# DESIGNING BUSINESS

## - a discursive summary -

*Edited by: Jurgen Faust*

"ENGINEERING, MEDICINE, BUSINESS, ARCHITECTURE AND PAINTING ARE CONCERNED NOT WITH THE NECESSARY BUT WITH THE CONTINGENT – NOT WITH HOW THINGS ARE BUT WITH HOW THEY MIGHT BE – IN SHORT, WITH DESIGN."

*Hebert Simon, The Sciences of the Artificial, 1969*

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**PROJECT PROMOTERS**
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**PROJECT COORDINATION**
**AND SELECTION OF CONTENTS**
Jurgen Faust

**ART DIRECTION**
Carla Cesar Sergio



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## DESIGN LED INNOVATION AS A MEANS TO SUSTAIN SOCIAL INNOVATION ENTERPRISES

*Sam Buccolo & Cara Wrighley*

This proposition challenges the notion that clean technology firms that form part of the emerging social innovation enterprise sector do not have the resources to gain value from Design-Led innovation practices, due to their size and operational constraints.

Much has been written on the benefits of linking design and design thinking to organizational strategy and business transformation. The term Design-Led, in the context of this proposition, is defined as the tools and approaches that enable design thinking to be embedded as a cultural transformation within a business. Being Design-Led requires a company to have a vision for top line growth within their business, which is based on in-depth customer insights and expanded through customer and stakeholder engagements, with the outcomes being mapped to all aspects of the business to enable the vision to be achieved. Several government programs exist to support firms in their journey to becoming Design-Led (such as the UK Design Demand Program and New Zealand's Better By Design Program) and have constantly evolved over a 10-year period. Countries that have adopted these programs generally have a policy objective of stimulating innovation activities in SME manufacturing and service firms to have a longer-term impact on the global competitive of their national economy. Results from these programs, generally expressed in individual firm economic outcomes, highlight the significant impact design can have on a business's top line growth.

Key to these programs is moving the firm from the use of design at an operational level to design as a strategic driver for growth within the business. This shift in thinking on the role and value of design requires the firm to consider not just the product and services characteristics of the idea, generally found through human centered design approaches, but also the value proposition and business model aspects of the concept, early in the design process. The ability to integrate both design efforts and business thinking into a single concept at an early stage in the design process generally requires the firms to undertake some form of cultural transformation, as design thinking and business thinking are seen as opposing forces within an organization.

Although success can be found in SME manufacturing and service firms that have undergone this transformation, it is the author's experience that firms that best succeed in such programs are generally of medium nature in size and have strong operational practices to support growth opportunities. When considering how such programs or approaches can be applied to social innovation enterprises, such business fundamentals are often absent in these firms, as they are generally in a start up phase of their development. This is particularly true of the clean technology sector, which in Australia consists of several small technology-led businesses and generally do not have the absorptive capacity to adopt the approach from such programs or are generally ineligible to access the funding of these programs.

However, the major challenges facing humanity today, such as energy supply, clean water, food availability and the environment, can be potentially solved by implementation of Clean Technology solutions and design should have a role in resolving potential solutions. Within Queensland Australia, clean technology companies generate more than AUD$3.1 billion in revenue, employ ca. 12,500 people and create exports of products and services in excess of AUD$125 million per annum. However, the majority of these firms are generally small in size, typically employing less than four staff. Typically, they have been founded through a unique technology offering, focusing on the scientific validation of their results, rather than on developing the complete business contribution that the new technology offers to the market.

This approach follows a typical pattern of social innovation enterprises, where Manzini notes that firms that focus on social innovation should start 'small' and pilot their ideas within a region or context in the first instance (DPPI 2011). Although, for many social innovation projects, this approach is valid, given the resource constraints these firms face, in the clean technology sector, this approach has limitations. The challenge of adopting this approach is that when the technology is required to scale beyond the regional pilot stage, the expanded value proposition and business model does not scale to match the global opportunity. Often a completely new value proposition and business model is required and the work undertaken at the pilot stage is no longer valid. However, through the author's research in working with several clean technology firms, an approach that allows these smaller firms to gain access to design-led innovation approaches, while continuing on their scientific validation, has been developed and applied, with initial positive outcomes.

This paper, therefore, challenges the two existing notions of Design and Social Innovation. Firstly, the authors believe that through a structured approach small firms can gain strategic value of a Design-Led innovation approach. Secondly, innovation enterprises should be considered to think 'large' from the outset of their projects to ensure that their ideas can scale through the developed value proposition and business model required to translate their technology to the broader community.



## THE DESIGN OF A NEW PROSPERITY

*Simonetta Carbonaro*

The design community and the design-oriented business now aim toward better or new formulas of ethical and environmental design that are based on some-but rarely, if ever, all-of the four pillars of sustainability: environmental responsibility, economic health, social equity, and cultural vitality.

My input will reference some of the adjustments, mitigations, and green trends of the (mainstream and smaller-scale) design sector. Still, the core purpose is to consider why those efforts in themselves are likely not radical enough for the design of new economic, cultural and social innovation models that can live within the earth's carrying capacity (Hawkin; Lovins; Siegle; etc).

Instead, I propose that what is needed is a design discourse and practice that is based on systemic change to solve the inherent conflicts involved in providing water, food, shelter, clothing and prosperity to humanity and, therefore, decoupling design from destructive growth-based economics (Jackson).

Since design, design business, and design-driven consumerism will not be able to continue on the same "business as almost usual" trajectory, this statement outlines a change-driven, humanistic approach to design, designed to enhance people's ethos in their ways of expressing themselves entrepreneurially, socially and culturally. It is also a contribution to the wider goals of designing sustainable ways of living and re-imagining our notion of prosperity in a world with a quickly growing population, increasing scarcity of resources, and diverse and evolving human needs.

Emerging small, local and open communities of cultural actors, together with entrepreneurs and intrapreneurs of global open businesses committed to the design of social, cultural, ecological and economic change models, are giving worldwide the first promising signals of transforming notions of prosperity and development.

They are also heralding a true cultural transformation of mainstream consumer patterns by transforming-owing to their inspirational and informative communication-everyday shopping gestures into symbolic and cultural stepping stones towards more informed, critical and responsible consumption.

A new generation of activist designers, design entrepreneurs, and prosumers points to an incipient but deep transformation: from the current 'culture of economy' that is driven by the mythology of standards and quantity, to a new 'economy of culture' based on uniqueness, high quality and either provocative-evocative or timeless aesthetics.

The Power of Design is one of the most influential cultural forces that can inspire people to question, review and change their lifestyles and styles of thought. It is also the fabric (in its pristine sense of 'factory') with a texture of change-actors that are revealing the aesthetic side of the ethics of sustainability.


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