financial support Valletta, 11-12 April 2018

In addition to direct financial support for design, there are so-called 'softer' mechanisms for supporting small business to use design including mentoring, coaching, advisory services, clusters, matchmaking, networks, award schemes, co-creation spaces, fab labs or business incubators among others. Hosted by the Valletta 2018 Foundation (now Valletta Cultural Agency) responsible for the Valletta Capital of Culture initiative and the Valletta Design Cluster, the Design4Innovation partners met on Malta to explore non-financial support initiatives for design. Each partner presented at least one example of good practice in 'soft' support programmes. We also used a 'Design Support Canvas' tool, to plot and visualize all the elements of design support programmes that are needed in our regions.

With the Valletta Capital of Culture programme there was an opportunity for Design4Innovation to feature in the programme of events and host a networking event showcasing case studies of small companies successfully

using design to innovation from across the partner regions. The event was attended by over 80 people including local stakeholders from small businesses, the design sector, business support organisations and government agencies as well as the Design4Innovation partners and their guest policy-makers.

Over the next pages we are going to present an overview of our project partners' Operational Programmes as well as their examples of good practices in financial and non-financial support.



Wales

East Wales ERDF Operational Programme

The ERDF OP East Wales is driven by an “unequivocal focus on investments that can contribute to the creation of sustainable jobs and economic growth”. The SME Competitiveness priority aims to promote entrepreneurship and business start-ups through a range of measures including financial support such as innovation vouchers as well as non-financial support such as mentoring.

We believe that design-driven innovation could enhance both of these measures. We intend to improve this policy instrument by integrating design as an eligible cost and strategic activity within innovation vouchers and mentoring programmes and increasing the uptake of design within those mechanisms.



Development Bank of Wales – Wales Business Fund developmentbank.wales

The Wales Business Fund, is part-funded by the ERDF, through the Welsh Government. It was created specifically to support SMEs based in Wales. Any start-ups, early stage tech ventures, SMEs based in Wales, across a wide range of sectors are eligible to apply for loans, mezzanine funding and equity investment between £50,000 and £2m. The main categories of spending are:

- Growth finance;
- Follow on investment;
- Working capital as the business grows;
- Succession financing.

The Fund has been designed to reflect the priorities of regional stakeholders, such as Advanced Manufacturing, Life Sciences, Energy and Health. There is also a focus on supporting tech based and other emerging sectors. This aligns with the Smart Specialisation Strategy and encourages collaborations between private sector enterprises and Welsh research institutions.

Good practice: Well described and presented case studies of successfully funded businesses can be found on the bank's website.

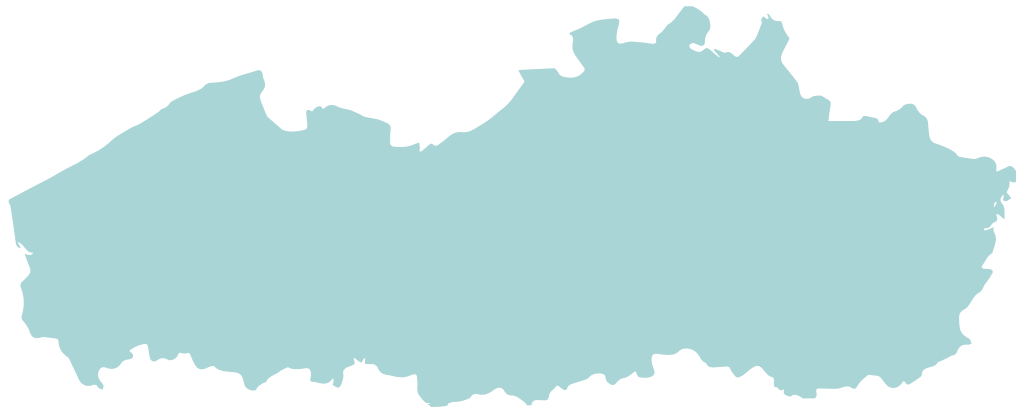


Service Design Programme

Service Design Programme is a unique scheme offering support for both businesses and design sector. The offer can be broken down into activities stimulating demand for design-led service innovation through awareness raising and pilot actions; and enhancing supply of service design through training for designers:

- For businesses (demand): Events, Telephone Advisory Service, Service Essentials Workshop and the Service Strategy Programme aiming to introduce companies to principles of service design and train staff in its methods. In order to create meaningful impact on a business, the focus was on a long-term engagement.
- For designers (supply): 'Service Design for Designers' – a six-month up-skilling training programme for product design, graphics and branding companies to create the 'supply' of service design expertise.

Good practice: The Service Design Programme is enhancing both supply of and demand for innovation services at the same time. It was co-designed by the team from Design Wales with companies in the design and manufacturing sectors to best respond to their support needs.



Flanders

ERDF Operational Programme Flanders 2014-2020

ERDF OP Flanders has four investment priorities regarding SMEs focused on:

- Promoting an entrepreneurial culture by stimulating intrapreneurship and new forms of entrepreneurship
- Fostering knowledge about the development and implementation of new business models for SMEs
- Developing the knowledge potential within SMEs through the employment of specialized staff
- Fostering an international entrepreneurial climate in Flanders and supporting the capacity of SMEs to grow in international markets

All four investment priorities in the SME's axis offer possibilities to include measures for design-driven innovation to enhance competitiveness of Flemish SMEs. VLAIO plans to formulate several discrete actions to improve current business support for design, such as: 1) to illustrate how general subsidy schemes can be used to fund design interventions in SMEs, 2) to educate partner organizations that consult businesses on the value of design, and also 3) to clarify the link between design and other forms of innovation.



Call for innovation with creative industries (CICI)

A call for innovation, with creative industries, was a joint initiative run by Flanders DC and IWT (Agency for Innovation by Science and Technology – now Flanders Innovation & Entrepreneurship). It fostered innovative entrepreneurship by encouraging and supporting cross-fertilization between creatives, scientists and entrepreneurs. The programme was open to teams including at least one creator and one company or nonprofit organization. A project between 20.000 euro and 50.000 euro could receive funding for acquisition of knowledge that can lead to new ideas & concepts, improvement of products & services or social added value. The funding was between 35% and 70% of the total cost of the project. Additional percentage of funding rate was given to small and medium enterprises, as well as for the substantial strategic collaboration. Research institutions could get up to 100% of costs.

Good practice: The programme was encouraging cross sector collaboration and involved new actors in the innovation system. In addition, increasing intervention rate for smaller companies made it more appealing for them.



5x5®

5X5® is a support mechanism that matches five companies with a senior and junior designer to develop a new product or service in one year's time, applying the different aspects of product development and design thinking. A twelve-step methodology based on user-centred design has involves matchmaking, creativity workshop, development of brief, brainstorming sessions, hands-on learning, expert advice and concept development, among others. New products or services are launched at a big professional public event, after which the companies commercialize the result. The methodology 5X5® is a tested and effective model of support programme aiming to increase company's competitiveness through design. It has been developed in the Design Region Kortrijk and is now available via a license model.

Good practice: The hands-on implementation and integration of the design thinking methodology led to a transformation of the business model at the heart of the companies. The programme creates a community of design innovators that generates a form of friendly competition and peer pressure for the final event.



ANTWERP. POWERED BY CREATIVES. & DE WINKELHAAK | HOUSE OF C

The main goal of ANTWERP. POWERED BY CREATIVES. is to nurture cooperation between the creative sector and other sectors, motivate Antwerp's entrepreneurs to innovate and help creative entrepreneurs grow. It is an open platform where designers, companies, educational institutions and government can meet and start conversation to share or gain knowledge, launch projects and challenge or inspire others. DE WINKELHAAK | HOUSE OF C is part of ANTWERP. POWERED BY CREATIVES. and provides a space for those meetings and collaborations. It is an incubator for innovative entrepreneurship, that houses on average 30 businesses and helps them grow into stable and enterprising SMEs. The building was completed with funding from the European Union, the Flemish Community, the City of Antwerp and private investors. The day-to-day operation is financed entirely with its own revenue.

Good practice: In DE WINKELHAAK | HOUSE OF C everything is centred around cross pollination and building community. The incubator organises trainings for aspiring entrepreneurs and promotional campaigns for the creative sector. With initial funding, DE WINKELHAAK | HOUSE OF C has managed to build a successful business model for providing support to creatives.



ERDF Regional Operational Programme Catalunya 2014-2020

In line with EU2020 and Catalonia 2020 Strategy, the ERDF OP Catalonia aims to boost economic growth in the region of Catalonia and to help it contribute to Europe reaching its goals of smart, green growth for all. EU funding is targeted primarily on Research, Development and Innovation, improved access to quality ICT, and increase of their use in public and private sectors. The OP aims to strengthen SME competitiveness through better access to credit, advisory and other specialized services. Priority 3 is dedicated to SMEs competitiveness with 3 investment priorities:

- Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubator
- Supporting capacity enhancement for product and service development
- Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes.

Design-driven innovation activities are not foreseen in the programme and this is what we plan to improve by implementing best practices learned through interregional cooperation.





Innovation vouchers grants

Innovation Vouchers for Design Thinking projects was a joint initiative run by Barcelona Design Centre and ACCIO - Catalan Agency for Business Competitiveness. It promoted innovative projects within the private sector by facilitating collaboration between creatives, designers or design studios and companies. Vouchers provided financial support to SMEs to access the services of innovation suppliers certified by ACCIO.

A company of between 5 and 100 employees could obtain 80% of an innovation project worth up to €4k to cover costs of services provided by designer or design agency to develop new or improved concepts of products and services through involvement of users in the process.

Good practice: Certified service providers list ensured high quality of consultancy services. Vouchers have helped SMEs to not only implement an innovative project for a new product, service or process; but also at the same time have created more strategic partnerships between companies and innovation ecosystem.



Centre for Value Integration

The Centre for Value Integration (C4VI) was an initiative implemented by the Barcelona Design Centre with the support of ACCIO - Catalan Agency for Business Competitiveness. The programme promoted the concept of systemic innovation, where design served as a tool for developing solutions that better respond to functional, emotional and social needs. C4VI was targeted at companies, public sector organisations, universities and research centres aiming to start an innovation project. Through a range of training, capacity building and good practices dissemination, C4VI was helping to transform innovation challenges into economic and social value. Topics such as Innovation Strategy, Ethnography, Problem Solving, Product & Service Prototyping, and Global Trends were covered during interactive workshops.

Good practice: The Centre for Value Integration built its offer based on identification of needs and existing assets in the innovation ecosystem. The programme developed good practice case studies of design-driven innovation in Catalan businesses and organised awareness-raising campaign.



Greece

Operational Programme Competitiveness, Entrepreneurship & Innovation 2014-2020 (EPAnEK)

EPAnEK is a national programme that covers all regions of Greece and promotes innovation and entrepreneurship for the competitive advantage of priority sectors: tourism, energy, agro-food, environment, ICT, health, creative industries and construction. Its main intervention axes include:

- Growth of entrepreneurship in priority sectors with focus on export-orientated businesses. Design could form part of subsidies and grants distributed under this objective.
- Adaptability of workers, enterprises and business environment. This axis focuses on adapting SMEs to new business models through professional growth, mentoring and coaching. There is an opportunity to include here design training and advisory services.
- Development of mechanisms to support entrepreneurship – upgrading the country's infrastructure and ecosystem to support entrepreneurship including incubators and pilot projects. KEPA proposes to integrate design into infrastructure to support entrepreneurship such as incubators.



Grants for micro and small companies to develop their skills in new markets

The programme aimed to support the micro and small enterprises in the eight priority areas of the Operational Programme “Competitiveness, Entrepreneurship and Innovation” (EPAnEK), in order to upgrade their competitive position by investing in their technological, organizational and commercial modernization and / or redevelopment of their functions, products and services. The supported investment projects should have a clear focus on improving the quality of products and services offered or creating new products / services to meet specific market needs. Design is an eligible cost. Also, investment projects could be aiming at reducing costs or increasing the efficiency of operational and production processes. The grant is available for projects between €15k and €200k.

Good practice: Focus on micro enterprises in RIS3 sectors. Non-material costs, such as patents and advisory services, including design services can constitute up to 100% of investment project.



Business Boost

The Business Boost programme aims to help businesses and public bodies to identify the root causes of the issues they face and find the most sustainable solutions by using design methodology. Within the scope of Business Boost, Hellenic Design Centre offers personalized advice to selected businesses and public bodies to identify the real needs of customers / users and to propose viable solutions to the challenges faced by the selected business / organization. The Programme merges elements of design thinking, business development, problem solving and critical thinking to enhance brand awareness, improve product or service and increase performance of a business.

Good practice: Business Boost is part of a comprehensive suite of services offered by Hellenic Design Centre that ranges from short introductory training sessions to applied in-depth interventions.



Latvia

Operational Programme Growth and Employment Latvia 2014-2020

The Latvian single multi-fund OP Growth and Employment aims to achieve key national development priorities under Europe 2020. The OP has nine priority axes and one is specifically dedicated to SME competitiveness. It supports three ERDF investment priorities (3a, 3c, 3d) and one ESF investment in institutional capacity and in the efficiency of public administration.

Design is mentioned in regards to the priority 3d (Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes) among the actions to be supported: "It is particularly important to promote non-technological innovations of demand and supply, innovations and eco-innovations of business model, innovations in service sector and design." However, we believe there is room for a broader and deeper inclusion of design-driven innovation for SMEs competitiveness for technological and user-centred innovation too.



Innovation vouchers for SMEs

Innovation voucher program is aimed at SMEs to support development of new products and/or technologies or improvement of existing ones. The program seeks to support innovation in enterprises through technology transfer and attraction of highly qualified employees, whereas existing products and/or technologies are substantially improved or new ones are created. In this way, the program contributes to the existing Smart Specialization Strategy of Latvia. There are two types of support offered: an initial voucher with aid up to €5k with 100% financing intensity and for bigger project a voucher of up to €25k with 85% financing intensity. Following activities are eligible for funding:

- Technical and economic feasibility study;
- Industrial research;
- Experimental design, including prototyping;
- Product industrial design;
- New project or technology testing and certification;
- Industrial property rights for inventions (patents), design samples and topography of semiconductor product.

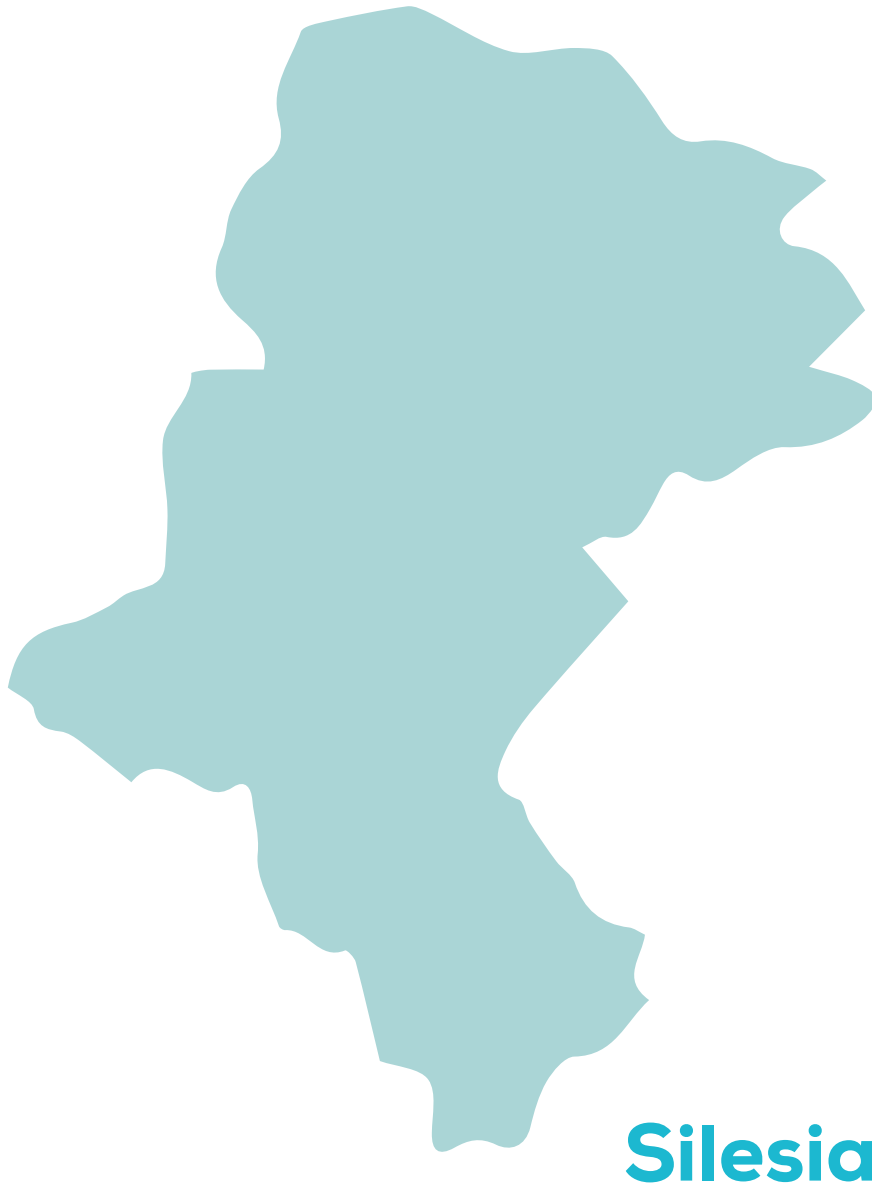
Good practice: The programme has light-touch bureaucracy and no obligations to fulfil any impact targets, for example, to increase net turnover, number of employees, R&D costs etc., making it more attractive for entrepreneurs.



Creative Industries Incubator

Creative Industries Incubator is the only one sector-specific in a network of 15 business incubators managed by LIAA - Investment and Development Agency of Latvia. It supports the growth of business concepts in architecture, design, film-making, performing and visual arts, music, publishing, TV production, digital, advertising, and leisure, among others. The offer is split into pre-incubation (PINK) and incubation (INK) services. PINK is dedicated to supporting emerging ideas so there is no need to need to be a registered company. Beneficiaries are selected based on an application and a pitch to the incubator team. During 6-months programme, the concept is taken through business modelling and value proposition canvas. Beneficiary receives also ongoing mentoring and access to co-working space, office equipment and community of creative entrepreneurs. INK services are open to companies established in the last three years. Companies accepted to the incubator can stay there for up to four year using the space, expert advice and also address for registration. Incubated firms can also receive financial support – 50% of up to €5k for equipment and production materials and up to €10k for expert services (design, prototyping, testing, etc.).

Good practice: Straightforward and easy application process complemented by live presentation of the business idea. Simple offer structure tailored to the needs of emerging creative business ideas.



Regional Operational Programme for Śląskie Voivodeship 2014-2020

The multi-fund ERDF/ESF OP aims to fulfil the vision of the Silesia 2020 Development Strategy. The OP provides for support on all 10 thematic objectives, with measures directed at SME Competitiveness getting as much as 12% of the total investment.

Design has been identified in the Silesian Innovation Strategy as the innovative method to develop better products and services in smart specialization sectors. It also appears in the OP in priority investment 3a on promoting entrepreneurship: "Support will be provided for enterprises located in incubators providing the necessary infrastructure to conduct business and effective training and consulting in strategic management and business monitoring, user-oriented innovation and design, international expansion according to the specific needs of SMEs, as well as advisory support and training in running an innovative business". We believe that provisions for design in the OP should be more strategic. Therefore, we intend to develop Design Action Plan to introduce design mentoring programme and train innovation advisors in design. Design Action Plan will address the issue of the insufficient use of financial instruments for innovation among SMEs - we will aim to introduce design into financial support under the priority 3c Supporting the creation of advanced capacities for products, services and development.



Design Formula for Competitiveness – grants for conducting design audit and implementation of design strategy

'Design Formula for Competitiveness' is a programme delivered by Polish Agency of Enterprise Development within the Eastern Poland OP. The scheme aims to introduce design into established companies. It consists of two phases. In the first one, a company can receive a subsidy up to around €24k for conducting design audit and developing design strategy (with an intervention rate 85%). After completing the audit, a company can apply for follow-up funding for investment and consultancy services of max €708k for implementation of design strategy developed in the first stage (70% of the intervention costs).

Good practice: Providing support to established companies and gradually introducing them to design approach and preparing for a more strategic investment.



Slaska Rzecz – Silesian Icon

Silesian Icon is Poland's only regional design competition. It awards the most innovative products, graphics and services from Silesia region; promoting competitiveness through user-centred and market-driven innovation. Castle Cieszyn (Zamek Cieszyn), a regional design promotion centre, organizes the Silesian Icon competition annually since 2006. It is open for entries from entrepreneurs, public sector institutions, NGOs and designers/design agencies. The jury puts special emphasis on innovativeness and usability. The winners of the competition are showcased in an exhibition called Dizajn po lsku - Silesian Design presented at various events in Poland and abroad. During 13 editions of the competition 716 entrepreneurs and organizations took part, 274 projects were showcased at the exhibitions and 31 awarded the Silesian Icon title.

Good practice: The competition promotes the best examples of effective cooperation between designers and businesses. It facilitates the mutual exchange of experiences, knowledge and expertise that benefits both parties in the process. This embedding of design processes within the region has created a higher quality of products and services.



Malta

Operational Programme 1 – Fostering a competitive and sustainable economy to meet our challenges

The Maltese OP1 does not include any explicit measure to support the use of design-driven innovation. However, we want to make the case for why design-driven innovation should be included in measures under priority investment 3a Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators. As well, the priority 3d offers opportunities to implement new measures to increase SMEs capacity to engage in innovation through design.

We will seek to mobilize funding for creation of the Valletta Design Cluster, which is an infrastructural initiative of the Culture Directorate at Ministry for Justice, Culture and Local Government. To ensure the success of the Valletta Design Cluster it is important that it operates in conjunction with the broad innovation policy instruments in Malta such as voucher and mentoring programmes.



TAKEOFF Seed Fund Award fund early-stage technology and start-up development

The TAKEOFF Seed Fund Award is a joint initiative between the University of Malta and the Ministry for the Economy, Industry and Small Business. It is the first programme in Malta to fund early-stage technology and start-up development. The programme provides initial funds to bridge the gap between an innovative early-stage concept and its market readiness. A grant of between €2.5k and €20k is available to researchers and entrepreneurs for developing a proof of concept (30% of the grant value) and as a seed funding (the remaining 70%).

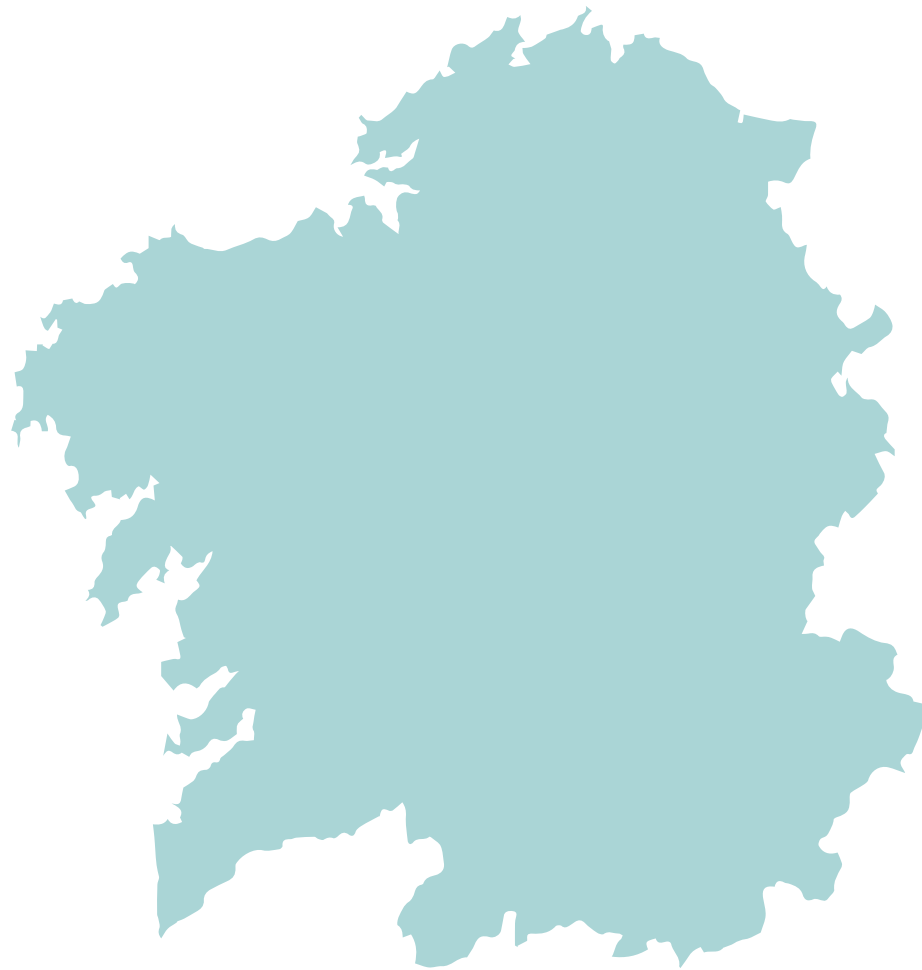
Good practice: Proposal selection is done by live pitching sessions what helps to get better understanding of the proposed project and assess commercial viability as well as commitment of the applying team.



Valletta Design Cluster

The Valletta Design Cluster (VDC) is a community space for cultural and creative practice situated in the renovated Old Abattoir building in Valletta. The site is undergoing restoration and regeneration in order to host the VDC facilities as of early 2020. The venue will include multi-purpose spaces for exhibitions, conferences, co-working, artists in residence projects, as well as creative studios, makerspace, communal kitchen and roof garden. Openness is one of the main pillars on which the Valletta Design Cluster concept builds its vision, placing itself as a key facility for learning, networking, creating, sharing experiences, ideas and projects with a number of stakeholders coming from different communities. Valletta Design Cluster will provide support through its space, equipment and staff to various potential users from the cultural and creative sectors, residents, students, start-ups, creative enterprises and other similar entities. A wide range of public and independent organisations are also contributing to the project, providing both expertise and generous support.

Good practice: Openness and promotion of diversity trigger bottom-up approach towards community engagement, event programming and services offered, together with the promotion of new networks between users.



Galicia

ERDF Operational Programme Galicia 2014-2020

In line with EU2020 and regional smart specialization strategy, the OP Galicia aims to boost sustainable economic development by job creation especially in sectors with high added value, and by improving the competitiveness of the regional economy by supporting SMEs. The Galicia OP motto is “boosting recovery under a new growth model”.

Priority 3 is dedicated to SMEs competitiveness with two investment priorities:

- 3a Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators and;
- 3d Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes.

Design activities are not included in the measures under these priorities and this is something we plan to improve by implementing best practices learned through interregional cooperation. As part of this, the Galician Innovation Agency provides mentoring directly to businesses. However, design is not yet included and we are keen to build capacity for design among SMEs.



CONECTAPEME – R&D&I grants for SMEs

Conecta Peme promotes cooperation between SMEs and R&D&I organisations by providing support for market-oriented research & innovation projects aligned with the RIS3 challenges. The programme offers funding for:

- Industrial research;
- Experimental development;
- Innovation in management and process.

Projects eligible under this call must be implemented by consortia of SMEs and research and innovation services providers. They can receive between 50% and 80% funding for a project worth between €500k and €1.5m.

Good practice: Conecta Peme places SMEs at the centre of the innovation system. They play the main role in the process but the entire ecosystem is encouraged to collaborate. Large companies can also participate, but the funding rate is limited to between 15% and 65%.



Galactea-Plus

Galactea-Plus is a matchmaking and networking initiative run by Enterprise Europe Network (EEN) in South-West Spain. It brings together businesses and other organisations looking for collaboration. Main objective of the programme is to help SMEs innovate, grow and scale in the Single Market and internationally. Galactea-Plus offers three types of services: expert internationalization advice on how to expand to new markets, international partner search services and innovation diagnosis for improvement of company's innovation and competitiveness management system. After registering to the network, a company (or other institution) is informed of and/or invited to participate in brokerage events, collaborative projects, business cooperation, knowledge transfer projects or tender submissions in the area of company's interest.

Good practice: The services are designed with SMEs in mind, but they are also open to all European companies, technology centres and universities. EEN links 600 organizations in 40 countries offering great opportunities to connect to international partners.

Additional Good Practice: Norway

Design-driven Innovation Programme – grants for design projects in established businesses

DIP aims to strengthen development of new products and services through user-involved, design-driven innovation methodology at the idea phase. The programme specifically focuses on the idea-generation phase, supporting businesses and public sector organisations to translate information about their users into practical concepts and opportunities. The intended result is a viable concept ready to be commercially developed. The ultimate goal is for these concepts to reach the market as innovative new products and services. During the programme the funded organisations are supported in:

- User research – learning how to uncover the needs of users;
- Identifying opportunities – turning user insights into design concepts;
- Idea clarification – using design methods and industry expertise to choose a concept to be developed and implemented.

Average project funding: € 40-50k; highest: € 100k. DIP prioritises high funding for the most ambitious projects. Good practice: Clear focus on user research and idea generation phase. It is obligatory to work with professional design agency and carry out proper user studies/user involvement. Programme is open only to well-established companies (with proven ability to operate and complete innovation projects) and a CEO needs to sign application to secure support and priority within the organisation.





Conclusion - future challenges for design support

Design has proven its value to business success and in innovation processes numerous times. Among big multinationals and innovation leaders, it is a tool for daily operations as well as part of strategy and company's DNA.

It has also gained recognition and credibility as a driver of user-centred innovation among policy-makers who aim to boost competitiveness of their regions and countries through design. Design has been present in the EU innovation strategies since 2010 and continues to play a central role in renewed policy documents for Innovation and Growth. European Commission aims to²⁰:

- "Increase the use of design for innovation and growth across Europe;
- Raise awareness of how design-driven innovation increases efficiency in public services and drives business growth;
- Create capacity and competencies to deliver these policies".

In order to turn policy ambitions into real impact, a plan of targeted actions developed with stakeholders from

²⁰ European Commission (n.d.). "Design for Innovation". EC website https://ec.europa.eu/growth/industry/innovation/policy/design_en [accessed 20.03.2019]

across the design-innovation ecosystem is needed. Implementation of design policy usually takes form of the development and delivery of support programmes. An ever-increasing pace of technological and social changes poses a number of challenges for effective design support:

- expanding practice and scope of design,
- meaningful impact capture,
- sustainability of new products / servitization,
- design for social behaviour change,
- public service and policy design,
- design literacy and education,
- capacity for design among business and innovation professionals.

Using design method and tools to developing support offer can help us address those challenges. Its flexible and adaptive approach ensures that the solutions are iteratively improved to constantly respond to user needs.

Through knowledge exchange process within Design4Innovation project, we have identified a number of good practices and guidelines to inspire and steer our actions. Furthermore, we are taking a design approach to influencing the policy change by understanding the user (company) experience of business support

programmes. The partners have developed personas of typical applicants for a range of innovation programmes, performed user journey mappings of the application processes and explored how to make the companies experience of the application process more streamlined.

In our further learning process, we will explore the existing design action plans and policies in Europe to draw out the most important lessons for our task. We will also discuss how to effectively build capacity for design among business support organisations and examine micro and macro level indicators to measure the effect of design interventions.

Design4Innovation is an ambitious project that aims to improve competitiveness and innovativeness of SMEs through design. There are exciting developments in design support happening in our partner regions and we will continue to collaborate to implement, monitor and evaluate their impact of our interventions for design in the coming years.

Follow our progress and achievements at www.interregeurope.eu/design4innovation and on our social media channels.



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