DESIGN

DRIVING COMPETITIVE ADVANTAGE IN THE WESTERN CAPE

A STRATEGY FOR DESIGN TO UNLOCK INNOVATION
GOOD DESIGN IS AN ACTIVITY THAT USES CREATIVE AND ITERATIVE PROCESSES TO TAKE ACCOUNT OF A RANGE OF FACTORS AND NEEDS IN THE DEVELOPMENT OF INNOVATIVE PRODUCTS, SERVICES, ENVIRONMENTS AND COMMUNICATION, IN RESPONSE TO THE HUMAN CONDITION AND SOCIETY’S NEEDS.
1. THE LINK BETWEEN CREATIVITY & INNOVATION
Design is a planning and development process, transforming abstract ideas into desirable objects and services. It harnesses consumer insights, technological feasibility and business viability. Design is much broader than aesthetics. It is linked to functionality, ease of manufacturing and delivery, sustainability, reliability, quality and productivity.

2. AN INTEGRAL PART OF ALL ORGANISATIONS
The value of design stretches across all industries and sectors – from manufacturing, transport and logistics to services, banking and tourism. Organisations can create a more engaging brand experience and deepen relationships with customers through better design, not just in products, but in services, environments and communications.

3. MULTI-DISCIPLINARY
Design should function at multiple levels. It requires more than simple collaboration among different design disciplines. Participation from areas such as consumer research, engineering, technology, strategic planning, business management, marketing, psychology, anthropology and sociology is crucial to attaining better design which leads to better results.

4. A VALUE CREATION TOOL
Design brings value to organisations by reducing costs, improving profitability and increasing brand equity. Design has increasingly become a critical part of the overall corporate business strategy. More and more organisations are tapping into the expertise of designers to create innovative business models, products and services to meet the latent and unfulfilled needs of customers. Design also has a social value. Better design means better living. It brings tangible and sustainable improvements to our living environment, making it easier, safer and more enjoyable.
There is no question that we need to grow our economy and improve social conditions.

Global trends indicate that design-led innovation has a strong role to play both in new product development and/or in service provision, whether for the private, public or civil society sectors. Design thinking offers a methodology and the tools to enable the sector to come up with viable user-centric new ideas and prototypes to ensure that these can be brought to market.

The design industry in the Western Cape is showing encouraging signs of growth. To build the innovation value chain, and thus build competitiveness, we need to match the growing capabilities and competencies of design practitioners with the various industrial and manufacturing sectors.

We want to create an enabling environment that facilitates the optimal use of design to catalyse economic growth and improve quality of life for all in the Western Cape.

The Western Cape has the following potential for design to add tremendous value in economic development:

- A progressive-thinking regional and local government
- A wealth of natural resources
- Cape Town as a destination that offers a desirable cosmopolitan location in which to base companies’ R&D facilities
- Cape Town and surrounds as an ideal location offering excellent university facilities to partner with industry in research
- A strong retail sector and associated point-of-sale design

The Department of Economic Development and Tourism (DEDAT) has identified design as an important catalyst for economic growth. It is the first provincial government within South Africa, and in fact the entire continent, to collaborate on the writing of a design strategy aimed at embedding design into the economy as a tool to unlock innovation and drive competitiveness.
The Design Strategy asks:

**HOW DO WE UNLOCK INNOVATION AND CREATE COMPETITIVE ADVANTAGE?**

The Design Strategy answers:

**THROUGH DESIGN-DRIVEN DEVELOPMENT:** BY EMBEDDING DESIGN PROCESSES AND DESIGN THINKING IN BUSINESS AND ORGANISATIONAL PRACTICE ACROSS SECTORS.

And by ‘Design’ you mean?

---

**Old, narrow concept of design:**

DESIGN = PRODUCT DESIGN

**New, broad concept of design:**

DESIGN = SYSTEM, SERVICE, PRODUCT DESIGN

**Service Design:** Design of service systems, understanding how customers interface with a business or public sector service and designing these services to cater to user’s needs.

**System Design:** Design of business systems, distribution systems etc. Think about how the BRT transport system works, how the grant system works, or how our tax collection system works.
THE DESIGN INDUSTRY IN THE WESTERN CAPE IS SHOWING ENCOURAGING SIGNS OF GROWTH. IT IS ESTIMATED THAT CLOSE TO 80 000 PEOPLE WORK IN DESIGN-RELATED BUSINESSES IN THE WESTERN CAPE AND CONTRIBUTE R14 BILLION A YEAR TO SOUTH AFRICA’S GDP.

DESIGNERS IN THE PROVINCE RANGE FROM THE TECHNOLOGICALLY RESOURCED GRAPHIC DESIGNER, TO THE HIGHLY SKILLED CERAMICIST PRODUCING HIGH-VALUE GOODS, TO THE WIRE-WORKER APPLYING LATENT DESIGN SKILL TO MARKET SUPPLIED IDEAS, PRODUCT DEVELOPERS, ICT SYSTEMS DESIGNERS, AND ARCHITECTS. DESIGNERS OPERATE AT EVERY LINK IN THE PRODUCT-TO-MARKET CHAIN.
In the early 2000s the provincial Department of Economic Development and Tourism (DEDAT) recognised the importance of design as a value-add to products emanating from craft producers and supported the establishment of the Cape Craft & Design Institute (CCDI) as a Special Purpose Vehicle (SPV) to guide this development. This was followed by the establishment and support of similar sector development agencies in the creative industries and related sectors, particularly fashion and furniture.

From 2010 DEDAT has provided support for the development of The Fringe – a design and innovation district that will provide “back-end” support to creative entrepreneurs to facilitate their growth and that of the sector.

Over the same period, provincial and local government supported design promotion through Design Indaba and the WDC2014 bid. The success of these has given added impetus to the need for a design strategy, as well as policy to guide public sector intervention in this field.

The strategy is designed to:

- Develop an integrated understanding with quantifiable indicators of the impact of design on sectors within the provincial economy
- Identify the potential of design to enable economic growth
- Establish needs and appropriate support for the development of the design industry in the province
- Develop a strategy that includes projects as well as institutional solutions, to guide public and private sector interventions in the growth of the sector and its impact on the greater economy of the province.
The approach and methodology has been informed by DEDAT’s focus on design in terms of its ability to impact on economic development, and this extends to:

- At **industry level** to unlock potential in sectors (e.g. tooling, fashion, food etc); support those that show growth potential (food); and those that are suffering (e.g. tooling, clothing and textiles)
- At **infrastructure level** where investment in infrastructure upgrade and expansion can become a catalyst for economic development
- The creation of an **enabling environment** in the City/Province in which economic development can happen more easily
- The **“design community”** locating itself in a broader economic and social context.

The overriding purpose of this process therefore is to identify strategic interventions (short-, medium- and long-term) that place design in a position to act as a catalyst for economic growth in the Western Cape.

The process of writing the strategy comprised broad research and engagement, including baseline research, international benchmarks, round-table conversations and engagement with role-players.

**Assumptions**

Underlying assumptions from which the process unfolded:

1. Design is a key tool for unlocking the value of innovation; innovation is a driver of competitive advantage; and in turn competitive advantage and innovation drives economic growth.

2. There is currently a lack of appreciation of the value that design offers; of its integral role as a tool for innovation and how this can be actualised; and there is thus limited support by the main stakeholders for design and design-thinking as a key enabler to driving economic growth.

3. The local design community is committed to playing a role in meeting broader societal objectives of a better life for all.
The classification of design disciplines in this way allows for an all-embracing approach to design and the function it serves across all sectors of the economy - that design is not limited to the aesthetics of product design and the development of new functional products but also includes the design of services, systems and solutions to social issues. Design process - and more recently design thinking - plays an important function across different value chains which should, if appropriately supported, result in cross-sectoral collaborations and sustainable outcomes that deliver value in the economy.

While the classification of design disciplines is useful, there is increasing blurring of boundaries between these disciplines, aided particularly by new technology. In this context, design practitioners need to have a diverse skills-set to be able to provide integrated solutions.
While the strategy outlines a vision for 2040 the focus is on the founding strategic steps required for design to play more of an active role, by 2020, in supporting the innovation and competitiveness required for economic growth.

This vision is for the Western Cape to be a recognised leader in providing design-led products, services and solutions to the global market place.

The purpose of the design strategy is to unlock the potential of design to play a role in economic development in the Western Cape by embedding it in business and organisational practice across all sectors.

The strategic actions of the strategy are demand-driven and are aimed at stimulating the demand and need for design services from the public and other sectors in the economy, while providing supply-side support to the design industry itself.

**KEY INDICATORS OF WC DESIGN INDUSTRY:**

**NUMBER OF JOBS:** 56,000 – 80,000 JOBS IN DESIGN-RELATED BUSINESSES

**VALUE OF THE INDUSTRY:** IN 2012, SOUTH AFRICA’S DESIGN INDUSTRY AS A WHOLE WAS REPORTED TO CONTRIBUTE 2.82% TO GDP. CONTRIBUTION IN THE WESTERN CAPE COULD EQUAL ROUGHLY R13.4 BILLION.

**GROWTH POTENTIAL:** INTERNATIONALLY, CREATIVE INDUSTRIES GREW AT A RATE OF 14% DURING THE PERIOD OF 2000 TO 2005 (UN DATA).
Design is the bridge between creativity and innovation. It is the bridge between technology and the user. It is the bridge between scientific and commercial disciplines and economic benefit. As such, design is a tool for the realisation of innovation. Innovation drives competitiveness and competitiveness is what we need for growth.

The South African government’s New Growth Path (NGP) identifies the main indicators of success as jobs (the number and quality of jobs created), growth (the rate, labour intensity and composition of economic growth), equity (lower income inequality and poverty) and environmental outcomes”. These indicators - along with the framework provided by the National Development Plan - can guide us in terms of measurements for the impact of design policy.

The underlying conceptual framework from which the strategy is developed is therefore that design is an essential tool for innovation to take place; that innovation is a driver of competitive advantage; and in turn competitive advantage drives socio-economic growth and development. As this takes hold, so the demand for design will increase (by virtue of an increase in demand for goods and services), thus creating a positive reinforcing system.

This strategy thus proposes that the development of an interconnected design ecosystem will stimulate the usage of design across sectors, generate more competitive products and services (both commercial and public) and drive socio-economic growth.
Driving Competitive Advantage in the Western Cape

THE DESIGN MATURITY LADDER

The “design ladder” offers a metric with which to position the relative maturity of design in an organisation. Based on the various metrics measured in the local design survey and other stakeholder engagements during this process, Western Cape organisations are positioned relatively low on the design ladder.

Perceived non-design: No special attention to design is paid, with product development being done by company staff who usually lack expertise in the field of design. The opinions and views of the end-user also only play a negligible role in the composition of the product.

Design as styling: Companies at this stage are slightly more aware of the role of design in business, but only on a very superficial level, with design being considered only as part of the aesthetics of the final product. Companies have some engagement with professional designers.

Design as process: Design of the product is adapted to the task at hand and is more focused on the needs of end-user. It will also typically require a multi-disciplinary approach and therefore more resources.

Design as innovation: The final and most advanced stage of the ladder, where designers work with senior management to develop innovative approaches within significant parts, if not all of the company.

---

1. Based on the Danish Design Ladder (Danish Design Centre) which aims to establish whether there is a connection between greater investment and/or use of design by firms and improved company performance. The model categorises design maturity on 1) design employees and 2) external purchases of design. It then compares company performance in terms of gross revenue performance, and change in employment and export share of turnover, across these categories.
TIM BROWN, CEO OF IDEO, RECOMMENDS THAT IN A BUSINESS WORLD WHERE MOST MANAGEMENT IDEAS AND PRACTICE ARE FREELY AVAILABLE TO BE COPIED: “LEADERS NOW LOOK TO INNOVATION AS A PRINCIPAL SOURCE OF DIFFERENTIATION AND COMPETITIVE ADVANTAGE; THEY WOULD DO WELL TO INCORPORATE DESIGN THINKING INTO ALL PHASES OF THE PROCESS.”

*Design Thinking* brings together user’s needs, business viability and technology and finds innovation at the point of intersection:
STRATEGIC OBJECTIVES

The purpose of the Western Cape Design Strategy is to unlock the globally recognised potential of design to play a role in economic development by embedding design processes in business and organisational practices across sectors.

The strategy broadly aims to achieve four things:

1. DESIGN-READY BUSINESSES:
   To ensure sectors of the economy and civil society integrate design into their business and organisational practices to unlock innovation, competitiveness and progress.

2. BUSINESS-READY DESIGN PRACTITIONERS:
   To establish an enabling environment that supports a thriving design ecosystem and a competitive design industry.

3. DESIGN IN THE PUBLIC SECTOR:
   To ensure the transformation of a public sector into one that embraces design and design-thinking methodology in policy formation and practical implementation across all spheres and tiers of government.

4. INVOLVED CITIZENS:
   To create public awareness and appreciation as to the value of design in every aspect of our lives, in particular towards socio-economic upliftment and a better quality of life for all.
THE INITIAL FOCUS IS TO DEVELOP THE SUPPORTIVE INFRASTRUCTURE REQUIRED TO RAISE THE PROFILE OF DESIGN WITHIN THE ECONOMY AS A WHOLE, ESTABLISH LINKAGES WITHIN AND ACROSS SECTORS IN THE ECONOMY AND SOCIETY, INCLUDING PUBLIC, PRIVATE, INFORMAL AND SMALL AND MEDIUM ENTERPRISE (SME) SECTORS, AND SUPPORT THE PROFESSIONAL AND BUSINESS DEVELOPMENT OF DESIGN PRACTITIONERS.

The framework for interventions is provided through three pillars, namely:

- Support
- Promote
- Develop

Interventions are primarily focused to support business owners, leaders and design practitioners working in various occupational contexts across all sectors in the province, with strategic focus on those sectors that are prioritised for growth.

The strategy calls for a design institute to play a central role in co-ordination and facilitation of the strategy. The CCDI has been mandated to play this role, extending its existing design mandate and strong institutional capacity. Strategic interventions also primarily leverage off other existing initiatives such as World Design Capital 2014 (WDC2014), existing marketing and promotional platforms such as Design Indaba, The Fringe, the Design Park and Special Purpose Vehicles (SPVs) collaboration strategy, sector development agencies (the SPVs themselves) and entrepreneurial based activity. In addition, pilot collaborative projects are proposed to catalyze outcome-based interactions within and between the design industry and other sectors of the economy.
PILLARS OF THE STRATEGY

1. SUPPORT

ESTABLISH MECHANISMS AND PILOT PROJECTS THAT WILL BUILD THE DESIGN INFRASTRUCTURE AND CREATE AN ENABLING ENVIRONMENT

1. Establish a design and innovation advisory forum to guide the development of the design/innovation system.
2. Initiate industry driven collaborative pilot projects involving, where appropriate, quad helix partners.
3. Mandate the CCDI to co-ordinate and facilitate the implementation of the strategy, in collaboration with other roleplayers including:
   - Developing and implementing a programme and network that builds design-ready businesses and business-ready design practitioners
   - Identifying and filling gaps that exist in the current design infrastructure to ensure it is able to support design/innovation activities.

2. PROMOTE

BUILD A STRATEGY TO MARKET AND PROMOTE DESIGN COMPETENCIES AND DESIGN’S VALUE AS A TOOL FOR INNOVATION AND COMPETITIVE ADVANTAGE

4. Leverage WDC2014 and other existing initiatives to promote and build a greater appreciation of the value of design.
5. Lobby to improve the system of support to commercialise new products and services.
6. Support the development of a design culture to build the next generation of design practitioners and design thinkers.
7. Develop and market a [Designed in Western Cape] brand.
3 DEVELOP

DEVELOP A DESIGN COMPETENCIES STRATEGY FOR THE WESTERN CAPE THAT MEETS CURRENT AND FUTURE NEEDS OF SECTORS

1. Advocate for the establishment of a Western Cape design competencies development forum in conjunction with the Cape Higher Education Consortium (CHEC) and other tertiary institutions.

2. Support the development of a Western Cape Design Competencies Strategy.

3. Promote career paths in design to future and current students, and existing professionals and promote design thinking through other disciplines, professions and the public across all economic levels.

GOALS FOR EACH PILLAR

For each pillar three high-level goals have been identified. These goals form the basis of the strategic objectives for the design system in the Western Cape.

<table>
<thead>
<tr>
<th>SUPPORT</th>
<th>PROMOTE</th>
<th>DEVELOP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Designer practitioners are skilled and adept at exploiting opportunities</td>
<td>1. Industry practically values and uses design as a tool to enable innovation</td>
<td>1. Design graduates are more representative of South Africa’s race and class demographics</td>
</tr>
<tr>
<td>2. Economic sectors are strongly interlinked with design and make use of or have embedded design services</td>
<td>2. Western Cape design-led products and services are global market leaders and are promoted to stimulate economic growth</td>
<td>2. The Western Cape design education system is responsive to practitioner and sectoral competency needs</td>
</tr>
<tr>
<td>3. The design ecosystem is sustainable and adaptable to changing dynamics</td>
<td>3. South African society embraces the value of design; and design-led design products and services from the Western Cape are sought after</td>
<td>3. A research system is characterised by strong linkages with industry and design to commercialise IP</td>
</tr>
</tbody>
</table>
**Driving Competitive Advantage in the Western Cape**

**DESIGN-READY BUSINESSES:** to ensure sectors of the economy and civil society integrate design into their business and organisational practices to unlock innovation, competitiveness and progress.

**BUSINESS-READY DESIGN PRACTITIONERS:** to establish an enabling environment that supports a thriving design ecosystem and a competitive design industry.

**DESIGN IN THE PUBLIC SECTOR:** to ensure the transformation of a public sector into one that embraces design and design-thinking methodology in policy formation and practical implementation across all spheres and tiers of government.

**INVOLVED CITIZENS:** to create public awareness and appreciation as to the value of design in every aspect of our lives, in particular towards socio-economic upliftment and a better quality of life for all.

---

**3 PILLARS OF THE STRATEGY**

**SUPPORT**
Establish mechanisms and pilot projects that will build the design infrastructure and create an enabling environment.

**PROMOTE**
Build a strategy to market and promote design competencies and design’s value as a tool for innovation and competitive advantage.

**DEVELOP**
Develop a design education strategy for the Western Cape that meets current and future needs of sectors.
SUPPORT

PRIVATE, PUBLIC & PUBLIC/PRIVATE DESIGN PARTNERSHIPS SECTOR PROJECTS

Year 1: Implement pilot projects in furniture, ICT, and the green economy focusing on
• Social issues involving design practitioners from both service and product design
• Tangible products where strong local design competency exists
• Services or systems that can create value in the knowledge economy.

Years 2-5: Develop and implement a design-ready engagement programme for industry from a range of sectors. This will include:
• Engaging with business leaders and industry organisations to determine innovation needs and opportunities
• Researching further key industries and projects that will benefit from design-led innovation.

DEVELOP DESIGN ECO-SYSTEM/INFRASTRUCTURE

Year 1: Maximise the utilisation of current infrastructure to build an effective design ecosystem for industry by linking existing initiatives within the design infrastructure (The Fringe, Woodstock, Design Park, SPV co-locations etc.) into an accessible network.

Years 2-5: Develop and implement a plan to improve design infrastructure.

SUPPORT DESIGN INDUSTRY/PRACTITIONERS

Year 1: Develop a business-ready support programme for design practitioners.

Create a design-innovation network to bring industry and design together to build relationships and create opportunities with each other, through:
• A directory, website, information portal
• Networking events
• Innovation think tanks
• The professional development of leadership around innovation (design thinking).
• Develop training programmes tailored to industry in order to assist businesses to integrate design into their functioning and product development.

Years 2-5: The institute to support the development of design categories in all occupational contexts; to facilitate the development of design service delivery within and across sectors; and to implement a strategic approach to develop the design capacity within SMEs and the informal sector.

INSTITUTIONAL ARRANGEMENTS

Year 1: Expand the delivery capacity of the CCDI to increase its delivery on the “design” component of its mandate and establish a strategic design-innovation advisory forum of cross-sector roleplayers.

PROMOTE

STRATEGIC ACTIONS

PROMOTION

Year 1: Identify and promote local design services and products that are or have the potential to become national/global leaders.

Years 2-5: Develop a design media strategy and activation plan (magazines, television, social media) that leverages off existing initiatives, such as WDC2014, that:

• Publicises design breakthroughs and case studies from various economic sectors
• Celebrates local talent
• Provides a platform of exposure for new and emerging talent
• Communicates information on career paths in the design industry
• Identifies, publicises and leads trend development
• Encourages professional development and ongoing learning
• Facilitates networks, information sharing and resource sharing.

Develop & market a [Designed in Western Cape] brand
• Develop a system for branding/accrediting [Designed in Western Cape] products, services and systems that provides incentives and support to industry (in addition to marketing value)
• Conduct market research to identify opportunities and positioning for the Western Cape in existing and new markets.
• Develop a Western Cape Design Award that encourages and rewards innovation and successful commercialisation, and uncovers new talent.

ADVOCACY

Year 1: Research trends and identify market opportunities and positioning for the Western Cape in existing and new markets. Promote nascent design category capabilities.

Years 2-5: Lobby to improve the system of commercialising new products and services
• Collate information on and analyse existing incentives across the R&D, creative, design and innovation process with a view to:
  • Distributing information to create a higher awareness of existing incentives amongst industry and design practitioners.
  • Lobbying for any necessary modifications to incentives.
Driving Competitive Advantage in the Western Cape

• Engage with Technology Transfer Units and their stakeholders in the tertiary institutions to identify challenges in the commercialisation of new ideas

DEVELOP STRATEGIC ACTIONS

Year 1: Establish a Design Competencies & Skills Framework

Develop marketing tools to promote design as a viable career to parents, teachers and pupils.

Years 2-5: Support the co-ordination of the provision of an integrated and holistic tertiary design education system in the province.

Promote career paths in design to future and current students and existing professionals. Build a mentoring system to identify design talent in schools and provide bursaries to bring this talent to the main education centres. Support open days and career-development projects between tertiary institutions and secondary schools.
The Cape Craft & Design Institute (CCDI) was established in 2001 to promote and grow the economic sustainability of the craft and design sector in the Western Cape. In 2012 CCDI, under its Design Mandate, developed a Design Strategy with numerous public and private partners, outlining the ways in which the Western Cape can use design as a tool to increase innovation and competitiveness.

The CCDI has been mandated to implement various projects coming out of the strategy. One of these projects it to foster the growth of design competencies and skills in the sector. This publication contributes to that goal.

The CCDI offers business and product support to designers, craft producers and creative entrepreneurs. The organisation has three core programmes:

- **Product support**: Provides an environment in which designers and craft producers can further develop their existing products and prototype new products.
- **Business support**: Develop skills in creativity, business and production management and marketing.
- **Market support**: Assists designers and craft producers define and reach their targeted markets.
Western Cape Design Strategy Partners: