



**SEE DESIGN**

Sharing Experience  
on Design Support  
for SMEs

## **Case Study of Good Design Support Practice**

This case study is a snapshot of activities taking place during the lifespan of the SEEdesign project from 2005 to 2007. For updated information please contact the organisations directly.

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**PROJECT PART-FINANCED  
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## The DESIGN 2005 programme, delivered by TEKES, The Finnish Funding Agency for Technology and Innovation, was instigated in response to the publication of the Finnish design policy, 'Design 2005!'.

This government initiative coordinated a series of actions involving different stakeholders, with one objective: to strengthen the competitiveness of Finnish production with the priority of increasing expertise in design through education and research. The aim was to create a multidisciplinary research programme on design, which would connect research on design to research in other academic disciplines. The programme had one year preparatory phase and ran for 4 years (2002–2005).

DESIGN 2005 was the first programme dedicated to design, recognising its core role in research and development (R&D). Previously, design was supported as a part of other projects, mainly on product development.

Preparation of the programme involved opinion leaders in design in Finland. An important topic for discussion was the scope of design research and themes related to industrial design. A decision was made to focus the TEKES programme on technology and business factors. Preparatory studies showed that design competence was still poorly exploited by Finnish industry. Apart from a few large international companies, national industries - mostly small companies - did not traditionally invest in design research. However the significance of design was clearly more significant to Finnish industry as products became more technology advanced.

Therefore, the programme aimed to develop three main targets: the standard of research on design; the utilisation of design in product development and business strategies; the competence of design firms and strengthening their service operations.

TEKES is a large funding agency, which employs more than 300 people in Finland. As an R&D investor, the agency funds academic research, applied research inside companies and some R&D work in companies. On the 'reactive side', TEKES financially supports about 30 to 50 focused programmes simultaneously. DESIGN 2005 is one of these programmes. It was implemented by a team of 3 people from TEKES and financed by the Ministry of Trade and Industry in Finland.

Applications were accepted from companies, academic and research institutions in Finland. The programmes' brochure states the kind of project that was funded by DESIGN 2005:

"The Programme intended to support research and development that utilizes design expertise and is linked with the development of high-technology products, and to help develop design services and design practices and bring them up to international standards. Improving industrial design will produce benefits that justify its status as a part of corporate strategy. Quantifying and qualifying these benefits is an essential part of the research that the Programme supports. The basis of the Programme is thus to develop the use of design within a company, not simply to increase its use."

Besides the core activity of the programme (the funded participant projects), DESIGN 2005 also promoted biennial seminars and regional events. Attracting several hundred people, these events explained the programme activities. Research results of the programme were presented at 2 events, called ABC (Academics, Business, Consultants) in 2004 and 2005. Communication activities were also an important element of DESIGN 2005 and included a monthly newsletter, a website, and targeted contacts.

The programme organised two fact-finding missions to Japan and USA to encourage international co-operation in recognition of the increasingly international nature of competition for design consultants.

An important aspect of the programme was its emphasis on research into and improvement of processes and knowledge, rather than on the development of isolated products. This resulted from the understanding that changes in processes rather than changes in products will result in better and longer-lasting impacts and benefits. Although this strategic position has a clear objective of achieving a higher-end impact, this position also limits access to the fund. In this scenario, only companies capable of exploiting design at a strategic level became eligible for funding, making the fund almost inaccessible for thousands of smaller businesses, including start-ups, with very limited knowledge of how to use design.

Companies received grants or loans with low interest rates requiring no guarantee. Grants were given where the project involved mainly preparatory work for product development and not direct development work. This took into consideration laws of fair competition for private and public funds. Grants could cover from 25% to 50% of the total costs of the project (typically 35%). Loans varied from 50% to 70% of total project costs.

DESIGN 2005 implemented 73 projects, with approximately 100 participating companies. TEKES invested EUR 10.3 million in funding for enterprise and research projects. A similar amount was invested by participating companies, research institutions and other partner organisations. Moreover, TEKES spent EUR 0.9 million in implementation costs for the programme. Enterprise projects not only supported new product development but also promoted the integration of design competence, usability, design concepts for new products, strategic use of design in business, trend and user surveys and new process development.

DESIGN 2005 was implemented over 4 years - one year of preparation and 3 years of implementation. There then followed an extra year of evaluation. Results of a survey carried out during this evaluation period reveal what the programme achieved: increased awareness of design; development of research services by research institutes; and the enhancement of corporate processes

and competence. Some concrete examples of successful achievements were listed from Enterprise projects. The majority of companies developed new products and/or improved existing ones and several successful new procedures were established, in particular in the boat industry.

TEKES programmes boost new topics that will benefit the economy, in this case, by providing financial support that encourages companies to invest in research and development in design. New topics are periodically identified and replace previous ones but this does not mean that TEKES no longer supports design research and development projects as the Agency is now open to applications for funding in this field of activity, as part of its 'reactive' funding service.

One of the emerging issues TEKES is addressing is the development of services, which constitutes a significant trend and an increasing component of the Finnish economy. Another important issue is how to bridge the gap between innovation and the market, to help companies develop their innovative ideas, meet customers demands and get their ideas successfully to market.

**For more information please visit:** [www.tekes.fi](http://www.tekes.fi).