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Design Value Workshop, Tallinn

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How to get the most value from your designers?

In recent years, many organisations and industries have been investing in design to create value for their business, people, and the planet. However, design functions are under pressure to deliver a return on investment and prove their worth as a critical core competence. Research also shows that top management is often unsure of what to expect from design (McKinsey, 2022).

The current market varies across industries. Some companies are still hiring designers, some are consolidating their design workforce, and others have reduced it due to economic reasons or because they feel design has not proven its value. Certain industries, like automotive and sports, have established design as a value creator, while others, such as software and (public) service industry, are still struggling to do so.

So, how can we increase the value of design and show design leaders that it is worthwhile and long-term investment for gaining a competitive advantage, making customers love products and services, and improving sustainability? This question is constantly discussed among design leaders of different kinds.

The workshop provides a framework that structures the question of value creation, maps out the factors involved, and identifies the leadership competencies needed to achieve the desired impact. The workshop will discuss 4 elements of value creation.

And apply those to your specific situation/organisation.

1. Value creation of organisations

Value creation of organisations should always be linked to their objectives. It is important to understand the growth goals and how management plans to achieve them. If design does not have a clear connection to these objectives or if top management is unclear about them, it can become a challenge. The value discipline framework by Treacy and Wiersema (1995) is a great model that displays three competitive advantages organisations need to excel in. By choosing a clear value discipline and aligning strategies, operations, and culture accordingly (including design), organisations can achieve a competitive advantage and dominate markets.
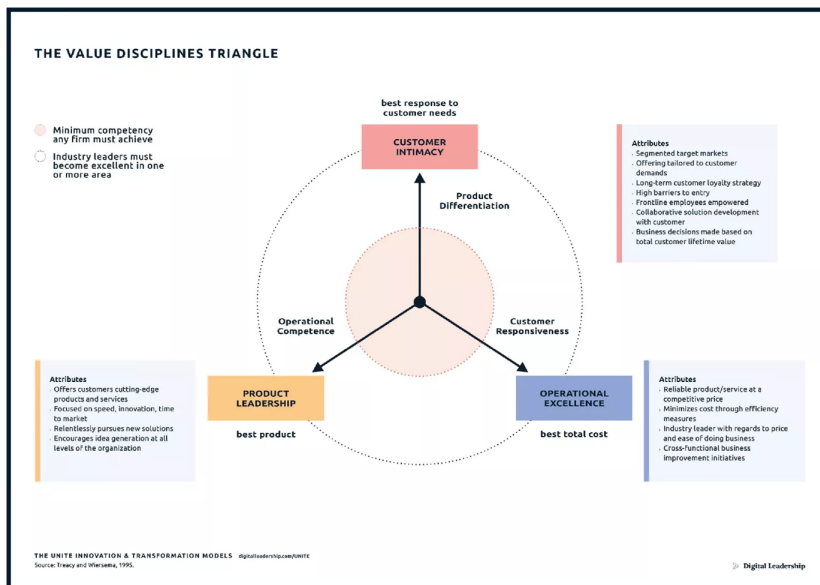
2. Value moods of design leadership

Design leadership should have a clear understanding of what the organisation is striving for and determine the role design should play in contributing to overall objectives. Over my 25 years of working with design leaders, we have observed various value moods that design can

embody:

- Catalyzing change.

- Enabling new business.

- Building bridges.

- Driving growth.

- Developing capability.

These value moods can be challenging for design leaders to fulfill, as their influence depends on internal and external stakeholders. It is wise to collaborate with top management to select the appropriate value moods and focus on one or two at a time. Resources and time are limited, so overpromising can be risky. The value moods may change over time, but they provide clarity in the short and medium term regarding what can be expected from design.

Source: PARK 2023

3. Design and Design Leadership Value Enablers

To understand how design contributes to a successful future, we need to have a clear understanding of the long-term direction of our organization. Recently, McKinsey Design (2018) and PARK (2020) have provided helpful frameworks and guidance for design and design leadership. McKinsey's Design Index (MDI) evaluates organisations based on their design strength and how it relates to their financial performance. They identified four areas where high-performing companies excel:

1. Measure and drive design performance with the same rigor as revenues and costs.

2. Make user-centric design everyone's responsibility, not just a separate function.

3. Reduce risk by continuously listening, testing, and iterating with end-users.

4. Break down internal barriers between physical, digital, and service design.

10 Design Leadership Success Principles

Connect and integrate	Formalise the value
Own Design Thinking	Master the storytelling
Start and end with the user	Democratise understanding
Capture the value	Designers as business people
(Keep) making it real	Emotional intelligence

Source: PARK, April 2020

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4. Return on Investment of Design

Finally, we must demonstrate the value of design on an operational level. By capturing the value of projects and initiatives, design leaders gain power through numbers and data.

This prioritises efforts and select initiatives that provide the most value for the

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organisation, motivating and developing design teams. Additionally, it reduces the high cost of recruiting new people.

In 2018, we developed the Design Value Canvas, a powerful tool for estimating and measuring the return on investment of design initiatives and projects. It assesses the benefits created by design internally and externally, as well as the associated costs. By choosing the right business metrics, designers can calculate the return on investment and set objectives for initiatives or projects based on the project or design briefing.

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