



Design 4 Innovation

Design Action Plan:
PDR, Wales



Contents

Regional Context	3
Policy Context	4
Actions	7
Action 1	8
Action 2	13
Action 3	18

Regional Context

Partner organisation

PDR / Cardiff Metropolitan University

Country

Wales / United Kingdom

NUTS2 region

East Wales

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Wales

Policy Context

The Action Plan aims to impact

Investment for Growth and Jobs programme
and
Other regional development policy instrument

Name of the policy instruments addressed

East Wales ERDF Operational Programme
and
The Well-being of Future Generations (Wales) Act

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, multiple study visits and by using design tools to examine current design support offer, project partners developed 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.

PDR, The International Centre for Design and Research, as the lead partner facilitated this interregional learning process while working also closely with stakeholders in Wales to transfer the best European practice and improve Welsh design-innovation ecosystem. Design is a vibrant sector in the UK generating £85.2bn in gross value added in 2016 (equivalent to 7% of UK GVA) (Design Council, 2018). However, according to the

Design Economy report, Wales is a place with one of the lowest proportions of design-intensive firms in the UK - only 1,705 in 2017 (although this is an increase of 40% from 2010). Nevertheless, we should be encouraged that this trend is changing and that total design turnover is growing.

To develop ambitious yet realistic plan for increased and more strategic use of design in Welsh SMEs, PDR have engaged over 200 people in knowledge exchange activities. Through continuous and iterative process we analysed our design innovation ecosystem, analysed its strengths and weaknesses, and adopted the best solutions in design and innovation support identified through the project to fit the needs and benefit Welsh SMEs, design sector and broader economy.

Our dissemination events brought together over 400 people and created a snowball effect – a bottom-up movement of design enthusiasts created and informal community Cardiff Service Design that aims to raise awareness, promote, share knowledge and collaborate on service design projects in Wales.

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 or preferential loans as well as non-financial support such as mentoring. Throughout our interregional learning, we also found out that in many regions design method is also often supported through Research & Innovation priority actions. One of the R&I specific objective in Wales is to ‘Translate research and innovation into new and improved commercial products, processes and services’. Therefore design-driven innovation could enhance both of those priorities. Design is a cost-effective method of de-risking the innovation process by gaining understanding of user needs in the first place and then iteratively developing idea and testing it with users to achieve a result that is viable, usable and desirable. It can add value to product and service creation within SMEs in any industry.

Design is already highlighted in the Innovation Strategy for Wales but underutilised by businesses. PDR has been working with the Welsh Government Innovation Team for many years and enabled them to integrate design into their innovation strategy.

While there are funds for design available in the current business support programmes in Wales, they are rarely used for design-driven innovation services. Welsh Government have also introduced a dedicated programme - SMART Design & Productivity, but the take-up among businesses is still low. We aim to work strategically with the Innovation Team at Welsh Government to increase the awareness of design and its benefits among businesses and harness the power of design within the innovation vouchers and mentoring programmes.

While integrating design-driven innovation for SME competitiveness into the ERDF operational programme is a starting point, the Welsh stakeholders have verbalized their aim for design as:

“Design is a recognized tool for innovation across all sectors in Wales”.

Therefore, we are also looking at other strategic documents in Wales, such as The Well-being of Future Generations (Wales) Act and the Economic Action Plan ‘Prosperity for All’. They focus on improving the social, economic, environmental and cultural well-being of Wales. These documents aim to make both the public bodies and private undertakings think more about the long-term, work better with people and communities and each other, look to prevent problems and take a more collaborative approach.

Design offers significant value in the context of Welsh Government policy. It can help in understanding challenges, exploring ideas, developing solutions, evaluating progress and communicating insights in a wide range of contexts. Therefore, we are exploring opportunities for greater utilisation of design in Wales across sectors to help achieve those goals.

Actions



Action 1

Improve SMART Design & Productivity programme by providing additional follow-up consultancy services and create impact case studies to support a communication campaign on SMART Design & Productivity

1. Background

SMART is a suite of guidance and support programmes for Welsh business that cover topics from fundamental research, business innovation, new product commercialisation and IPRs to funding towards new equipment. Part-funded by the European Regional Development Fund, the Welsh Government works alongside the Fund to help create jobs and improve people's lives by driving cutting-edge research and innovation.

SMART Design & Productivity, initially launched in 2015, is a scheme aiming to help businesses increase productivity, improve product design and ensure they are protected against the future.

Provided by Welsh Government's Innovation team, the original support funds a three-day consultancy from an external innovation expert. At the end of this period, businesses receive a report identifying potential improvements to productivity such as new machinery, technology or software. SMART Design & Productivity has supported over 200 businesses in Wales, to ensure they are prepared for the future. There was a great level of interest in the programme, and Welsh Government wants to encourage people to continue to apply for it, but having done the user journey mapping exercise at the knowledge exchange workshop in Santiago de Compostela on 7-8 November 2017 they felt that they could offer even greater support to Welsh businesses. They were concerned that being presented with a report could be overwhelming for a small company with shortage of resources. Additionally, business owners or managers of small businesses often do not have the

time to implement changes.

Inspired by a “follow-up” approach to support adopted in the Polish scheme ‘Design Formula for Competitiveness’, presented during project meeting in Santiago, the Welsh Government Innovation Team felt that SMART Productivity scheme would benefit from such an additional service. ‘Design Formula for Competitiveness’ is a funding programme distributing grants for conducting design audit in SMEs in the first phase and then offering additional financial support for implementation of design strategy developed based on the result of the design audit. This follow-up support ensures that the recommendations are put into practice. As a result, at the end of 2018 Welsh Government launched the phase two of the SMART Productivity programme, where improvements inspired by Design 4 Innovation knowledge exchange were introduced. The new support provides additional five days of consultancy, assisting businesses with implementing the recommendations in the report. Over three years of running the programme 700 SMEs are expected to be support. The value of improved programme is £2,500,000.00

2. Action

- In the Phase 2 of the project, PDR will focus on monitoring the implementation of the new support service. We will engage with the welsh Government Innovation Team to undertake a mid-term review to establish the success of the new support service. The review will include a survey, support experience workshop and improvement ideation session with supported companies.
- As a result, PDR will produce a report including suggestions for programme governance improvement and impact case studies to be used for programme communication and promotion.

3. Players involved

- Welsh Government Innovation Team
- PDR
- WEFO
- External Consultants
- Supported companies

4. Timeframe

- Autumn 2018 – launch of additional service within SMART Design & Productivity programme
- 2019-2020 – Implementation
- 1st half of 2020 – Monitoring and mid-term evaluation of the new support service
- 2nd half of 2020 – Improvement suggestions and case studies presented to the Welsh Government.

5. Costs

£ 2,500,000.00 - value of the phase two of SMART Design & Productivity (with the additional support service) for 2019-2021

6. Funding sources

ERDF Operational Programme East Wales

7. Indicators

Output indicators:

- Number of companies receiving new support
- The growth in number of companies taking up support
- Willingness of the Welsh Government to continue this programme post-ERDF

Impact indicators:

- Project success reported by companies – new products or services launches, additional sales, increased profitability
- New investment in design by companies
- Escalation in support take-up



Action 2

Establishing Design Observatory in Wales

1. Background

From 2000 until 2015, PDR run Design Wales – an organisation funded by Welsh Government that provided design advice directly to Welsh companies and organisations and coordinated 'Forum', a network for designers in Wales, established in 2010 by Design Wales. A key aim of the Design Wales Forum was create activity which supports the maintenance and capacity growth of the Welsh design community. The Design Wales Forum actively promoted the economic benefits of design to the business community.

Design Wales has significantly raised the profile and increased the use of design within the Wales' economy. Nevertheless, the initiative was discontinued.

At the Knowledge Exchange Workshop in Valletta (11-12 April 2018), Polish partner, Marshal's Office of Silesia Region, presented a 'Network of Regional Specialized Observatories' as their good practice. The aim of the Observatories is to create a platform for and coordinate communication and cooperation of organisations involved in the sector, as well as facilitate data exchange between business environments and the scientific and research community, business environment institutions and local government units. The observatory can initiate, conduct and support research projects as well as analytical and diagnostic works, organize seminars, debates and conferences as well as by conduct publishing activities. The Silesian Network of Observatories includes Observatories focused on each of regional specialization.

This example has inspired us to think about creation of a similar platform for design in Wales. The observatory would provide a platform to promote business growth by design through events, networking and publications, ultimately increasing success of implementation and improving governance of design and innovation support provided by the Welsh Government to SMEs. In the future, it would also provide accurate, up-to-date knowledge on innovation trends and design sector to inform creation of effective and targeted support programmes.

2. Action

- PDR holds a number of scoping meetings with relevant stakeholders: Welsh Government, Design Council, Design Museum, Design Commission for Wales, Cardiff University, CSAD, FSB, Creative Cluster
- PDR collaborates with Marshal's Office of Silesia Region on deepening the knowledge on best practices in Specialized Observatories
- PDR produces a feasibility study for establishing the Design Observatory for Wales and present to the Welsh Government

3. Players involved

- PDR
- Welsh Government, Design Museum & Design Council (main stakeholders)
- Marshal's Office of Silesia

4. Timeframe

- Summer/Autumn 2019 – stakeholder meetings
- 1st half of 2020 – background research, including study visit in Silesia
- 2nd half of 2020 – launch of the study report, working with the Welsh Government, Design Museum and Design Council towards establishment of the Welsh Design Observatory

5. Costs

Preparation phase – approx.. £40,000.00
Launch estimation – approx.. £1,000,000.00

6. Funding sources

Preparation phase – PDR's own resources, national research funding
Launch estimation – national research funding

7. Indicators

Output indicators:

- Recommendation report on the establishment of Design Observatory

Impact indicators:

- Funding secured for establishment of Design Observatory
- Increased body of knowledge on design



Action 3

Adoption of a broad design policy in Wales

1. Background

The Well-being of Future Generations (Wales) Act is about improving the social, economic, environmental and cultural well-being of Wales. It will make the public bodies think more about the long-term, work better with people and communities and each other, look to prevent problems and take a more collaborative approach. Every policy in Wales needs to be aligned with the goals of the Future Generations Act. That includes also support for businesses.

Well-being goals:

- A Prosperous Wales
- A Resilient Wales
- A More Equal Wales
- A Healthier Wales
- A Wales of Cohesive Communities
- A Wales of Vibrant Culture and Welsh Language
- A Globally Responsible Wales

Design offers significant value in the context of Welsh Government policy. Design can help in understanding challenges, exploring ideas, developing solutions, evaluating progress and communicating insights in a wide range of contexts. It is a human-centred, creative problem-solving activity and now widely recognized as a tool for innovation. In industry and at a governmental level, design has evolved from being a subsidiary of other innovation processes or the determinant of

aesthetics, to a co-creative strategic activity that offers value in a wide range of contexts. Therefore, we believe it can play a central role in helping to achieve the well-being goals.

The Welsh Government is working on the Future-proofing Toolkit – an online tool to help business better prepare for the future in line with the Well-being of Future Generations Act. By completing the toolkit, the company will share information and commitments with the Welsh Government, so that they can support companies in creating a business that is resilient, healthy and prosperous. All businesses in Wales will need to adhere to the Wellbeing goals and business support will depend on commitments made by companies. By including design content in the Future-proofing Toolkit, we will raise awareness of what design can do to achieve more prosperous and sustainable business and consequently will lead to an increased take-up of design support. Design changes to the Toolkit will help to improve the governance and achieve the goals of the Well-being of Future Generations (Wales) Act faster and more efficiently.

Furthermore, we would like to explore the possibility of adopting a broad design policy in line with other strategic documents in Wales and the goal set by our stakeholder group – “Design is a recognized tool for innovation across all sectors in Wales”. Having such a policy would give a framework and direction for strategic growth of the whole design ecosystem. It is our ambition to promote this idea further on the national scale and engage with UKRI to discuss the development of Innovate UK’s 2020 Design Strategy. This would raise awareness of design for innovation and lead to new programmes for SME growth through design.

Our inspiration for this action is the ‘Design of Latvia 2020’ policy, that we learned about from the very beginning of the Design4Innovation project at the second knowledge exchange workshop in Thessaloniki (31 May – 1 June 2017) and then had a fantastic opportunity to constantly follow the progress in its implementation. The scale of adoption of design approach in Latvia across all sectors is really impressive. The Latvian Government has recognised the strategic value of design, and adopted a broad definition of

design emphasising its importance in all sectors, industries, and at all levels of decision-making and management. The 'Design of Latvia 2020' strategy aims "to fully exploit innovative potential of design as a strategic tool for promoting the economic growth, social welfare, cultural identity, environmental sustainability and the image of state in Latvia by 2020."

2. Action

- Map design relevance in the context on The Well-being of Future Generations (Wales) Act
- Propose design content for the Future-proofing Toolkit – a manual for companies on how to align their business goals with seven wellbeing goals in Wales (business funding and support will depend on adhering to those)
- Co-create a broad design policy in line with The Well-being of Future Generations (Wales) Act
- PDR will engage with UKRI to influence creation of Innovate UK's 2020 Design Strategy and ensure design support for SMEs

3. Players involved

- PDR
- Welsh Government
- UKRI
- Other Design Stakeholders

4. Timeframe

- 1st half of 2020 – propose design content for the Future-proofing Toolkit
- By the end of 2020 – propose a draft of a broad design policy for Wales
- 2019-2020 - engage with UKRI to influence creation of Innovate UK's 2020 Design Strategy

5. Costs

Preparation phase – approx.. £20,000.00
Launch estimation – depends on the scale of the strategies

6. Funding sources

Preparation phase – PDR's own resources – in-kind staff time
Launch estimation – Welsh Government, UKRI

7. Indicators

Output indicators:

- Dedicated design policy in Wales
- Design references in other related policies
- New Innovate UK's 2020 Design Strategy

Impact indicators:

- New and improved programmes for design and innovation
- New funding for design-driven innovation in SMEs



pdr.

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**Design 4
Innovation**
Interreg Europe



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