



Creativity in Business: Design in the Boardroom

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Notes from the Policy Event Meeting on Creativity in Business: Design in the
Boardroom

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INTRODUCTION

The approach of design is widely and successfully used by businesses to turn creative ideas into innovative products and services. Research coordinated by the Design Council shows that for every £1 invested in design, businesses can add over £4 to their net profit. However, can design be used more strategically by executives – for example to stimulate organisational creativity? A major survey of CEOs selected ‘creativity’ as the most critical capability to navigate today’s complex world, rating it higher than ‘vision’, ‘rigour’ or ‘management discipline’. However, design’s role at boardroom-level is not clearly understood. Can its creative approach also create business growth and other long-term gains? This breakfast considered how businesses use design to differentiate themselves, how this approach is applied and what the impact and benefits of this approach are.

This event, organised by the Industry and Parliament Trust (IPT), Warwick Business School (WBS) and the Design Council, followed previous IPT events on creativity in business. Conceived as part of the Design in the Boardroom research project from the Design Council and WBS, the event explored the relevance of design to business leaders.

Two short presentations were made, and out of the following discussion emerged four themes: (i) the relevance of design to business, (ii) the role of design in business leadership, (iii) innovation and failure, and (iv) creativity and education.



DESIGN & BUSINESS

The discussion began with an exchange of views as to the definition of the term 'design'. Design was described from a number of perspectives, including as a noun (a designed product, service, interior etc.) and as a verb: the practice or process that results in such outputs.

When thought of as a process, it was generally agreed (in common with other scholars' and practitioners' definitions of design) that, design is not merely developing an aesthetic form or finish for an object. Rather, it is a creative problem solving process that includes an understanding of the end-user (their behaviours and practices) and a practical ability to rapidly test and prototype solutions.

The main value of design to business lies in allowing new ideas to be exploited. Design was defined as the practical implementation of creativity to business benefit – or the missing link between creativity and innovation, as one participant paraphrased Sir George Cox's definition:

"Design' is what links creativity and innovation. It shapes ideas to become practical and attractive propositions for users or customers. Design may be described as creativity deployed to a specific end."

Among the benefits of design to business mentioned were defending and growing a business's market share, as well as growing its ability to export its products. Though often considered solely as an expense, design has just as large a place in cutting costs.

Though design is traditionally well-used and appreciated within some sectors' development of new products (e.g. in the automotive sector), design-as-process is equally relevant to developing and improving services (e.g. financial services, leisure services, public services).

As a further example, some digital businesses who use 'agile' approaches to develop websites, apps or other items of software were highlighted as an example of organisations that use design-like processes. They use prototyping to break a project into small packages of work, spending short, focused periods of development on packages known as 'sprints'. Team members prioritise clear communication through regular 'scrum' meetings, with visual techniques used to track delivery, and an emphasis on continually 'shipping' or delivering a new digital service highly prized. Such process was in stark contrast to the large sums of money and high risk involved in traditional IT projects.



DESIGN & BUSINESS LEADERSHIP

Design as a process holds benefits for business for the reasons above, but also has strategic applications, benefitting business leaders in their roles.

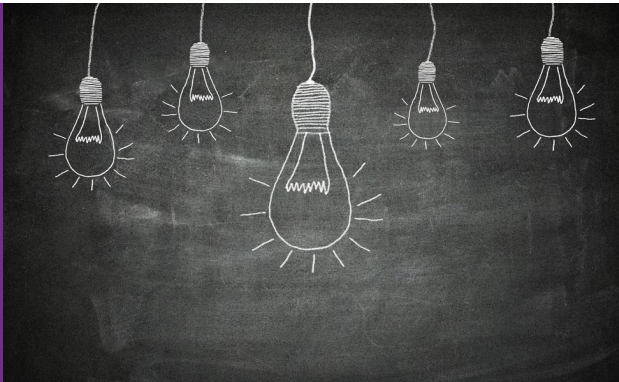
Though it was agreed that the UK has a strong history of designers and design as a personal capability, there was a shared expression that design's potential rarely penetrates the boardroom of UK businesses: either through a senior executive with responsibility for design (e.g. a chief design officer) or through a chief executive officer (CEO) or chief financial officer (CFO) that understand the benefits of design.

An analogy for design might be the rise of marketing to board level in the 80s: UK automotive businesses who were led by finance and took little notice of customer needs felt increasingly under competition from Japanese companies with better marketing capabilities. This pressure, that forced companies like British Airways, Tesco, Rolls Royce and BAE Systems to take marketing more seriously, eventually developed into an accepted role at the top of business, and became a sought-after capability within the UK's business community.

The reasons for a lack of design at the top of business were discussed. Language barriers were identified as one cause; the term design is loaded (for example with connotations of aesthetics and style) and it can be difficult to expose such preconceptions in CEOs' or CFOs' minds.

However it was also recognised that it was too easy to write-off business leaders who were trained accountants (or other professions thought of as less creative) as unable to appreciate design; many highly effective senior executive teams comprise creative financial directors, or leadership pairings of executives specialising in creative thinking and financial administration.

Designers may also be ill-equipped for the commercial environment of the boardroom, with some lacking the grip to confidently make a case for investment in design to senior executives, to companies that find it necessary to train their graduate designers in basic business concepts.



CREATIVITY AND EDUCATION

The discussion touched on the relationship between creativity, design and education on a number of occasions, both formally in schools, as well as development later on in careers – that everyone can be creative.

The effect of formal education on creativity was raised by one participant. For example, while creativity was rated as the most important capability by CEOs, one study was mentioned which showed that 98% of five year old children demonstrated very high levels of creativity, with only 2% of adults able to attain the same levels.

Some concerns were also expressed over the current public proposals for design and technology in the national curriculum, and the effect these might have on availability of future design talent in the UK. Concerns were also expressed at difficulties experienced in sponsoring foreign designers (for example those with expertise in far eastern markets) to work in the UK.

CONCLUSION

Design brings advantages to business, both in general as an approach to innovation, and for its ability to grow and defend market share and make goods more exportable. Design can also be applied more strategically by business leaders, though it has struggled to penetrate the boardroom. Design projects are not always easy for executives to sanction, as they require a certain loss of control and sometimes unpredictable outcomes – however many businesses report success from adopting design-led approaches. Design education has an important role in developing the next generation of the UK's designers.

1) The Design Council is working with the Department for Education to improve the programmes of study for Design & Technology and Art & Design

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