# Evaluation of Design for Business – Survey of Providers of Design Services

## A report prepared for *emda*

PACEC – Public and Corporate Economic Consultants

March 2009

# Evaluation of Design for Business

# Survey of Providers of Design Services

A final report prepared by

PACEC

on behalf of

*emda*

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# Executive Summary

X1.1 This report presents the findings from the survey of providers, which formed part of wider research commissioned by *emda* to help develop a programme of support for SMEs, to enable them integrate design into their businesses.

X1.2 The sample of respondents included in the survey was designed to be representative of providers in the East Midlands. The survey itself was carried out by telephone with representatives of 100 firms.

X1.3 The majority of the providers (80%) were private sector businesses, and a significant minority (14%) drawn from educational institutions, such as universities and FE colleges. Most providers had been in business for at least five years.

X1.4 By far the most popular service offered by providers was assessment of the design needs of clients. One-to-one design advice was the next most popular (provided by just over half), and there was a fair degree of advice on internet and website design. The universities tended to offer more one to one advise but also formal courses and introductions to design specialists.

X1.5 Where one to one advice was offered it was mainly for in-depth advice and at business premises. The universities tended to offer more advice for significant innovation and/or advanced and new technologies and for advanced and new materials.

X1.6 The design services themselves were focused less on product development (especially universities), and more on promotion, marketing and information. However, a high proportion of providers in the education sector concentrated on product development and production processes and delivery.

X1.7 The majority of providers offered a blanket service to all businesses, which meant they did not target specific types or sectors of business. The providers that targeted their services at all, tended to focus on micro and small business.

X1.8 On the whole, providers used their websites as the main medium to inform clients about their services. A surprisingly high proportion of providers, however, relied on word of mouth to publicise their services.

X1.9 The overwhelming majority of providers were continuing to provide a service, and intended to continue to do so in the immediate future. Providers in the educational sector, on the other hand, were less certain about the future, particularly because they were reliant on external sources of funding.

X1.10 In terms of demand for their services, the majority of providers offered support to fewer than 100 businesses. Only 3% of providers had 200 or more clients in the last year.

X1.11 Looking to the future, around a third of providers expected they would not only continue to develop their existing services, but also introduce new ones over the next three years (with the universities less sure). The expected trend was expected to a shift towards product design, with particular re-balancing into product development.

X1.12 Nevertheless, the main gaps in design provision at present, perceived by providers, continued to be in the areas of marketing, promotion and branding, and product development.

X1.13 The main constraint on the ability of providers to continue with their services was lack of funding. This was a particular concern of providers in the educational sector; and was exacerbated further by acute shortage of skilled non-academic staff.

X1.14 The university more specialist services are shown as Appendix A.

# 1 Introduction and Methodology

1.1.1 In February 2008 *emda* commissioned Public & Corporate Economic Consultants (PACEC) to develop a programme of support for integrating design into SMEs, including an analysis of design needs and the identification of additional/intensive support interventions required by businesses. This report outlines the findings of PACEC's survey research and consultation with providers of design services in the East Midlands in terms of the support they provide or may provide in the future.

1.1.2 The survey of providers forms the supply side research on support and is one of a number of integrated tasks within the evaluation of design for business project. It was also linked to a review of selected websites (eg: for universities). The other tasks cover the demand of design services in the East Midlands through a survey of some 900 businesses in the region. There will also be an assessment of the gaps in the provision of design support services and the development of options, and the support required, to fill the gaps, with *emda*.

## 1.2 Methodology

1.2.1 The information from providers has been obtained via a structured interview with 100 providers in the East Midlands to establish information on the current design support and what may be developed over the next 3 years in response to market needs.

1.2.2 The sample of providers was drawn up so as to be reasonably representative of the estimated population of providers in the East Midlands. **At the outset it was recognised that there was no definitive list of providers in the region and that a number of sources and listings of potential providers would need to be used to supplement the East Midlands Business Link IDB list.** Most of the services available to businesses are in the private sector and offer their services on a commercial basis. A minority are in the public sector. The sampling frame was constructed in discussions with *emda* and the East Midlands Business Link Ltd. A number of sources were used as follows:

a The *emda* / East Midlands Business Link providers extract. This included providers shown as available (brokerage – available) and not available (brokerage – not available) for the IDb service

b The British Design Innovation brokerage site (from the IDB link)

c The Experian National Database. The listing was based on key design related sectors. These included those shown as product, graphic, advertising, textile, computer aided, industrial, display, and web designers as well as design consultants

d The Universities and further education colleges in the East Midlands

e The Chambers of Commerce, Enterprise Agencies, Business Forums and economic partnerships in the region

1.2.3 These listings provided contact information for some 1200-1500 organisations. The survey assessed initially whether they provide design services or not and excluded the latter. The survey involved telephone contact with a quota of providers in each of the sectors. The topics covered:

a Background characteristics. Type of organisation and how long they had been providing services

b The design support services. The nature of the services, eg the assessment of needs, one to one advice, workshops and training

c The level of advice: initial / light touch, in-depth, support for innovation (new techniques and materials), specialist and sector consultants

d The aspects of business covered, eg: product and service design, market, advertising, promotion and websites

e The eligible businesses by size, sector and social groups (eg women and BMEs) and the spatial coverage

f How services are promoted, eg mailshots and advertising

g The delivery, duration and scale of services (ie number of users per annum)

h The introduction of new services, gaps in services and barriers to service provision

1.2.4 Arising from the survey and consultations there was an indication that the universities provided more specialist services than the other providers. To clarify these there were some follow-up interviews with the universities.

1.2.5 The following chapters present the results of the survey of providers. The tables of results are cross-tabulated by whether or not the providers were on the IDB brokerage lists (ie brokerage – available and brokerage – unavailable), University / FE and other services (eg Chambers). The latter groups were relatively small hence the figures in the tables are more illustrative. Appendix A provides information on the university specialist services.

# 2 Background and Characteristics of Providers

2.1.1 The survey by types of providers reflected the estimate of the population of providers ie some 82% were in the private business / consultancy sector, with 14% in the University and/or FE sector, with 4% with Chamber and Enterprise agency sectors.

**Table 2.1 Type of organisation**

| | percentage of all respondents (by organisation type) | | | | |
|---|---|---|---|---|---|
| | Total | Business/ consultancy - Brokerage available | Business/ consultancy - Brokerage unavailable | University/ FE college | EA/ Chambers |
| Business / consultancy | 82 | **95** | **93** | **0** | 0 |
| University | 10 | **2** | **2** | **71** | 0 |
| FE College | 4 | 0 | 0 | 29 | 0 |
| Chamber of Commerce | 2 | 0 | 4 | 0 | 50 |
| Enterprise Agency | 2 | 2 | 0 | 0 | 50 |

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q5A)

2.1.2 Some 60% of providers had been offering services for more than 5 years (with 38% for ten years and 57% of universities for more than 10 years). The more mature services were part of the BL brokerage – available services. Some 63% of services were a stand alone service with the remainder part of a wider service which was offered by providers.

**Table 2.2 For how many years has the organisation been providing design support?**

| | percentage of all respondents (by organisation type) | | | | |
|---|---|---|---|---|---|
| | Total | Business/ consultancy - Brokerage available | Business/ consultancy - Brokerage unavailable | University/ FE college | EA/ Chambers |
| Up to 2 | 14 | 7 | 20 | 14 | 0 |
| 3-5 | 30 | **12** | **52** | 14 | 50 |
| 6-10 | 19 | **31** | 11 | 14 | 0 |
| More than 10 | 38 | **50** | **17** | 57 | 50 |

A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q6)

**Table 2.3 Whether the design advice a stand alone service or part of a wider / larger service that offers other support**

| | percentage of all respondents (by organisation type) | | | | |
|---|---|---|---|---|---|
| | Total | Business/ consultancy - Brokerage available | Business/ consultancy - Brokerage unavailable | University/ FE college | EA/ Chambers |
| Stand alone service | 63 | 68 | 59 | 57 | 75 |
| Part of wider / larger service | 37 | 32 | 41 | 43 | 25 |

Source: PACEC Survey (Q8)

# 3 The Nature of Services

3.1.1 The services were primarily concerned with assessing the design needs of clients (89%), followed by one to one advice (55%), internet / website advice (40%) and other advice aimed at introducing businesses to specific designers (34%) in order to meet their needs. The universities were more likely to offer formal courses and sessions and introductions to specific specialist design advisers.

**Table 3.1 What is the nature of the service?**

| | percentage of all respondents (by organisation type) | | | | |
|---|---|---|---|---|---|
| | Total | Business/ consultancy-Brokerage available | Business/ consultancy-Brokerage unavailable | University/ FE college | EA/ Chambers |
| Assessment of design needs for businesses | 89 | 83 | **98** | 79 | 100 |
| One to one design advice | 55 | 44 | 63 | 71 | 25 |
| Internet / website advice | 40 | 29 | 48 | 57 | 25 |
| Introduction to specific specialist design advisers | 34 | 29 | 35 | **57** | 25 |
| Email bulletins | 20 | **10** | **30** | 21 | 25 |
| Networking events | 15 | 10 | 15 | **36** | 0 |
| Design training | 11 | 7 | 13 | 14 | 25 |
| Workshops with businesses facing similar issues | 10 | 5 | 9 | **29** | 0 |
| A formal course / sessions | 8 | **0** | 7 | **43** | 0 |
| An online design course | 4 | 2 | 2 | 14 | 0 |
| Grants for design | 3 | 0 | 2 | 14 | 0 |

Respondents could select more than one option; so percentages in any column may sum to more than 100.
A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (q9k)

3.1.2 Where one to one design advice was available, the main features were:

a In-depth advice available through two thirds of providers (especially by the BL brokerage – available providers ie 71% and Universities / FE colleges)

b The advice was primarily given at business premises (61%)

c Some 50% of providers provided one to one advice for significant innovation, 45% for advanced and new technologies and 38% for advanced and new materials. 49% had specialist design / innovation consultants. Universities were more likely to offer these services than the other providers.

**Table 3.2 The Type of One to One Advice Given**

| | percentage of all respondents (by organisation type) | | | | |
|---|---|---|---|---|---|
| | Total | Business/ consultancy-Brokerage available | Business/ consultancy-Brokerage unavailable | University/ FE college | EA/ Chambers |
| **If one to one advice above,Depth of advice:** | | | | | |
| Initial/light touch | 34 | 29 | 37 | 30 | 50 |
| In depth | 66 | 71 | 63 | 70 | 50 |
| **If one to one advice above, where is it given** | | | | | |
| At the business | 61 | 65 | 60 | 44 | **50** |
| Elsewhere | 39 | 35 | 40 | 56 | **50** |
| **Support for innovation - Significant innovation** | | | | | |
| Yes | 49 | **29** | 50 | **71** | 25 |
| No | 51 | **71** | 50 | **29** | 175 |
| **Support for innovation - Advanced / new technologies** | | | | | |
| Yes | 45 | **24** | 46 | **71** | 25 |
| No | 55 | **76** | 54 | **29** | 75 |
| **Support for innovation - Advanced / new materials** | | | | | |
| Yes | 38 | 35 | **24** | **69** | 25 |
| No | 62 | 65 | **76** | **31** | 75 |
| **Type of Design Consultant** | | | | | |
| General Design Consultants | 51 | 41 | **70** | **14** | 75 |
| Specialist Design Consultants | 49 | 59 | **30** | **86** | 25 |

Source: PACEC Survey (Q9F1) (Q9F2) (Q9G1) (Q9G2) (Q9G3) (Q9H)

3.1.3 The design services were primarily focused on promotion, marketing and information rather than product / service development. The main design services were the promotion / branding of businesses (65% of providers), website design (63%), marketing / advertising of products / services (60%), followed by product development (45%). Notably some 39% of providers cited a service aimed at developing design as a strategic business tool (ie 39%). The BL brokerage – available services and the HE/FE sector gave less emphasis to promotion and branding with the former placing slightly more emphasis on website design. The university / FE sector had a significantly high proportion of services concerned with product development (57%) and production processes and delivery (29%).

**Table 3.3 What aspects of business is the design service concerned with?**

| | percentage of all respondents (by organisation type) | | | | |
|---|---|---|---|---|---|
| | Total | Business/ consultancy-Brokerage available | Business/ consultancy-Brokerage unavailable | University/ FE college | EA/ Chambers |
| Promotion / branding of businesses | 65 | 57 | 75 | 57 | 75 |
| Website design | 63 | 62 | 70 | 50 | 75 |
| Marketing / advertising products / services | 60 | 57 | **75** | **21** | 50 |
| Product development | 45 | 48 | 39 | 57 | 50 |
| Development design as a strategic business tool | 39 | 31 | 50 | 36 | 0 |
| Packaging of products / services | 30 | 26 | 36 | 29 | 0 |
| Production processes / delivery | 17 | 10 | 23 | 29 | 0 |
| Development of services | 14 | 10 | **23** | 14 | 25 |

Respondents could select more than one option; so percentages in any column may sum to more than 100.
A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (q10f)

3.1.4 For all types of providers there was very little targeting by types of businesses. For 89% of providers, all businesses were encouraged to use their services and were eligible to do so. The main businesses targeted were the medium sized possibly were design was recognised more and external advice was used or sought. This was especially the case with the universities / FE colleges which also focused more on SMEs to the same extent. There was some targeting on particular social groups such as women, businesses with fewer than 30 people, and BMEs (ie 9% of providers). Where this occurred it was likely to be the case that the funders of services in the public sector stipulated this and there were some spatial targeting in small areas.

**Table 3.4 Is the service for all businesses or targetted at any particular types of business or sectors?**

| | percentage of all respondents (by organisation type) | | | | |
|---|---|---|---|---|---|
| | Total | Business/ consultancy-Brokerage available | Business/ consultancy-Brokerage unavailable | University/ FE college | EA/ Chambers |
| All businesses | 89 | 93 | 96 | **57** | 75 |
| Medium businesses (51 - 250 employees) | 15 | 15 | 11 | **36** | 38 |
| Micro-businesses (Up to 10 employees) | 13 | 7 | 13 | **36** | 25 |
| Small businesses (11 to 50 employees) | 13 | 10 | 11 | **36** | 25 |
| Businesses with growth potential | 10 | 10 | 11 | 14 | 25 |
| Pre-start and Start-ups | 9 | 5 | 13 | 14 | 0 |
| Women Business owners | 9 | 10 | 11 | 7 | 25 |
| Firms owned by people under 30 years of age | 9 | 10 | 11 | 7 | 13 |
| Black & minority ethnic owned businesses | 9 | 10 | 11 | 7 | 13 |
| Owners with a disability | 9 | 10 | 11 | 7 | 13 |
| Businesses in deprived areas | 7 | 10 | 7 | 7 | 13 |
| Sectors | 7 | 10 | 7 | 7 | 13 |
| Other | 11 | 10 | 9 | **29** | 0 |

Respondents could select more than one option; so percentages in any column may sum to more than 100.
A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (q11g)

3.1.5 The promotion of services to businesses and raising awareness of the services available is a key issue, especially to enable businesses to be aware of, and access, services. There were a range of methods used to inform clients. Half of all the providers used their websites (ie they would be picked up through a search facility used by businesses). Around a quarter used mailshots (especially the BL brokerage – unavailable listed providers). Telephone contact methods were used by a fifth (again, more so by the BL brokerage – unavailable providers). The other main methods were word of mouth and encouraging agency / client referrals.

**Table 3.5 How do you promote your design services to businesses?**

| | percentage of all respondents (by organisation type) | | | | |
|---|---|---|---|---|---|
| | Total | Business/ consultancy-Brokerage available | Business/ consultancy-Brokerage unavailable | University/ FE college | EA/ Chambers |
| Via our websites | 52 | 54 | 50 | 38 | **100** |
| Mailshots | 27 | 23 | 30 | 15 | 25 |
| Telephone contact | 21 | 18 | 24 | 15 | 25 |
| - telephone | 20 | **31** | **11** | 23 | 25 |
| - face-to-face | 19 | 26 | 15 | 23 | 0 |
| Events | 16 | 10 | 24 | 8 | 25 |
| Trade journals | 15 | 18 | 15 | 8 | 0 |
| Discussions with businesses | 13 | 21 | 7 | 15 | 0 |
| Email | 12 | 13 | 11 | 15 | 0 |
| Press | 11 | 15 | 11 | 0 | 25 |
| Radio / TV | 2 | 5 | 0 | 0 | 0 |
| Other | | | | | |
| - Word of mouth | 42 | 23 | 70 | 15 | 50 |
| - Referrals | 8 | 8 | 11 | 15 | 0 |
| - Business Link | 5 | 5 | 4 | 0 | 0 |

Respondents could select more than one option; so percentages in any column may sum to more than 100.
A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q12A)

3.1.6 The services were available nationally (including the East Midlands region) for 73% of providers. This was especially the case for the BL brokerage – available services. Some 20% just served the East Midlands region. Apart from the University / FE sector with more sub-regional services (possibly aimed at their respective areas), the services were not usually solely available for sub-regional / county markets.

**Table 3.6 For what geographical area(s) do you deliver the services?.**

| | percentage of all respondents (by organisation type) | | | | |
|---|---|---|---|---|---|
| | Total | Business/ consultancy-Brokerage available | Business/ consultancy-Brokerage unavailable | University/ FE college | EA/ Chambers |
| National | 73 | **88** | 65 | **50** | 12 |
| East Midlands Region | 21 | 12 | 28 | 29 | 87 |
| Sub-regional/County | 6 | **0** | 7 | 21 | 0 |
| Local Authority District | 0 | 0 | 0 | 0 | 0 |

Respondents could select more than one option; so percentages in any column may sum to more than 100.
A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q13b)

# 4 The Delivery of Services

4.1.1 Almost nine out of ten services were ongoing or likely to be so. This was especially the case for the businesses / consultancy services. Some 38% of University / FE services were for a fixed period only which probably reflected external funding (eg central government and HEFCE sources).

**Table 4.1 Will the service operate for a fixed period of time or will it be ongoing?.**

| | percentage of all respondents (by organisation type) | | | | |
|---|---|---|---|---|---|
| | Total | Business/ consultancy - Brokerage available | Business/ consultancy - Brokerage unavailable | University/ FE college | EA/ Chambers |
| Ongoing | 81 | 83 | 86 | 62 | 67 |
| Fixed period only | 13 | 15 | **2** | **38** | 33 |
| Likely to be ongoing | 6 | 2 | **12** | 0 | 0 |

Respondents could select more than one option; so percentages in any column may sum to more than 100.
A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q14b)

4.1.2 Some two thirds of providers used their own staff exclusively to delivery the services (especially amongst the BL brokerages – available providers), while 30% used both their own staff and sub contractors / partners.

**Table 4.2 Who delivers the design services? .**

| | percentage of all respondents (by organisation type) | | | | |
|---|---|---|---|---|---|
| | Total | Business/ consultancy- Brokerage available | Business/ consultancy- Brokerage unavailable | University/ FE college | EA/ Chambers |
| Your own internal staff | 67 | 74 | 63 | 57 | 100 |
| Both of these | 30 | 26 | 35 | 29 | 0 |
| Sub-contractors / partners | 3 | 0 | 2 | 14 | 0 |

Respondents could select more than one option; so percentages in any column may sum to more than 100
Source: PACEC Survey (Q15b)

4.1.3 The number of businesses that used services gives some indication of the scale of the services and the capacity. Just 3% of services were used by more than 200 businesses in a year. A quarter were used by 100-200 clients while 74% were used by fewer than 100 clients per annum. Some 86% of the BL brokerage – available service providers said their services were used by fewer than 100 businesses.

**Table 4.3 Excluding requests for information / signposting only, how many businesses used the services in the last year?.**

| | percentage of all respondents (by organisation type) | | | | |
|---|---|---|---|---|---|
| | Total | Business/ consultancy-Brokerage available | Business/ consultancy-Brokerage unavailable | University/ FE college | EA/ Chambers |
| Fewer than 100 | 74 | **86** | 70 | 57 | 75 |
| 100-200 | 23 | 14 | 28 | 29 | 25 |
| 200+ | 3 | 0 | 2 | 14 | 0 |

Respondents could select more than one option; so percentages in any column may sum to more than 100.
A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q16b)

4.1.4 Almost all the providers said that their services were meeting their aims and client needs to a great extent.

**Table 4.4 To what extent do you think the services are meeting their aims?**

| | percentage of all respondents (by organisation type) | | | | |
|---|---|---|---|---|---|
| | Total | Business/ consultancy - Brokerage available | Business/ consultancy - Brokerage unavailable | University/ FE college | EA/ Chambers |
| Great Extent | 98 | 100 | 98 | 93 | 100 |
| Some Extent | 2 | 0 | 2 | 7 | 0 |
| Limited | 0 | 0 | 0 | 0 | 0 |

Respondents could select more than one option; so percentages in any column may sum to more than 100
Source: PACEC Survey (Q17b)

# 5 The Introduction of New Services

5.1.1 In terms of reflecting the market requirements 36% were likely to develop their services and introduce new ones in the period for 2011 (ie over the next three years). This was primarily amongst the providers who were BL brokerage – available (ie 36%).

**Table 5.1 Are you likely to introduce any new design services in the future?**

| | percentage of all respondents (by organisation type) | | | | |
|---|---|---|---|---|---|
| | Total | Business/ consultancy - Brokerage available | Business/ consultancy - Brokerage unavailable | University/ FE college | EA/ Chambers |
| Yes | 36 | 40 | 33 | 21 | 75 |
| No | 33 | 33 | 33 | 29 | 0 |
| Not sure | 32 | 26 | 35 | 50 | 25 |

Source: PACEC Survey (Q18A)

5.1.2 The main services likely to be introduced over the next three years were for product design (ie a third of providers), compared to 23% who would introduce website designing services, 17% who would introduce advice to develop services, and 17% who would introduce promotion / branding services. This indicates some re-balancing of the design services available towards the development of products as opposed to promotion, marketing, and information which currently form the main types of services.

**Table 5.2 If yes, for what?**

| | percentage of all respondents (by organisation type) | | | | |
|---|---|---|---|---|---|
| | Total | Business/ consultancy-Brokerage available | Business/ consultancy-Brokerage unavailable | University/ FE college | EA/ Chambers |
| Product development | 33 | 36 | 31 | 25 | 33 |
| Website design | 23 | 21 | 31 | 0 | 0 |
| Development of services | 17 | 14 | 23 | 12 | 33 |
| Promotion / branding of businesses | 17 | 7 | 31 | 0 | 0 |
| Packaging of products / services | 10 | 14 | 8 | 0 | 33 |
| Marketing / advertising products / services | 10 | 0 | **23** | 0 | 33 |
| Development design as a strategic business tool | 10 | 14 | 8 | 12 | 0 |

Respondents could select more than one option; so percentages in any column may sum to more than 100.
A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q18B)

5.1.3 The main gaps in design service provision, as perceived by the providers, were considered to be marketing / advertising, product development, promotion and branding and website design. These were mentioned by 10-15% of providers. Hence even for the main types of services available, ie marketing, promotion, and information there was still considered to be a gap in provision. The focus on the introduction of product development services (see above) was potentially helping to fill the gap. A small but significant proportion of providers (ie 5%) did not think that clients understand, or recognised the value of, design in business.

**Table 5.3 What are the main gaps in the design support available to businesses?**

| | percentage of all respondents (by organisation type) | | | | |
|---|---|---|---|---|---|
| | Total | Business/ consultancy- Brokerage available | Business/ consultancy- Brokerage unavailable | University/ FE college | EA/ Chambers |
| Marketing / advertising products / services | 15 | 12 | 25 | 0 | 50 |
| Product development | 13 | **4** | 6 | 67 | 0 |
| Promotion / branding of businesses | 10 | 4 | **25** | 0 | 25 |
| Website design | 10 | 8 | 19 | 17 | 0 |
| Lack of client understanding of the concept of design | 5 | 5 | 5 | n/a | 25 |
| Linking to design markets | 5 | 5 | 5 | n/a | 0 |

Respondents could select more than one option; so percentages in any column may sum to more than 100.
A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q19)

# 6 The Barriers to Service Provision

6.1.1 The main barriers which restricted the ability of providers to provide design services were a lack of funding mentioned by a third, and especially by the HE/FE sector. Some providers also said they had no clear view of needs (ie 17%). Others thought that there was insufficient demand and/or that clients did not know what they needed. These points indicate a lack of development in the market. The HE/FE sector, in particular, mentioned insufficient staff and a lack of skills (which may reflect the concentration on teaching and research amongst academic staff).

**Table 6.1 What are the main barriers which restrict your ability to provide design support?**

| | percentage of all respondents (by organisation type) | | | | |
|---|---|---|---|---|---|
| | Total | Business/ consultancy-Brokerage available | Business/ consultancy-Brokerage unavailable | University/ FE college | EA/ Chambers |
| Lack of funding | 33 | **20** | 38 | 45 | 67 |
| No clear view of needs | 17 | **7** | **34** | 0 | 33 |
| Lack of demand/scale to develop services | 11 | 10 | 10 | 18 | 0 |
| Clients did / do not know what they need | 7 | 9 | 7 | 0 | 0 |
| Not sufficient staff | 7 | **0** | 3 | 45 | 0 |
| Lack of skills | 4 | 3 | 0 | 18 | 0 |
| Not sufficient subcontractors | 1 | 0 | 0 | 9 | 0 |
| Other | 56 | **73** | 48 | **18** | 33 |

Respondents could select more than one option; so percentages in any column may sum to more than 100.
A number is shown in bold where, taking into account the margin of error due to sampling, we are 95% certain that it is different from the number in the left hand total column (using a Chi-Squared statistical test)
Source: PACEC Survey (Q20)

# Appendix A University Specialist Design Services

A1.1 Arising from the survey and consultations there was an indication that the universities provided more specialist services than the other providers. To clarify these there were some follow-up interviews with the universities.

A1.2 In summary in terms of specialist services, the main survey results showed that the university sector while offering some specialisms had been offering services for a slightly longer period than the other providers surveyed (ie more than 10 years).

A1.3 The main university specialisms in terms of design advice were:

- Formal courses and sessions
- An introduction to specialist design advisers
- The organisation of networking events
- Workshops with businesses facing similar issues
- Internet / websites offering advice
- One to one advice to businesses

A1.4 The universities were also more likely to offer support for significant innovation, advanced or new technologies, and advanced / new materials and product development. The universities were also more likely to focus their sessions on medium sized businesses, small and micro businesses as well as growth businesses, and also pre-starts and start-ups to some extent.

A1.5 Universities were more likely to offer their services for a fixed period only which probably reflected external funding (eg central government and HEFCE sources) and they cited a lack of funding as a barrier more so than other providers.

A1.6 The universities were less sure whether they would introduce new design services in the future (ie up to 2011) compared to than other providers which may be an function of some uncertainty about external funding.

A1.7 The follow-up topics for the discussions with the universities or their design specialisms were:

1. Stage of development of businesses
2. Sectors covered
3. High-tech and/or conventional businesses
4. Technology specialisms
5. Other specialist design services

A1.8 Most universities claimed to provide a total design service involving process / product design, innovation management with the creation and testing of ideas through to prototyping, manufacture and product launch. For most there was a team based multidisciplinary offer to businesses across all products and sectors.

### *Stage of Development of Businesses*

A1.9 The advice mainly covered pre-starts, business creation, entrepreneurial development, early stage and growth businesses. This was mainly a reflection of a relatively large external market and also the prospect of HE spin outs. The more mature and larger businesses were also offered support and sometimes in conjunction with R&D activity.

### *Sectors Covered*

A1.10 There were a wide range of sectors reflecting the academic and research disciplines of the universities, and the university environments especially in the conurbation of (Derby, Leicester and Nottingham) with more of a traditional focus on engineering.

A1.11 The key sectors specifically mentioned in both manufacturing and services were:

- Engineering (metals, automotive, aerospace)
- Transport (automotive and aerospace)
- Electronics
- Sustainable construction and the environment
- Chemical engineering
- Medical sector, health, and bioscience
- Brewing and by-products
- Plastics
- Glass and ceramics
- Fashion
- Graphic design
- Packaging
- Food and drink processing
- ICT
- Digital media
- Architecture
- Creative industries
- Energy

A1.12 Some of the universities were developing their sector services to reflect the *emda* Regional Economic Strategy and the Regional Innovation Strategy and in particular the i-net sectors, ie food and drink, health and bioscience, sustainable construction, and transport (automotive and aerospace).

### *High-Tech and/or Conventional Businesses*

A1.13 Most consultees thought that demand was arising (and increasing) from the more high tech sectors, mainly in engineering, digital, ICT with the environment, and in the creative industries. Services were also provided for the more conventional sectors, but was very much influenced by these businesses seeking to become more high-tech as part of the re-structuring which was required in these sectors.

### *Technology Specialisms*

A1.14 Potentially arising from the sector specialisms, a number of technology specialisms were cited: smart technologies, advanced materials and manufacturing, materials testing and analysis, lighting / displays, sustainable and environmental products, ergonomics, holography, digital media, artificial intelligence, robotics, sustainable energy technologies, rapid manufacturing and virtual reality technologies.

A1.15 The choice of technology specialisms was also influenced by the RIS technology framework, ie:

- Materials
  - Lightweight and composite materials
  - High-temperature materials
  - Construction materials
  - Biomaterials
- Design engineering and manufacturing
  - Design and rapid manufacturing
  - Progress engineering
- Energy and waste
  - Energy efficiency
  - Fuel combustion
  - Energy storage, integration and distribution
  - Renewable energies
  - Waste minimisation, management and recycling
- Information and communication technologies
  - Instrumentation measurement and imaging
  - Intelligent systems
  - Sensors and controls
  - Computation
- Biotechnologies and therapeutics
  - Microbiology and hygienic environments
  - Tissue and cell engineering
  - Bio-nanotechnology
  - Drug discovery and development

### *Other Specialist Design Services*

A1.16 Some of the universities offered their design support programmes as part of a manufacturing advisory service (for example with a design pilot), with design support schemes and services for academic enterprise and entrepreneurship involving design. There were also creative and knowledge networks, collaborative research and “graduates into enterprise” programmes which involved design. Market intelligence could also be provided with market evaluations and scenario planning.

A1.17 Universities offered design management services with, for example, strategies, financial planning and appraisal, change management, design and innovation management with product and process development strategies and service design. Some of the universities were setting up, or planning to set up, some important physical centres offering design and innovation support services with an art/design and a product development centre supported with external funding especially from HEFCE and ERDF. These were conceived as important and high level physical facilities for businesses which brought together the design / innovation services in an integrated, holistic, and comprehensive way.

A1.18 HEs also had a physical presence through local / sub-regional innovation centres and science parks and as part of the *emda* i-nets and the priority sectors.