"Global Review of Innovation Intelligence and Policy Studies"
A PRO INNO Europe project

Innovation Policy Workshop # 2

"Design as a tool for innovation"

Report

Hugo Thenint (LL&A)   *October 2008*

Contents

1. Introduction: background

The European Commission's 2006 Communication "Putting knowledge into practice: A broad-based innovation strategy for Europe" outlines the EU's innovation strategy for the years ahead. It is a response to new trends in innovation and to calls from European governments, industry and other stakeholders to broaden the scope of EU innovation policy. The strategy shifts the emphasis from technology push to demand- and user-centred innovation, a development that will continue in the coming years.

Design is an important source of user-centred innovation and competitiveness for European companies - but one that is insufficiently used, in particular by SMEs. For many companies facing global competition and severe price pressure, design is a necessary means of differentiation. Moreover, the potential of design as part of the solution to societal challenges - such as the aging population, environmental problems and social exclusion - is frequently underestimated.

Recognising the importance of design in this context, the European Commission is exploring the policy options to encourage design at a European level. Accordingly, the Commission entrusted the European INNO-GRIPS project with the organisation of a workshop on design as a tool for innovation in Marseille on 26-27 June 2008.

The purpose of the workshop was to bring together a small number of high-level experts to support the policy making of the European Commission by discussing how a European policy for design could help tackling some of the main challenges faced by European industry and society today.

Questions that have been explored include the following:

- Where, and how, could design be part of the solution to the main challenges faced by European industry and society today? Which challenges can be tackled in what ways?
- What are the opportunities for and barriers to better use of design by European companies? What are the implications for different types of company, e.g. SMEs?
- What are the best examples of regional and national policies in support of design, in Europe and elsewhere? What can be learned from them?
- What could the added value, and the possible components, of a European design policy be? What would be its impact, and how could positive impacts be maximised?

This report has been elaborated on the basis of presentations and discussions that were held during this workshop. The following paper does not provide the minutes but constitutes an attempt to digest and structure the output of the meeting.

2. Design as a comprehensive business concept

At the beginning of the workshop, discussions focused on confusions that can result from the public's misty understanding of design. This aspect is all the more important when addressing the question of design's role in EU competitiveness and the opportunity to support design activities.

Because it is commonly limited to the aesthetic and ergonomic aspects of a specific object, design awareness has been too narrowly linked to creative industries. Besides, the lack of clear understanding of the meanings of design has often led to neglect or the development of inappropriate policies and strategies in government, higher education institutions, industry and professions. Policy-makers and a majority of executives are in general insufficiently aware of the potential of design and how it might contribute to strengthen the competitiveness of firms.

Another consequence of the misunderstanding of design is the focus that is being made on designers, some of whom are viewed as stars. Beyond style and fashion, design is about intentions and plans.

Design, stripped to its essence, can be defined as the human capacity to shape and make our environment in ways without precedent in nature, to serve our needs and give meaning to our lives. (John Heskett)

Using such a definition pushes for understanding design as a comprehensive approach to the development of products, services and systems. For that reason, the concept of design is developing from results (the product) to processes (conception & production), and equally from design as an isolated corporate activity to user-centred "design thinking".

When talking about design, one should concentrate on the objectives and the way to reach these objectives. In this perspective, participants of the workshop were asked to identify what design was delivering. It was finally considered that design was:

Human centred…
As it turns inventions into innovations which meet people's needs, aspirations and abilities. This requires substantial and effective observation (insight) but also to create user experiences. Therefore, designers require empathy (mind of users to be understood).

Problem solving…
By creating doubt and then enabling a multi-dimensional thinking in/for complex situations (under constraints) and finally strengthening the ability to synthesize for holistic solutions.

Co-creation…
Design facilitates cross disciplinary innovation processes and fruitful interactions between economy, user needs and engineering. Design helps to address three issues: Desirability (human aspect) + viability (business) + feasibility (technological)

Visionary…

Design also consists in imagining and visualizing possible futures / scenarios to support strategic decision making and requires intuitive capability. Historically, design has contributed to create future business standards and cultural references.

Reviewing the objectives and processes in design activities enables to identify several barriers to better use of design in companies that are directly linked to the intangible and complex nature of design:

- Designing requires using several disciplines and developing strong coordination competencies. Human resources problems are thus frequently highlighted (confusion in the designer's ambition between art and business, lack of multidiscipline, problems of communication, etc.). Similarly, companies – particularly SMEs – tend to find it difficult to successfully recruit a designer or select a good design consultant (how to chose and use one).

- Strategic design is a management issue and most successful when anchored at the highest level. Due to a lack of awareness among top management and to competing priorities (R&D, marketing, etc.), design is sometimes used only at the final styling stage of a product development (first step of the design ladder), despite the potential of design and "design thinking" to be used strategically.

It is however worth mentioning that using a broad definition of design can cause some methodological difficulties: it becomes very tricky to delimit the scope of design activities as most of economic sectors are (or should be) involved in such processes. Even within a company, design activities can be carried out by several actors from various departments / divisions.
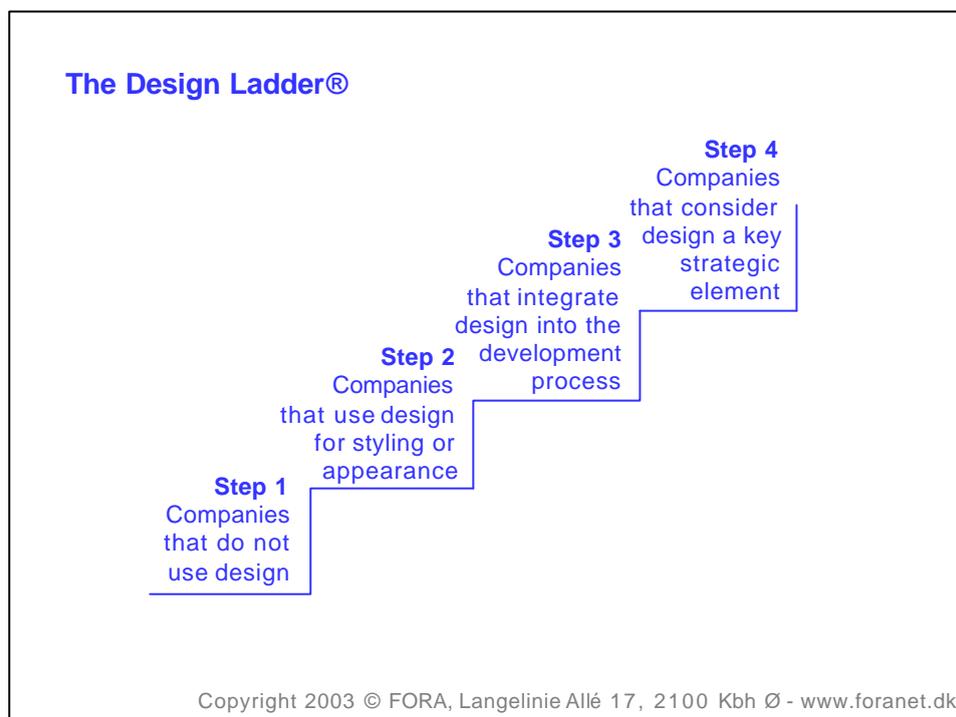
The European industrial activity classification (NACE Rev.2) has recently adopted a sub-section (7410) that encompasses specialised design activities. This classification could still not be used to weigh up the importance of design in Europe, as many firms carry out design activities internally.

---

3. Design, innovation and competitiveness

Using design pays off…
Several studies have shown the benefits of investing in design. Of course, design can also sometimes hold back innovation when not used in a strategic approach but only as a styling process. The most striking case is when trying to make an obsolete product look appealing in order to postpone the development of a brand new one ("putting lipstick on a pig").

In order to better understand the different uses of design and the link to competitiveness, a simple and useful model for positioning design in companies, organisations and even economies was presented during the workshop:

The Design Ladder®

Step 4
Companies that consider design a key strategic element

Step 3
Companies that integrate design into the development process

Step 2
Companies that use design for styling or appearance

Step 1
Companies that do not use design

Copyright 2003 © FORA, Langelinie Allé 17, 2100 Kbh Ø - www.foranet.dk

A British Survey has revealed that design is seen as integral (in the company's strategy) or significant for 90% of high-growth companies and that design-led companies outperformed the FTSE 100 index by 199% over the last 10 years. The Danish Firms' Evaluation of the Importance of Design (2006) showed that 71% of the interviewed companies think that design promotes innovation in the firm and 79% think that design improves the growth potential of the firm.

Similarly, the turnover in the Danish design industry was 740 million Euros in 2005 which is *four* times as much as in 1995 and exports amounted to €110 million Euros in 2005, which is *six* times as much as in 1995. This is about twice the growth experienced by other consultancy trades in Denmark.

…But the full potential of design-driven innovation is underestimated

As explained in the previous chapter, a certain lack of consistent (and shared) definitions and analytical approaches tend to reduce the power and comparability of these findings at EU level.

Measurement is indeed a great concern when trying to appraise design's effectiveness in terms of innovation and competitiveness. It could be argued that one should not persist on measurement issues but the lack of factual evidence of design's added-value constitutes a mental barrier to business strategists' choice. As a matter of fact, aversion to risk and returns on investment are two major management decision criteria.

Quantifying the profitability of design is a great challenge because of its great human dimension. For example, how to measure creativity or insight? Because of such difficulties, R&D&T features have been historically privileged when measuring innovation, but the limits of these methods have already been underlined.

Some researchers[1] even argue that R&D is mainly a statistic and economic aggregate created for practical purposes of measurement but is actually remote from companies' activity and organisation of work. Bruce Tether[2] suggests a new categorisation, which notably differentiates between "research", "design and development" (D&D), and "ancillary design".

Design is the key activity that uses knowledge generated by research, to convert knowledge into innovation and to commercialise the obtained result. How quickly an idea is turned into a product would be a materialisation of the added-value of design. (Naturally, considering how well an idea is turned into a product would be appropriate but this raises the valuation issue)

Besides, technological changes inevitably result in organisational changes and design has a great role in this process. Design can also be central to radical changes in the organisation of activities without prior scientific breakthrough.

Distinguishing research from development (and design) within companies would notably enable to identify specific D&D activities in service-based company that are currently not endowed with standard R&D division. Besides, it is also argued that the vast majority of research taskforces are not optimised for design inspiration, whereas D&D categorisation would enhance experiential and creative work.

---

[1] LeMasson, P., Weil, B. and Hatchuel, A. (2006) *Les processus d'innovation – Conception innovante et croissance des entreprises*, Lavoisier, Paris.
[2] Tether, B. (2006) *Design in Innovation: Coming out from the Shadow of R&D - An Analysis of the UK Innovation Survey of 2005*, Study for the Department of Trade and Industry (DTI), University of Manchester.

4. A global vision for Europe through design

All along the workshop, it has been argued that Europe should be competing by creating excellence, especially in design which is an innovation tool on its own. Accordingly, Europe should be the reference for design around the world.

Rising to the challenge of globalisation…
Globalisation, especially competition with Asia, is a great challenge for Europe and should encourage the adoption of a strong strategy. It is acknowledged that a strategy can be made out of fear of competitors. While more and more companies' functions are moving to Asia, Europe is trying to keep the tasks with the most added-value in every sector.

However, a direct and aggressive competition with Asia is not to be wished and Europe should move on to a win-win situation. In terms of design activities, European know-how, if specialised in very exclusive design, deep niches and / or in strategic design (holistic), should benefit Asia. In the context of a global eco-system and innovation agora, European companies should not use design to protect their local market but to export both business and cultural standards.

Europe's resilience should be built in self-reliance, which means foreseeing and assuring that Europe will still have a role to play in the world economy and that the brand of European design remains strong. An onset of new goods and services is expected, but the global context is very tense and likely to lead to major disruption.

What will the world be like in 2020? The centre of gravity will certainly have moved towards Asian markets. Large middle income classes will exist in current emerging economies, which already entail drastic changes of market preferences and production costs in these areas. From cheap labour and machining activities, these areas will progressively try to develop new manufacturing technologies and higher skills. This will inevitably lead to increasingly sophisticated consumer demand from Asia (growing middle-class, higher wages, higher consumers' standards) and European production may regain some competitiveness.

Besides, because of transportation costs, manufacturing may tend to move closer to consumers. Therefore, letting manufacturing off the radar would not be appropriate when setting up a European design-support strategy.

Taking the most of EU strengths and uniqueness…
Europe has already built strong competitive advantages in design know-how and sectoral application. Regarding sustainable design, the EU has always been pioneering in eco design and was also the first to introduce design in the energy industry. Similarly, the European social model favours the development of "design for all" (design for human diversity, social inclusion and equality) and other inclusive forms of design.

Knowledge and competences are probably the main long-term challenges for EU competitiveness in design. EU industry needs very good designers, and design schools in Europe should provide the best training in this domain. Some schools are already considered as references and attract non-European students. Referring to Richard

Florida's arguments, it is important to get, develop but also to keep design talents in Europe by developing incentives for design leaders and make more visible design champions. One third of the future global design hubs shall be located in Europe.

The complementary issue is to get the right talents together by improving the eco-systems for design excellence (European centres of design excellence). Supporting high-end clusters in Europe is probably the best way to facilitate talent alliances. Through this type of clusters, design expertise will provide the flexibility to address ever-changing market requirements and help reducing time to market and development costs. Clusters and networks may also encourage the creation of European strategic design companies, which are currently mostly American (though implanted in the EU).

When looking at Europe's potential in terms of design excellence, heritage must not be neglected. European design agora ought to be a place where diversity and authenticity feed excellence. Europe's unique heritage of multiple cultures is a strength for designers who try to understand the specifics of foreign cultures and behaviours. This heritage provides a substantial input to adaptation and insight capacities.

Building a model of human-centred, sustainable society of well-being…
Beyond economic competitiveness, design in Europe is devoted to improve human well-being. With design, Europe could foster a human-centred model of innovation that balances economic, environmental and social needs. This for example could be made possible by producing sustainable and inclusive goods and services, by creating the best cities and by using design to improve the EU welfare sector.
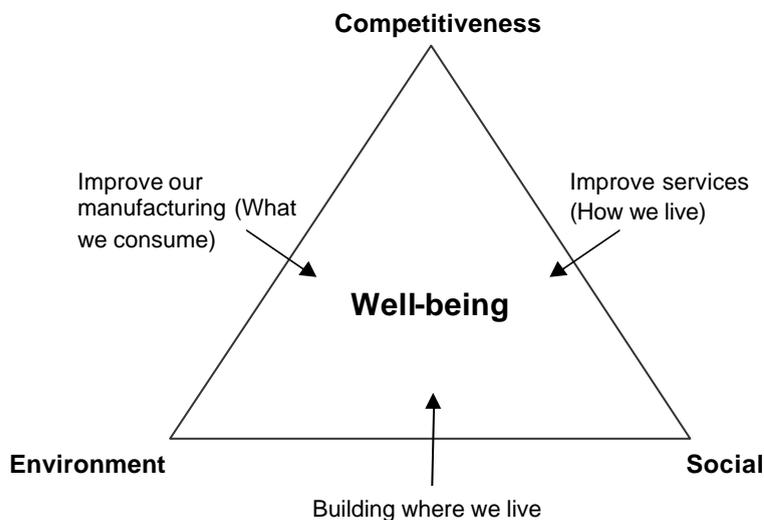
Without being the solution to every ailment on earth, design can help to meet the three challenges of competitiveness, sustainability and social cohesion.

5. The added-value of a EU Design support policy

Justifications for decision-making at EU level
Design as a tool for innovation constitutes a nearly-new policy area at national and regional levels which has not been broadly considered at the EU level yet. Taking action at the EU level first requires checking if there is an explicit and relevant need for action at European level.

EU policies in economic domains are generally justified by the existence of a market failure. In neoclassical school, "market failure" is the condition where the allocation of goods and services by a free market is not efficient. However, market failure could not be an adequate way to justify support to design since it is not a sector or a structured activity. As discussed during the meeting, design does suffer from significant transaction costs and, above all, information asymmetries between design users, design providers as well as design education and research. Hence, to justify a design support policy, it would be better to talk about systems failure[3].

EU policy action depends on the subsidiarity principle[4] and design issues fit with this principle in many regards. One of the main statements regarding design is that there is a big diversity in business and policy practices in this area:

- There is a very big gap between EU Member-states and regions in terms of using / processing design (this is even more striking than for technological innovations);
- Discrepancies are also very high amongst sectors and between firms of various sizes;
- National and regional policies have started to be carried out (Finland, UK, etc.) but good practice still needs to be consolidated and spread throughout Europe;

To this respect, a catch-up process is needed at the EU level. Along the scale effects evidence, joining policy efforts would certainly help to reach a critical mass, while keeping cultural differences, and enhance synergies between various existing expertises / specificities (for example, German engineering with Italian aesthetics) in view of strengthening Europe's competitiveness. Lastly, design is proved to be part of the solution to several EU level issues such as social inclusion, sustainability, ageing population, healthcare, etc.

Design as a part of Lisbon Strategy
The European Council in Lisbon March 2000 set out to make the EU "the most dynamic and competitive knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion" by 2010. Design as a tool for innovation has the potential of contributing to several aspects of this high-level objective of the so-called Lisbon strategy.

---

[3] For more information please refer to the GRIPS ministudy on Design

[4] *In areas which do not fall under its exclusive competence, the community shall take action, in accordance with the principle of subsidiarity, only if and in so far as the objectives of the proposed action cannot be sufficiently achieved by the Member states and can therefore, by reason of the scale of effects of the proposed action, be better achieved by the community.* (EC treaty, article 3B)

Innovation is already considered a corner stone of the Lisbon strategy. Considering that human centred innovation is complementary to R&D and technological innovation, design should be considered an integral part of this strategy. Design has even been put forward as the solution to the European paradox, i.e. the discrepancy between European scientific outputs and commercially successful innovations. This problem of putting knowledge into practice is considered as a main barrier to the realisation of the Lisbon strategy's objectives. Design, by its ability to create synergies between creativity, science and business, is an appropriate answer.

Of course, all design activities cannot claim to contribute to the Lisbon agenda. Design-led innovation is different from broad design and both activities should be supported by distinct policies and actors (breadth vs. depth dilemma). In the framework of the European strategy for innovation and competitiveness, the EC ought to make design a key element of the innovation system of the EU and its Member states.

Objectives and expected results
Implemented at an EU level, it has been argued that a design support strategy would be inefficient unless it adopts cohesive and feasible objectives. Main actions would consist in educating, mobilising and enhancing European public and private stakeholders without imposing guidelines or ignoring countries' specificities.

As discussed in the previous chapter, an EU policy should enable to build European design excellence on the basis of existing strengths. Creating a European identity through diversity would rely on the development of design culture, design thinking and human resources (design skills). Tackling design at a European level would also increase a constructive sense of (friendly) competition such as sparring partners. One of the expected results would be to reach a critical mass of design workforce and to improve the visibility of European know-how outside Europe.

An EU strategy would first aim at collecting facts and facilitating knowledge sharing within Europe in order to support the emergence of a "European design system". This would require an agreed design lexicon for policy makers and could enable to elaborate a design map of Europe, including statistics. Diffusion of best practices (firms, policies, education, promotion…) may also be enhanced through these initiatives.

Secondly, an EU design support strategy could provide a framework encouraging Member Sates to develop design policies and to collaborate on a voluntary basis, possibly under EU coordination. The EU Policy shall identify and target key players that could develop design culture and practices. High-level stakeholders are the only ones likely to influence national and regional governments (and companies' top executives). A stronger EU network of national design promotion organisations would certainly reinforce such a promotion scheme.

Lastly, a European design support policy would enhance the brand and identity of European design, thus strengthening its visibility and position in the world market.

6. Review of potential public initiatives

Design promotion, support & policies: general remarks

Three levels of design strategy sophistication can be identified in public initiatives. On a first stage, public authorities limit their action to broad promotion activities such as exhibitions, awards systems, publication, etc. The second level consists in implementing support actions for the business sector, in particular SMEs. The most advanced level is the adoption of overall policies that also include research, education and training programmes. The scheme below synthesises all three aspects of a design policy.
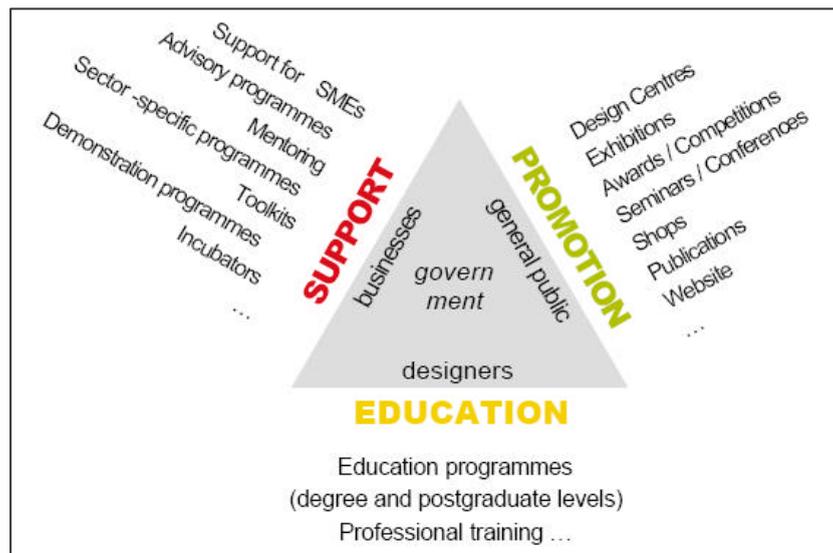
Source: G. Raulik -Murphy (2008)[6]

When looking at international evidence, several programmes already exist but they need to be optimised in order to build more strategic policies. Although explicit national design policies and formal strategies are rare (e.g. Finland and South Korea), promotion and support programmes exist in a majority of developed countries. Successful initiatives generally involve the following features:

- An accurate identification of needs and opportunities resulting in a good positioning;
- Precise objectives and expected results;
- An efficient implementation within government's departments (business, education, etc.) and appropriate multi-level governance;
- A systematic evaluation of programmes and a continuous evolution / adjustments of the programmes.

Local empowerment and the role of private initiatives are two key aspects that need to be underlined. Because SMEs and design companies are important stakeholders, policies should facilitate and not hold back their way of innovation. Stakeholders ought to be the final decision-makers when defining, prioritising this kind of policy objectives. To

---

[5] To download the related powerpoint presentation: http://grips.proinno-europe.eu/knowledge_base/view/344/design-support-policies-an-international-perspective/

this respect, clusters are considered as a good sort of business support initiative, notably it is facilitate discussions between public and private actors.

Some national case studies
Several national case studies were presented and discussed during the workshop. The following section reports on these presentations.

❖ Finland [6]

A 2000 policy paper stated that design had to become a part of the innovation strategy and a first answer was elaborated in the 2001 National Design Strategy. Design is also expected to be a key element of the 2008 National Innovation Strategy.

As the Finnish design strategy focuses on innovation and is largely embedded in education & research policies, a preliminary challenge was to convince public and private stakeholders to integrate design in innovation tools. Thanks to this perceptions' repositioning it was possible to persuade TEKES (the Finnish funding agency for technology and innovation) to allocate some of its spending in design support activities.

Likewise, the creation of Aalto University, which should bridge technology, economics, creative & design disciplines in a systemic approach, seemed possible because of this awareness process. At present, the Finnish Association of Graduate Engineers (TEK), the Finnish Association of Business School Graduates (SEFE), and the Finnish Association of Designers (ORNAMO), strongly support the establishment of the new university financially as well as through their actions. The University will receive as Endowment 500 M€ from the Finnish Government as well as 200 M€ from the business community, half of which is already committed.

❖ United Kingdom [7]

The UK Design is a relevant case when examining design support policies both in terms of objectives and implementation. After a first period mainly devoted to promotion, the UK public authorities have rapidly opted for a broad-based strategy which now includes:

- Business aspects (venture capital, products, practices, efficiency and demand)
- Education, research and professional training
- Cultural aspects (promoting design thinking, creativity, etc.)
- Public services (including public procurement, healthcare and security)

In addition, the UK design support policy is an instructive example of the implementation and distribution of roles between public and private stakeholders. UK has faced numerous governmental reorganisations (Division, Departments) thus linking a Design support policy to a public body has been quite a challenge. Nowadays, the Design council is linked to the Department for Innovation, Universities and Skills (DIUS) and the Department for Culture Media and Sport (DCMS). At more decentralised level, regional agencies (in England) are responsible for the implementation of the policy and are supervised by the Department for Business, Enterprise and Regulatory Reform (BERR).

---

[6] To download the related powerpoint presentation: http://grips.proinno-europe.eu/knowledge_base/view/347/the-finnish-case-design/
[7] To download the related powerpoint presentation: http://grips.proinno-europe.eu/knowledge_base/view/341/design-policy-in-the-uk/

❖ Denmark[8]

Launched in 1996, the Danish Design Policy pursued the following objectives:

- Promoting design in the business community
- enhancing design considerations in the public sector
- Developing competencies in the area of design

Since 2001, the Danish policy has adopted a strong focus on user-driven innovation. It has also has given priority to business and entrepreneurship notably by supporting the creation of a Danish design cluster. The cluster would be characterized by:

- A concentration of highly qualified and internationally leading design firms,
- A strong education- and research environment that develops good education and new knowledge in close collaboration with design firms,
- The presence of highly qualified labor with a significant mobility between design firms.

❖ South Korea

The Korean design policy originated in the industrial policy but adopted a strong focus on education. Benefiting from a stable political system, Korea has managed to elaborate a structured policy with high investment capacity and that has continuously and rapidly evolved. The policy also integrated a demand-oriented initiative relying on public procurements (KIDP's label "good design"). South Korean design policy is mainly government driven and funded, and aims at making South Korea an Asian design hub.

---

[8]To download the related powerpoint presentation: http://grips.proinno-europe.eu/knowledge_base/view/345/design-and-innovation-in-denmark/

7. Conclusion: Prospects on a EU policy

As a first step toward taking action at the EU level, Günther Verheugen, Vice-President of the European Commission responsible for Enterprise and Industry, has recently expressed the Commission's understanding of design as a main driver for European competitiveness[9]. Accordingly, the European Commission will publish a consultation document on design during the 2009 European Year of Creativity and Innovation.

A further step would consist in integrating design as a part of EU innovation policy. An opportunity is foreseen as the EU will review its innovation strategy and define the follow-up to the Lisbon strategy beyond its current cycle 2008-2010. Would this enable to implement an overall design policy at EU level? Actually, <u>innovation policy itself is a shared competence</u> (Lisbon partnership) and the European Commission only takes Community action where necessary and beneficial to the EU, taking the subsidiarity and proportionality principles into account. The European Commission could support Member states engaging on a voluntary basis in the definition, development and implementation of common design agendas by providing a common framework for cooperation and coordination.

As discussed all along the meeting, an EU design support strategy would first aim at convincing Member states to implement a design policy. This is a great challenge when looking at the present complexity to implement effective innovation support-policies in every Member state. This requires raising the awareness of opinion leaders (policy-makers and business executives) and providing a platform for knowledge and know-how diffusion on design support policies. To this respect, the following options were mentioned during the workshop:

- Consolidate a European design report / Atlas on the European design system (including e.g. quantitative evidence, and mapping of design resources and competences);
- Elaborate a 'Frascati Manual' for design that underlines the contribution of design to innovation & competitiveness;
- Develop indicators on design e.g. in the context of the Community Innovation Survey and the European Innovation Scoreboard;
- Support generation of knowledge and policy analysis to build up a knowledge base for design activity and design policy in Europe;
- Support design research, particularly in the area of environmentally and socially sustainable design;
- Put forward the best policies implemented at national and regional levels and facilitate trans-national / trans-regional exchanges and collaboration;
- Support the set up of permanent group of EU Member states representatives to discuss design, design policy and how to enhance the brand and identity of European Design.

Various instruments are available to the Commission and they could, in the future, serve to support design-led innovation. Amongst them one can mention:

---

[9] Meeting 21 January 2008 between Vice-President Verheugen and BEDA, the Bureau of European Design Associations

- The Research Framework Programme: Point out opportunities under the FP7 and seek areas of engagement within the FP8 programme (user-centred research, design tools & practices, sustainable and inclusive design, etc.);
- The Competitiveness & Innovation Framework Programme and SME policy: Support the use of strategic design in SMEs (and support the development of a "European creative export service"?);
- State-aid framework and public procurement policy: Develop rules and guidelines that are favourable towards design activities as a means for innovation;
- Intellectual property policy: Develop further IPR policy in support of design as a tool for innovation;
- Education and training policy: Support interdisciplinarity and mobility of talents (geographical and professional) during the studies and beyond, by e.g. encouraging exchanges between schools and universities, encouraging the insertion of design (design management, strategic design) as a topic into business school curricula and vice versa;
- Cluster policy: Support the development of European (virtual or real) centres of design excellence and/or clusters.

The concept of a 'European Design System' was discussed at the workshop. This concept comprises the network of various actors and stakeholders active in design including design users, design providers as well as design education and research. A more integrated 'systemic' approach to strengthening Europe's design system (and limiting fragmentation) was put forward. This approach, it was suggested, needs to be a component of any policy on design for Europe.

Annex 1: Excerpt from the results of meeting

<u>Essential ingredients for an inspiring and enabling
European design support policy</u>

VISION	
A better Europe by design	- Renovate Europe through design, capitals of design culture - Policy and strategy is needed to inspire and enable change - To use design to transfer / Europe (?)
EU differentiation	- Build design in next generation technology and infrastructure - EU must go for high-end design - Creating a European design brand - Create the next thing, beyond branding: "designer label" and make it much better - Strengthen elements that the competition would struggle to replicate – authenticity is a strength
Heritage as value asset	- EU design image must be based on our history and culture - Europe (?) where heritage is as important as the future - Leverage Europe's heritage of diverse culture – assist designers in their understanding of design for specific cultures and behaviours.
EU diversity as value	- Europe: a place where diversity and authenticity feed excellence - Social integration: market inside the EU and outside the EU - Sustainable social development - Community centred design - Rivalry and collaboration
Design helps business	- Create a new innovation climate for the companies - A clear vision of HOW design thinking can improve business - Clear description of benefits of design understandable to business and public procurement - Design as a crucial element for competitiveness and well-being
Design helps well-being	- Design as a crucial element for competitiveness and well-being - Design (services) is the key element in reforming the EU welfare sector
Meanings	- Sustainable design - Europe always in advance in eco design - Open design innovation - And a dynamic innovation system - Design: strategy and excellent quality
Nature of vision	- Putting "real" people in the foreground - Set the "rules" for how we succeed in our actions. Numbers, time. - Set a clear, measurable and challenging goal - A figurehead / leader guru - Facilitating… Inspiring… Enabling… - Incentivise the groups, who use the policy, to achieve the objectives of the policy - Communicate simply and clearly what the objective is - Creative depth
EU governance	- Highly visible council of EU design leaders – inspiration, collaborative - A body / group of "thinkers" to continue develop and improve the policy/programme - Design / creativity to help solve problems in Europe - Develop design thinking in EU structure - Design should be visible in all the policy instruments - Horizontal tool supporting other EU objectives - Procurement

Actions / means	
Support to Member states	- Pushing the Member states to have an aim or a policy - Committed business & national governments - Europe level facilitates national bodies to have a design policy - Vision / reference for the implementation of national policies - Allocated funds at national levels - Quantitative evidence base for SMEs and policy makers - Exchange of best practice followed by implementation of use of design to improve quality of life
Inspiration – best practice sharing and facts	- Not just cases chosen to please Member states - Benefits to cost ratio. Be clear about (expected) benefits whilst keeping costs to a minimum - Compelling illustration: show what design can achieve – but do not overclaim - Europe where original design can inspire others - Make visible design leaders and design champions - Europe where many corporate or personal leaderships can be shown and favorised
Research and innovation	- Develop user-centred research and innovation - Divert some of the technology research novelty to design research - Pushing future design topics: eco and sustainability - Create an overarching structure for research production. Creative services to work together - Develop synergies between the diverse areas of design (all are needed – almost) maybe round next innovations - Web-enabled networks of design suppliers and consumers, open innovation.
Skills and education Research	- Future orientation: design as a means of addressing future threats and opportunities - Transformation is based on advanced knowledge and skills - Education & research - Equal support to research / academia AND business to integrate "design thinking" - Design research excellence - Support skills build up - Design leadership - Teach design process / method / relevance to future decision makers (university students)
Awareness	- Programmes for mature decision makers (public, private) - Enhance design awareness in new generations - Awareness / training packages (maybe different versions for MFG, hi-tech, services etc.) especially for SMEs in strategic embedding of design in business. - Programme to raise awareness of design's potential contribution to business strategy
Hubs, centres of excellence	- Get, develop, keep talents (Richard Florida) in place - 1/3 of the future global design hubs is located in Europe - Clear eco systems for centres of certain design excellence - European centres of design excellence
Other concrete action	- Export business and cultural standards - European design prize - Concrete help to SMEs in engaging excellence design process

Annex 2: List of participants

- Avril Accolla (Avril Design – EIDD)
- Krister Ahlström (Ahlström Corporation)
- Charlotte Arwidi (European Commission - DG Enterprise and Industry)
- Anne-Marie Boutin (Agence pour la Promotion de la Création Industrielle)
- Jean-Noël Durvy (European Commission - DG Enterprise and Industry)
- Robin Edman (The Swedish Industrial Design Foundation)
- Joe Ferry (Virgin Atlantic Airways Ltd)
- Daniel Hauser (EID, Ecole Internationale de Design)
- Mat Hunter (IDEO)
- Yo Kaminagai (RATP)
- Louis Lengrand (Louis Lengrand & Associés)
- Ian Miles (University of Manchester)
- Finn Petrén (EIDD – Design For All)
- Alain Quévreux (Association Nationale de la Recherche Technique)
- Gisele Raulik-Murphy (University of Wales Institute)
- Jørgen Rosted (FORA – Danish Ministry for Economic and Business Affairs)
- Antonia Roth (German Design Council)
- Elisa Sáinz Ruiz (Ddi, Sociedad Estatal para el Desarrollo del Diseño y la Innovación)
- Yrjö Sotamaa (University of arts and Design, Helsinki)
- Jan Stavik (The Norwegian Design Council – BEDA)
- Anne Stenros (KONE Corporation)
- Andrew Summers (Design partners UK)
- Bruce Tether (Design London - Imperial College London)
- Hugo Thénint (Louis Lengrand & Associés)
- Michael Thomson (Design Connect – BEDA)

Annex 3: Meeting agenda

DAY 1: Thursday 26 June

Perspectives on design and on the challenges of European industry

The objective of day 1 is to get a better view of how the use of design can help tackling the challenges encountered by European companies and society today – ranging from challenges to competitiveness to challenges associated with social and environmental change. The question of what opportunities and barriers exist for better use of design by European companies will be explored. The rationale of a European policy in support of design will be discussed, and national cases presented.

9h30-9h50 **Welcome & Introductions of participants**

9h50-10h10 **Setting the scene** by Jean-Noël Durvy, Director of Innovation Policy at the European Commission

10h10-10h30 Presentation of INNO-GRIPS Ministudy on design as a tool for innovation
by Alain Quévreux, ANRT[10], INNO-GRIPS partner

10h45-11h15 Design-driven innovation by Bruce Tether, Professor of Design and Innovation at Imperial College London

11h15-11h45 Human-centred design by Mat Hunter, Partner IDEO London

11h45-12h45 First brainstorming facilitated by INNO-GRIPS team
Topic: The potential of design and barriers to better use of design in companies

14h00-14h30 A European perspective by Michael Thomson and Jan Stavik, President and Vice-President of BEDA[11]

14h30-15h30 Discussion facilitated by Michael Thomson
Topic: The added value of a European design policy

15h45-16h15 The Finnish case by Krister Ahlström, Senior Industrialist, and Yrjö Sotamaa, Professor and president of the University of Art and Design Helsinki

16h15-16h45 The UK case by Andrew Summers, Chairman of Design Partners UK

16h45-17h15 The Danish case by Jørgen Rosted, Director at FORA[12]

17h15-17h45 Synthesis and close by INNO-GRIPS

DAY 2: Friday 27 June
Towards a European policy for design

The objective of day 2 is to come up with concrete proposals for European action in support of design. On the basis of what was discussed during day 1 - i.e. the potential of

---

[10] ANRT = Association Nationale de la Recherche Technique
[11] BEDA = Bureau of European Design Associations
[12] FORA is an independent research unit under the Danish Ministry for Economic and Business Affairs

design, the barriers to better use of design and national practices - the possible building blocks of a European policy in support of design will be selected, prioritised and discussed. The day will be concluded with a discussion on the next steps.

9h00-9h10   **Recap day 1 and introduction day 2** by INNO-GRIPS team

9h10-9h40   **An international perspective** by Gisele Raulik, researcher at Design Wales

9h40-10h30   **Discussion and group work** facilitated by Michael Thomson
                    Topic: Vision and building blocks of a European policy in support of design

10h45-12h45 Continuation of group work and discussion

14h00-14h20 Feedback by Jean-Noël Durvy

14h20-15h30 Discussion facilitated by the European Commission
                    Topic: Next steps and factors for success

15h30-16h00 Wrap-up and close by the European Commission and INNO-GRIPS team