

Research: Design and business performance

One study by the Design Council saw 1,500 companies with 10 or more employees approached. Of these 1,500 companies, 250 were branded 'design alert'. These are companies that indicated that design has a direct influence on, for example, their competitive edge, market share, turnover and attractiveness as an employer.

The study's main findings were:

- Every 100 Euros invested in design leads to a growth in turnover of 225 Euros.
- Of companies that consider design an integral part of their operations, three quarters claim their competitiveness has improved due to the deployment of design.
- Companies that consider design an integral part of their operations, feel less pressure to compete on price. Of the companies deploying design integrally in their operations, less than half compete on price. Of the companies that do not deploy design as an integral part of their operations, two thirds compete on price.
- Share prices of design-oriented companies are 200% above the market average.
- Almost half of all British companies believe that the importance of design has increased significantly in the last ten years in strengthening a company's competitiveness.
- Companies where design is an integral part of operations are twice as likely to pursue product and service development as companies that do not integrate design.
- On average, margins at design alert companies increase 6.3% due to the active deployment of design.
- Two thirds of British companies believe design is a critical factor for future economic performance.
- Fast-growing companies are three times as likely to consider design a critical success factor.
- Fast-growing companies are six times as likely to feel design should be an integral part of their operations.
- Over two thirds of manufacturers are convinced investing in design is worthwhile.
- Fast-growing companies are twice as likely to have upped investment in design.

We should note with this Design Council study that it mainly concerns self-reported opinions. Despite that, the study does show that a substantial section of British industry believes in the power of design, and shows willingness to invest in this tool.

Reference(s)

Design Council (2006), Design in Britain 2005-2006. Published by www.designcouncil.org. *

*: available in the EURIB library.