

Designing Advantages, Building Trust and Changing Culture

This is How 37
Organisations Put
Design Management
Into Focus

Editors

Miha Klinar and Mojca Mihailovič Škrinjar

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A Brief History of Transformation

Miha Klinar

Miha Klinar (Slovenia) is a founding partner of Gigodesign, a lecturer at the Academy of Fine Arts and Design at the University of Ljubljana, and a head of the KCDM project.

In the mid-nineties, when I had just finished my design studies, I was presented with a unique opportunity to witness the transition from one political and economic system to another. Formerly untroubled companies found themselves without a major part of their markets, while simultaneously facing incoming international competition. Encouraged by the availability of quality products and brands, and our newly won democracy, as well as a relaxation in regulatory policy, we believed living standards would soon rise—with the declaration of independence and the accompanying political changes, our expectations only grew. Soon, we hoped, we would be just like most successful EU countries.

I shared those expectations. As a designer, I started to scan the market for the first opportunities, and I soon came across a distinctive phenomenon called “transition management”. Faced with the loss of their traditional market and the arrival of competition, many businesses soon started to lose their ground. Some companies that I encountered were in the final stages of rapid decline. Their international competitors had brought tempting alternatives to the local market, with better products and juicier brand messages. Domestic companies’ market share fell sharply, particularly in the traditional industries. My meetings with exhausted managers and development teams, who lacked experience and the right tools, as well as visions for change, rarely bore fruit. These companies were “dying” and would be winding up within a matter of months.

The Transition

Looking for a solution, a large number of companies settled for lower prices and worked for bigger (mainly foreign) companies. I still recall some managers who would dismiss as naïve my suggestions about new product development as a way to differentiate; the only two opportunities that they saw were in better technology and more orders. Some recognised a role for design, but they understood design mainly as a way to make better imitations of products and as a tool to cover one’s tracks. Discussing it with other designers, we coined the term “copy management”. I hoped this mindset would be short-lived.

Similarly challenging was the soul-searching on the level of the national economy. With ministries preoccupied with political reform and lacking the experience as well as the political consensus for a deliberate strategy, successive governments tried to tackle the crisis by preserving jobs and stimulating investments in various technologies. Some in government understood the value of good design policy but either failed to recognise it or did not know how to leverage it as a strategic driver. Squeezed between Europe and the ruins of the former Yugoslavia, the opinion prevailed that things were not as bad as they seemed. It was just the price one paid for independence and political change. A dangerous by-product of many failed attempts to develop strategies was the extreme conviction that strategies were unnecessary.

Transitions are not characterised by the stories of the successful few; you can always find such stories. The nature of the transition was defined by the scope. Companies dropped everything superfluous to survival and weakened themselves developmentally. Industries that used to be solid disintegrated overnight. Contrary to the optimistic expectations, the general standard of living fell sharply. There was little investment and, with fewer projects, design was losing touch with management and lacking opportunities. Product design, in particular, had no commissions for a decade, with rare exceptions. It was time to go back to square one.

When Slovenia opened up its market, local companies were faced with competition that had

developed its business models in larger markets and a more competitive environment. They had numerous advantages: financial power, iconic brands, innovative design, clear product positioning and differentiation, information and services, packaging visibility, and well-planned points of sale. I was not familiar with the background of the design management in these companies. It was easy to imagine it, however, and to realise that design had a completely different role there.

I see design as something that is managed in order to connect internal processes with external trends, bringing in innovative solutions, supported by appropriate communication and efficient marketing. Design is a language that makes a company's strategy visible and tangible. Designers have a unique ability to read it and to translate it into cases of good practice, encouraging others to follow such trends, too.

During the transition, however, there was no design in Slovenian companies, those departments having been closed down in the crisis that followed political change and the disintegration of the federation. The few internal designers who remained in such companies had strictly formal roles. The situation offered many opportunities, but the question of how to ignite the interest and to change the mood remained.

The market for design services had to be re-established. Not the way it had been before, but with the necessary adaptations to the new management of the new companies.

New Companies

Many experienced professionals left troubled companies and started their own businesses. They used their old business contact network and tried to establish themselves in the market.

Technologies from the failed factories migrated to the newly established micro enterprises. The latter were like design pioneers, experimenting in the new arena. Uncertainty and curiosity opened doors; anything was possible and everybody knew everybody. What you could not get hold of in one location, you could get just a few kilometres away at another. Design projects rarely brought success on the market, but they did provide new experience and acquaintances. You could easily barter a piece of design advice on how to improve something for free access to some special machine you needed.

These were my first design jobs. Even without major experience, the owners of these small companies understood the necessity of design and were open to involving it at the project level, as long as the cost remained unaffected.

Some of the new companies formed technological clusters and tried to keep or even increase their market share. The obscurity of the Slovenian market, low purchasing power, and instability in the region had caused the international companies to enter the market only gradually, giving the local companies more time, which they would use to restore their regional position. With it came bigger ambitions and new business goals, as well as exports. Even with limited investment opportunities, there was plenty of time for discussions—compared to nowadays, at least—that served me well to increase trust in design. The first projects boosted my self-confidence. I gained direct experience of involving design in projects; both from outside and within the company, I was introduced to the management mindset and got first-hand insights into their decision-making process. The attitude of new business owners was markedly different. Their openness and interest in reflective discussions on how to move forward often exceeded the bounds of the working day and would spill over into a pub until late into the night. Gradually, I got opportunities for more serious projects.

Many managers who developed successful companies and brands recall how they had a hard time maintaining the necessary confidence and commitment both outside their companies and among their employees. In contrast with having mere supply roles for different corporations, finding one's own market and building one's own brand necessarily meant bolder investments, sharper skills, different HR management and a clearer strategy, as well as a change in pricing policy. New managers were "alone" in these decisions.

When working with these companies, we always expected to find a culture of innovativeness, differentiation, and argumentation. This was in total contrast with those companies that simply settled for always being a follower, where any deviation from the norm had to be justified. Co-operation became more complex with every project. Success brought bigger investments, but also greater demands and expectations. Clients would only support the projects if they successfully addressed all or most

of the risks. The benchmark was to "*prove ourselves in the market!*" A designer was expected to co-operate in all stages of the process, while demands for design solutions grew ever more complex. Clients were not interested in designers who could only provide conceptual designs. They wanted support with everything from the initial ideas, planning and prototyping and to launching the product on the market.

It soon became clear that this goes beyond the capabilities of individual designers. A team approach was needed that would allow us to provide different design services, tailored to the needs of the new breed of companies. With this aim, I joined with partners and in 2000, founded a company with a simple vision: comprehensive support for companies' needs by providing design solutions.

Gaining Trust

As design service providers, we soon noticed that willingness to involve design rises sharply following the first success. Trust replaces doubt and new opportunities and needs arise, transforming one project into a long-term relationship. We went from designing individual products to designing product families or collections. We defined a unifying language and increased the differentiation of products by focusing on their specific characteristics.

To help our clients improve differentiation, we also had to reconsider the visibility of the company and the efficiency of its visual identity—the corporate design, the tone of communications, service quality, and finally, brand strategy (many clients were introducing changes this way, even if one would expect precisely the opposite order). The need for design to play a larger role in such companies was slowly growing.

Our clients began to enjoy greater success and recommended us to others. Our studio was becoming a multidisciplinary service provider capable of cyclic innovative product redesigns, simultaneous identity redesigns, and complex system solutions. On the back of references from previous projects, we acquired new projects. Step by step, we came to understand the obstacles the companies were facing in understanding the role of design, changing or adjusting processes, promoting development cycles, and other issues. From our perspective, we would have liked to have seen

design more swiftly integrated into organisations.

I first met the design management discipline in 2002 as part of a business school curriculum.

This encounter provided me with answers to many burning questions and directed me to the issues of national design policies that I started to pay attention to.

Despite the growing needs of new companies, many designers missed this opportunity. They expected that clients would take the first step and find them, adapt to creative ideas about how a project should look like, and finally come to their senses with regard to what good design is. Ignoring the business perspective, designers embraced creative freedom and occupied themselves with developing their own projects unburdened by client expectations and needs or technological and market opportunities. Their ideas were receiving the attention of professionals and garnering numerous awards, but they were rarely put into production and offered to customers. Design was being promoted, awarded, and exhibited, but not included in the companies' processes and product portfolios.

An opinion prevailed that companies were closed to design and were only interested in short-term financial results. The government was financially supporting prominent design projects, like the oldest industrial design biennale in Europe (BIO) and different awareness-raising programmes. Typically, however, they weren't focusing on how to include design in organisations' management practices.

Faced with this challenge, I started to look more closely at the incentive programmes that some of the most advanced countries were running. In 2001, I discovered Icebreaker, a Danish project which, through government support, had helped to involve professional design practices in over 400 small and medium enterprises that had not previously focused much on design. Icebreaker had developed criteria methods and incentive programmes that brought results. Some time later, a proposal for design policy measures in Estonia was issued. It all made me think that similar projects should be available to Slovenian companies.

Slovenia needed a project that would support the companies' management in understanding and including design at a strategic level. On the other hand, we wanted to provide designers with an insight into modern practice, as well as ways to understand the companies' and other organisations' business goals.

The opportunity emerged in 2009 when the Slovenian government attempted to outline a strategic approach to development priorities. The creative industries were one of the priorities identified. Through its reports, my team made an incentive to the first study on the role of the creative industries, with a focus on industrial design. This study provided analytical data about the role of this field for the competitiveness of the economy.

Integrating Design into Companies

The study highlighted the link between design and a company's success. It also revealed the need to include design in development policies and gave examples of best practices of other countries. These projects had also distinguished themselves through successful digitalisation projects in public services, solving mobility problems, reducing inequalities and finding jobs for hard-to-employ individuals, revitalising industrial areas, modernising education programmes, developing sustainable projects, and improving tourism products. All the fundamental challenges for the future are strongly linked to design, and directly with a better quality of living. These were the same things we had hoped so much for with the changes in the nineties.

Our study, among other things, triggered the inclusion of design in the call for the national education programmes for employees in companies, co-financed by EU cohesion funds.

At this point, we were uniquely positioned for applying for a tender. I formed a team and reached out to 19 companies that were already including design and so the *Competence Centre for Design Management* (KCDM) was born.

In participating companies, the skills for design project management were mostly homegrown, acquired through trial and error, and scattered throughout the functions of product development or marketing departments. Most of the companies were working with outsourced designers and did not have their own professionals. Only a few of them systematically included design, which was otherwise dispersed over various executive functions and not managed systematically or strategically. We included branding skills in the design management training, with the aim to promote the development of successful brands and criteria to pursue excellent customer or user experience, focusing on specific market groups. From the very

beginning, we focused on KCDM commitment to encourage companies to become excellent or leading in their industry or niche market.

The project has upgraded (design) management skills, and improved or introduced a planned and targeted management of complex (and often fluid) areas of design and branding. From the level of head office, we monitored how participating companies were doing and tracked their performance through sales figures, pricing trends, export shares, and data on added value per employee. Today, progress is also demonstrated by the improved reputation of the brands and higher innovativeness of the partnership companies. The scale and quality of change were rewarded by the Design Management Institute (DMI) winning the 2016 Design Value Award. The most telling sign, however, is the trust and support of managers in all of the participating companies.

During our second partnership programme, we organised Business Design Intelligence analysis. The report reads as a warning—we are still lagging behind the EU competition. When developing new products, services, and communications, successful EU companies understand design as a process that connects different areas and skills in the organisation, not least as a tool to activate the creative potential. All this increases their ability to respond to changed conditions, crises, or identified unmet needs resulting in a higher created value.

We must continue with this and similar projects. We must also include other branches in projects, and introduce design research and processes into the operations of non-governmental organisations and public services. It will increase innovation capabilities and empower management teams to lead the transformation of their companies into market leaders. ●

Why This Book?

The book contains the experiences of seven of companies participating in KCDM, represented in timelines and providing an insight into the reactions and decision-making with different challenges. They also show how the companies have been including design in their projects with progressive efficiency, and highlight the contribution of the KCDM project. The selected companies are as diverse as possible by size, industry, and experience in managing design projects. This provides a broader range of comparable cases to the companies and organisations that we would like to encourage to follow the same path.

As well as the good practice cases in the book, we described the motives that led us to the project and our experience with the preparation of the training content. We also invited the international experts involved in the realisation of the project to contribute advice on how to begin in the first place.

The contributions and examples of good practice are aimed at demanding readers, first and foremost company owners or directors who would like to improve the performance of their businesses, then students of business and design, and finally, all those responsible for national development plans and strategies, who must recognise the significance of design and must include design for the greater success of projects.

The book was published at the end of the second KCDM project in 2019.

On Why and How We Developed a Model For Change

Mojca Mihailovič
Škrinjar

Mojca Mihailovič Škrinjar (Slovenia) is a design business consultant and the head of specialised trainings and assessments of the KCDM projects.

For many years, different Slovenian companies have been more or less successfully incorporating individual design management approaches in their business operations. However, these efforts were neither systematic nor strategic. Rather, they were dependent on the competence of the individuals that led them. Insufficient expertise and unfamiliarity with design methods and strategies were identified as the cause for loss of international competitiveness. With this problem in mind, we teamed up with 19 very different organisations and formed a partnership with a single goal: to improve our understanding of design and put it into effective practice.

The KCDM partnership brought together several types of organisations with various activities ranging from design or consulting services to developing, manufacturing and selling products; some of them were even implementing their non-profit missions. They were united by the need to systematically upgrade their internal competencies in design management. The partnership also enabled the participating parties to exploit the synergies among creative, business and institutional stakeholders. This, too, has been identified as a crucial prerequisite for better understanding and use of design in Slovenia.

At the beginning KCDM focused on a holistic understanding of design management principles at all levels of organisation from the unit leader and field experts at the operational level and all the way to process managers and design manager at the strategic level. This perspective provided the basis for a unique KCDM competence model with which we laid the foundations for the systematic empowerment of Slovenian organisations and introduced them to a more strategic approach to managing their business opportunities.

KCDM never saw its mission as merely “providing” design knowledge and skills to Slovenian companies; instead, we were looking at competencies in the context of the employees who successfully use them. For this reason, KCDM was conceived as a partnership and a strong network from the very beginning.

The integration of design as strategic driver in all stages of management is a medium to long-term process that requires a comprehensive understanding of the planning practices on the one hand and a good knowledge of the culture and processes on the other, and the organisation has to be ready to change them.

The first KCDM partnership was founded in 2013 (in the scope of the Operative HR Development Programme within the framework of the European Social Fund). Our activities were focusing on: monitoring, collection, and dissemination of knowledge and best practices in the areas of design management, training according to the competence model, and co-operation in promotion, development, and implementation of design management in the national strategies.

We coordinated KCDM partnership through the project office, staffed with professionals from different areas of expertise. Our goals were ambitiously set from the very beginning. We not only wanted to achieve tangible benefits for individual companies, participating creatives, and organisations, but also effect a lasting impact on the scale of the national economy.

Our project began with detailed research of the most interesting global practices in the field of design management. Although some of us had some hands-on experience in this area, the Design Management Institute’s conference in Madrid in 2013 gave us some completely new insights, and most importantly, direct contacts with experienced professionals and institutions.

In the next stage we developed a competence model, based on the distinguished “design management staircase” model, and upgraded it by including different levels of job profiles. Following the “learning by doing” principle, we regularly upgraded the model and tailored it to our mission.

We followed with an extensive assessment of the design and design management diagnostic in all 19 companies that were part of KCDM partnership. The results showed the maturity levels of the

The KCDM Competence Model

Globally there are several design management models developed by different expert organisations or individual experts. All are focused on strengthening design management capabilities. In 2013 the model that we considered as the most relevant for our project was the Design Management Staircase model by Gert L. Kootstra. The model describes the growth from an immature level (no design management) to the highest level where design and design management are part of the company’s culture. We upgraded the described model by integrating key internal job profiles that are involved in the design process and furthermore by specifying competences for each profile. The training programme was developed following this structure, and today the KCDM competence model stands out as an innovative approach to strengthening design management capabilities.

The Four Steps of Design Management Maturity

- 1

NO DESIGN
1ST LEVEL OF DESIGN MANAGEMENT

The organisation has no or limited policy in the design area – the existing policy was established only recently or design is only used ad hoc with limited goals and guidelines. The organisation has, therefore, little or no skills and experience, hence design has only a limited role in achieving differentiation from the competition. Design activities are unplanned and have an unclear impact.
- 2

DESIGN AS PROJECT
2ND LEVEL OF DESIGN MANAGEMENT

Organisations use design to meet direct needs, e.g. in a project form to improve products. Design is usually added at the end of the product or service development process. It is used predominantly as a marketing tool – to add value to the existing product range (e.g. by designing the packaging). The responsibility for such activities is at the executive level; there is generally no cooperation among the departments.
- 3

DESIGN AS PROCESS
3RD LEVEL OF DESIGN MANAGEMENT

Organisations entrust the responsibility for the design management process to a specially appointed individual or department, functioning as an intermediary or a contact point for designers and other departments and the company management. In order to accommodate the ever-shorter cycle of product or service creation, organisations use design proactively, which becomes a regular part of the development.
- 4

DESIGN AS CULTURE
4TH LEVEL OF DESIGN MANAGEMENT

Organisations accept design management as an important part of their culture. Design represents a powerful driver in such organisations, making the results of their business operations stand out. Their senior management teams, as well as all the departments, are strongly involved in design which is consequently a part of the basic business processes of the companies. Design actually becomes a way of operation.

Five Competencies That Make Success Possible

- A

AWARENESS OF THE BENEFITS

Awareness of internal stakeholders about the significance of design allows for easy implementation of the processes and better involvement of different employee profiles, as well as better project quality in the transition between the development stages.
- B

DESIGN PLANNING

Design is included as a strategic driver of the organisation’s success, and defined as such in the company’s strategy. This enables the further development of skills and responsible personnel for design project management in the organisation and source planning.
- C

AVAILABILITY OF RESOURCES

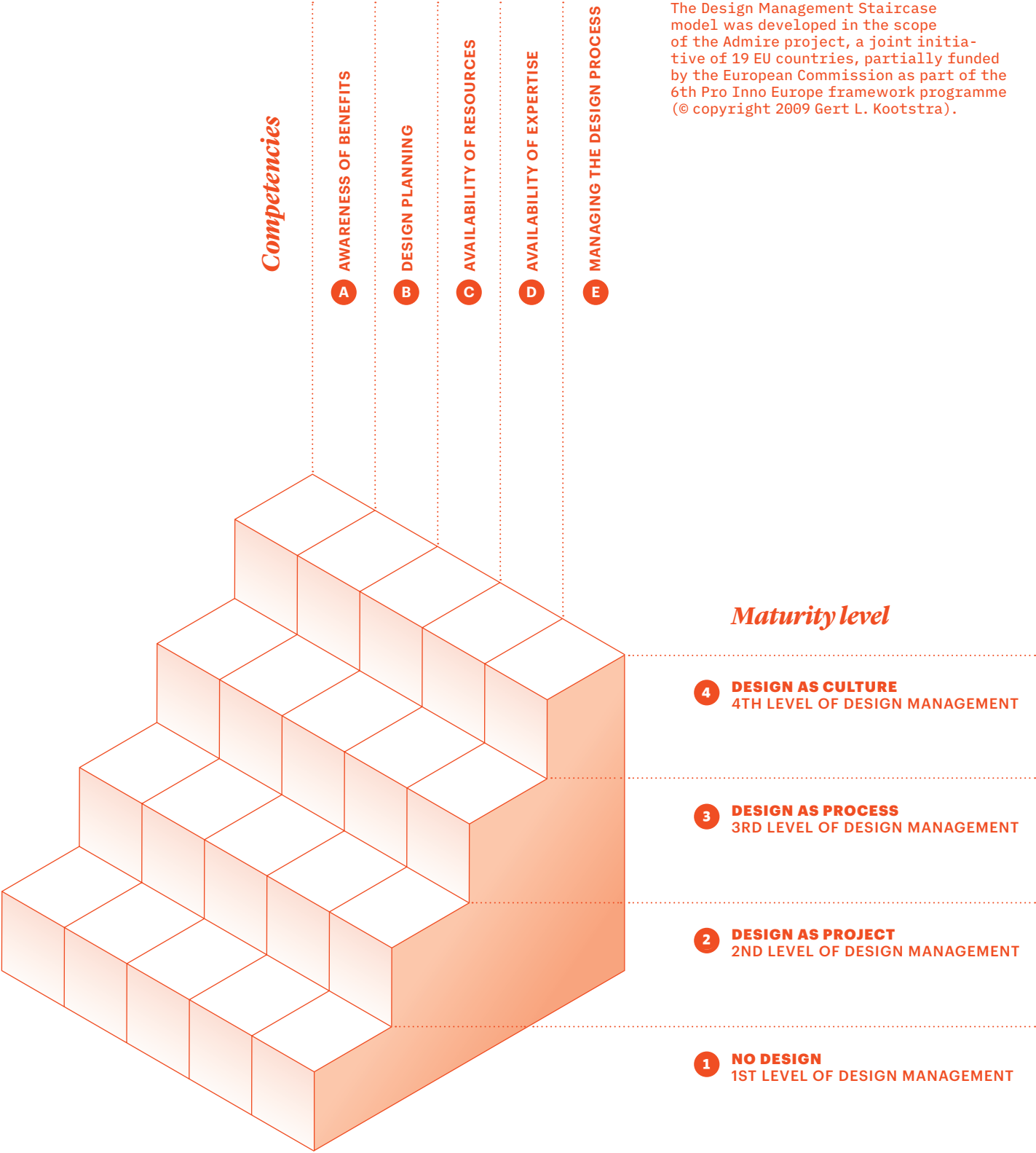
Availability of resources enables the development of design projects in companies, i.e. managing dedicated funds, personnel, understanding and development of their expertise, tools, and skills. It also requires the ability to manage contracts and copyright, the cooperation of design personnel, and investment in a creative working environment.
- D

AVAILABILITY OF EXPERTISE

The quality of the personnel’s skillset (professional designers, design managers, consultants, multidisciplinary teams and the director/management) has an impact on the quality of the methodologies and tool usage, which has a further impact on the results of design projects and the capability to accept the right decisions and to upgrade ideas.
- E

MANAGING THE DESIGN PROCESS

Managing the design processes represents the vital know-how of the company. Being able to validate the conceptual stages requires the development of soft criteria and the ability to understand design projects as integrators of multidisciplinary skills and drivers in the area of user experience, execution technologies, price, and other factors.



participating companies and also helped us to identify the most important needs that were crucial for further progress. Progression to the next level of design management requires systematic action at all operation levels of a company—from employees, who accept minimal responsibility, to the top management responsible for the company’s business strategies. The initial research revealed insufficient skills in all five areas or competencies of design management. The identified deficiencies—competency gaps—were used as a starting point to form a training programme.

When planning the training, we considered the discrepancy between the actual and the preferred state of a company’s design management maturity, the state of development of the respective profiles in the consortium members, and the progress plan, as well as the individual goals of the participating companies.

With the acquired insights and our competence model, we created a development and training plan that enabled all participating organisations to upgrade individual competencies. At the same time, we encouraged participating organisations to share their knowledge and experience among themselves. In this way, we followed the plan that was based on analysis of the competences that companies aimed to strengthen in all five employee profiles.

The topics of the training programme were aligned with the KCDM competence model, but we also included specific themes: awareness of the benefits, design basics, design management basics, organisation DNA, examples of good practice, systematic inclusion (inclusion of design in the identity and development processes and property management, research of design services in the market, design in competition and industry, measuring project performance), managing resources (forming a team, funds management, legal grounds and legislation), managing expertise (the brand DNA, the design process and tools and methods, measuring the project economic performance, overview of reference sources), and managing the design process (project management, development process and design inclusion, market and design research).

The education activities took different forms—cross-company workshops, training, focus groups, lectures, presentations, individual in-house mentoring and consultancy, organisation of international

The Key Employee Profiles

The KCDM model considers both key internal stakeholders (unit leader, field expert, project manager, process manager, and design manager – consultant) as well as key competence indicators (behaviour, knowledge, skills, and abilities).

1

UNIT LEADER
OPERATIONAL LEVEL
These are employees who are responsible for the work of their colleagues. This profile covers individual activities in the elementary stages of a project and is important for creating and nurturing a positive attitude towards the introduction of changes and a positive project culture in companies. This profile of employees accepts responsibility for the work of a smaller team and is responsible for the quality of execution of tasks (e.g. foreman, shift manager, executive designer, printer, outsourcing coordinator, head of the mentor team, prototype master, salesperson). The profile also includes secondary manufacturing activities in traditional industries.

2

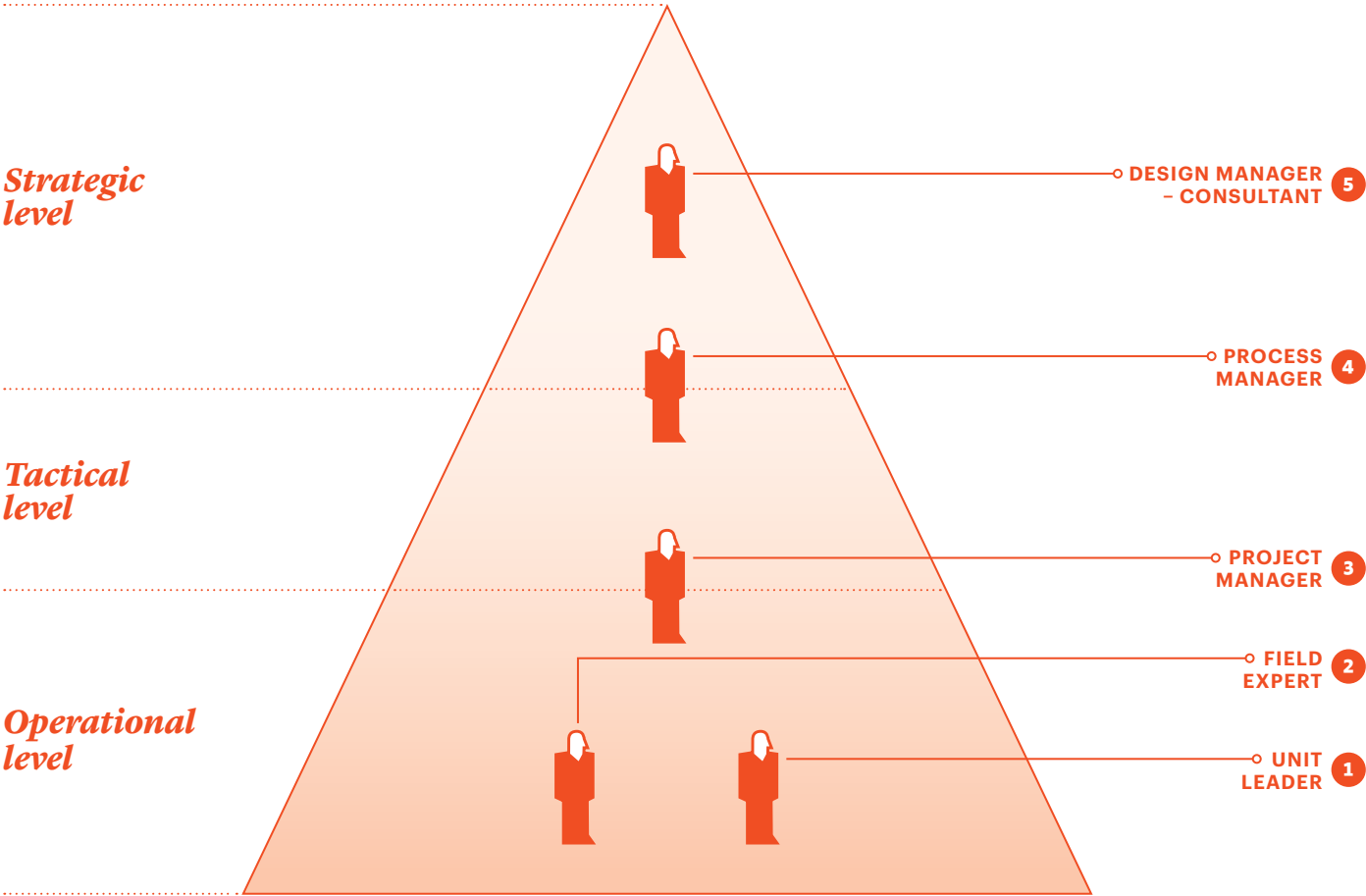
FIELD EXPERT
OPERATIONAL LEVEL
This profile includes individuals that are responsible for the coordination of work and employees at executive task level; they facilitate responsible cooperation and project realisation. This profile comprises employees responsible for the realisation of individual integral project parts or expert tasks (e.g. construction designer, text writer, designer, toolmaker, furniture engineer, facility technologist, technologist).

3

PROJECT MANAGER
TACTICAL-OPERATIONAL LEVEL
This profile is in charge of the realisation of individual or multiple consecutive projects within the company. It cooperates in the process of project formation and ensures the projects meet the required product management criteria (Profile 4). This profile includes employees responsible for the realisation of individual or multiple consecutive projects that integrate several development stages as well as skills from the previous profile category (e.g. head of a department, head of laboratory, programme manager, senior designer, sales engineer, heads of minor independent departments, or head of market research).

4

PROCESS MANAGER
STRATEGIC-TACTICAL LEVEL
On the one hand, this profile is responsible for the creation process of individual products or product groups, while on the other, it is responsible for changing the



product life cycle. Based on the identified trends, as well as the needs of potential users, it coordinates the starting point for product improvement and its user experience and steers the development process. Their responsibility involves the implementation of long-term criteria in the development of products and brands. The employees in this industry profile are responsible for the development of product groups and their compliance with the brand promise of the company. They have a key role in the inclusion of innovations and creative solutions, and their realisation in projects (this profile includes profiles such as head of product group development, head of marketing department, artistic director, head of R&D laboratory, or purchasing manager).

5

DESIGN MANAGER – CONSULTANT
STRATEGIC LEVEL
This profile is responsible for the comprehensive management of all areas involving design—development of new products and services, communication of brand development and marketing, and investments in infrastructure or other company property (where a company can increase its value with carefully planned projects). The main task of a design director is to optimally manage resources in different areas of design projects (including, for example, architecture) and all other knowledge, competencies, experience, and skills; all this with the aim of increasing the company value (e.g. the management board consultant for design management, member of the management, director of marketing and sales, director of development, director, or even owner of the company).

conferences, and visiting professional conferences, fairs, and exhibitions abroad. We approached some of the most renowned international experts in design and invited them to speak at our conferences (Lego, IBM, Marimekko, Gore-Tex, Aalto University).

Such a combination of different approaches created the conditions for experiential learning that helped organisations and individuals to effectively transfer the knowledge gained into practice. The companies also took a major share of responsibility for the progress. The participants were allowed to develop their respective competences through a proactive approach, continuing education, development efforts, and in the encouraging environment their colleagues and managers created.

We constantly returned to the KCDM competence model and continuously upgraded it with new knowledge and skills. By establishing connections with international experts, we introduced new skills and included the latest discoveries from similar models from around the world.

A re-assessment of the companies at the end of the first KCDM project revealed positive business results in most of the companies. The Slovene Ministry of Economic Development and Technology recognised the value of the training we had conducted. Hence, it approved and financially supported the second KCDM project between 2017 and 2019. In the second round of the partnership, we included 18 new organisations alongside the companies that had participated in the first round, and split them into two groups (elementary and advanced). In all, we mobilised 37 organisations of different industries and sizes—from micro companies providing mainly services to bigger production companies that are active on global markets.

The second KCDM project again started and ended with a design management assessment in participating organisations. This time we sought out the help of Brazilian company Duco, experts in the area of design research and valuation. Business Design Intelligence assessed the design and management practices of the KCDM companies through data collection. By contrasting the data against a European high growth benchmark, KCDM was able to identify the strengths and weaknesses of the group and to communicate it clearly to responsible managers. Each participant company received an individual Design Diagnostic report of their product development and design management practices. The

report revealed the ability of the KCDM companies to manage design at a degree that is similar to the one present at European high growth companies; but it also revealed that KCDM organisations still underperform in some areas.

In cooperation with Duco, a special Map of Skills was developed. It provided every participating organisation aiming to achieve specific improvements with information about which partner organisation would be the most reasonable to cooperate with. We established three-level access to their peers: direct contacts on the executive level, Grow Alumni on the tactical level, and “Open Day” events for the KCDM partnership.

Unlike the first KCDM partnership, which was a pilot project and was generally oriented at all levels of design management (operational, tactical, and strategic), the second KCDM project was mostly focused on education of the highest profiles—strategic and tactical. The companies committed to achieve an important improvement in at least one of the following design areas during the project: design process, innovation, design as a strategy, or introducing the design manager profile or an in-house design team. The training programme was also focused on specialised topics connected with the specific orientation. Focused educational and training programmes, consulting or mentoring within the companies, participating in international meetings and conferences in the field of design management, and networking to exchange knowledge and experience within the KCDM partnership proved to be of the highest importance. Networking and knowledge acted as strong motivators of awareness of the importance of including design and design processes in strategic decision-making. It has also proved to be an important method of exchanging experience among the companies with such diverse activities.

The special value of the KCDM project are personal connections between the employees from different companies participating at various cross-company workshops and training sessions. In the form of informal KCDM Alumni events their meetings still continue today, months after KCDM partnership has ceased to be active.

The developments and achievements described have contributed to KCDM becoming an international good practice and national reference case point in just a few years of its activities. ●

The KCDM project received prestigious approval, winning first place in the Design Management Institute's (DMI) Design Value Award in 2016.



Building a Tangible Strategic Advantage

Brigitte Borja de Mozota

Brigitte Borja de Mozota PhD (France) is the honorary professor at the University Paris Ouest and founder of Designence™.

Thirty years of research have provided scientific evidence of the value of design in the value chain of organisations. Hence, design is a profitable investment that can be easily measured with standard business performance indicators, such as brand value, market share, employee loyalty or turnover. Design knowledge is relevant for all organisations that are not interested merely in short-term financial gains but also strive for performance from a wider social perspective. It is a strategic approach focusing on all the influences that determine long-term business success.

Design improves business practices by strengthening the organisation's capacities while ensuring better business decision-making. Integrating design into organisations always carries change. First, the solutions driven by designers from different design disciplines will have a notable effect on the way the organisation is perceived on the outside. At the same time, the processes, methods, and approaches used by designers will change the methods of co-operation, thinking, and acting in the organisation itself. In the end, design integration will have a significant impact on the organisational culture and its Knowledge Capital.

WHY Design?

We live in a very chaotic, fast-changing environment, where business leaders need new tools in order to survive on the market. The degree of change will only grow in the future and will increasingly require the ability to incorporate creativity in all parts of the organisation. We anticipate there will be four key skills in the journey through the 21st century: Creativity, Communication, Co-operation and Critical thinking. You will not find these "soft" skills in most of the existing MBA (Masters of Business Administration) programmes; they are, nevertheless, highly developed and appreciated skills in the design area and included in any basic programme of design schools.

The "Conceptual Age" we are living and working in will require such skills as critical thinking, narrative, seeing the bigger picture, and providing purpose. All these are skills that successful design experts have and know how to combine with, let's say, production skills (such as drawing, prototyping,

or 3D imaging), and research skills (user testing, creativity methods).

Optimising the relationship between a business and all its stakeholders is a key priority for all managers. The peculiarity of design—as an approach to solving such business challenges and framing problems—is that it introduces abilities and methods that enable critical changes to occur. This value of design in change management is not (yet) part of the business decision-making systems, the general education systems, and programmes in business schools.

When thinking about change, managers look for new business models and use tools such as the Business Model Canvas. But such tools do not provide a platform to find new market opportunities; they can even stifle the desire for a change in the organisation. Business plans do not ask all the right questions. They do not explain how to design the organisation, for example, or what set of skills and talents are needed for a new organisational design.

A strategic change is often driven by a threat, such as the activities of the competition or new players on the market, or changes in organisational management such as the need for digital transformation of business or the need to change a culture of unconnected departments (silos). Managers therefore need to think about how to improve the customer experience, develop co-operation in innovation, empower and involve their business partners, and understand and emphatically connect with employees.

In order for your organisation to achieve these types of strategic change, a good opportunity is to exploit the design competencies—either

An Example of Design Integration

	WHY? Vision	WHO? Relation	WHERE? HOW? Action	WHAT? Perception of value for the customer	WHICH? Evaluation of value for the company
DESIGN VALUE	Design Strategy	Design Culture	Design Process	Design Project	Design as “Good Business”
DESIGN KNOWLEDGE	dreaming making sense taking responsibility story telling	systemic thinking risk taking connecting and integrating different disciplines mentoring	research learning from failure co-creation prototyping playing	observing perceiving intuition experiencing	measuring KPI

by implementing design research methods or by engaging internal or external design consultants to explore market opportunities. A special challenge for design input is to find a way of founding operational changes on strategic objectives. Furthermore, managers have to select the design methods and skills that are most closely aligned with the organisation’s strategic vision and future growth.

Design helps organisations to ask better questions upstream in the processes, therefore giving them a better chance of success. It reinforces the existing organisation management processes in areas such as increasing customer satisfaction, market research, human resources, and intellectual property.

Design contributes through a wide range of methods and skills to enlarge the knowledge capital. Design professionals can improve the capacities for a more meaningful organisation through risk taking, empathy, positivity, generosity, originality, and courage. The skills of designers, such as creativity, synthesising, playfulness, and iterating, can be applied in all departments of the company.

When introducing design capabilities in your organisation, you will have to start by asking for creative answers at every step of your strategic enquiry: “Why do we want to change the company’s orientation in the first place?” “Who will support our new positioning?” “How and where do we start introducing the changes?” “How will we know the changes were right?”

The broad scope of design offers many approaches, involving the ability to critically observe the existing processes in the organisation, while also allowing for a creative review of their advantages and disadvantages. Such a strategic but also very creative revision of the business will involve design knowledge and methods and other creative skills resulting in “better performance, achieved by integration of design”.

WHO Is Responsible for Design?

Design managers integrate design into the business mindsets and processes. They start the journey by asking “What do we want to achieve by a strategic change?”, followed by “Who will be the main promoters of changes?”, “What are the changes focused on?” and “How can we implement the insights gained from the research phases in the organization’s internal processes?” The end of such a journey is marked by the questions “What touch-points will make the changes tangible?” and “How will we benchmark the changes?”.

The learning path of design management is much like the path walked by many organisations a few decades ago when bringing brand management into their decision-making systems: they have developed from transaction to relation and finally to the aspiration level of understanding brand management. Organisations follow a similar pattern when integrating design managers’ positions.

The business performance of design is therefore directly dependent on support from the top

management and directors of other functions. All stakeholders must be able to overcome their personal reservations and fears of design, since only an understanding of the subject will enable internal trust in design and support its incorporation into the company’s culture. In order to build this trust, designers have also to understand the need of these partners—be they in marketing, R&D, or at board level—for indicators that will enable them to measure the added value and ROI from design.

For example, the design management function has a special role in marketing and innovation for improving the customer experience, since it offers a tangible and harmonised system in all touch-points and interactions. Whereas marketers used to classify the target segments by demographic and psychographic indicators (that do not really match the basic needs and motivations of the observed customers and users), they can now rely on design for more emphatic and innovative market intelligence. Discovering new insights with Design Leadership may present a strategic opportunity for organisations to define its competitive framework.

Insights from the research phases of the design processes change the managers’ decision mindset, increase their focus on seizing the opportunities, spur the imagination, and refresh their information-assessing mechanisms.

Over time, managers become increasingly more capable of finding answers by gradually involving new design skills and attitude and by scaling up the level of design management practices.

Every change, however, requires active design managers that need to be properly qualified and use methods for every strategic change the organisation strives for. For each change the appropriate design brief must be defined, the pertinent design disciplines selected (since most designers are specialised), and the designers connected with other experts.

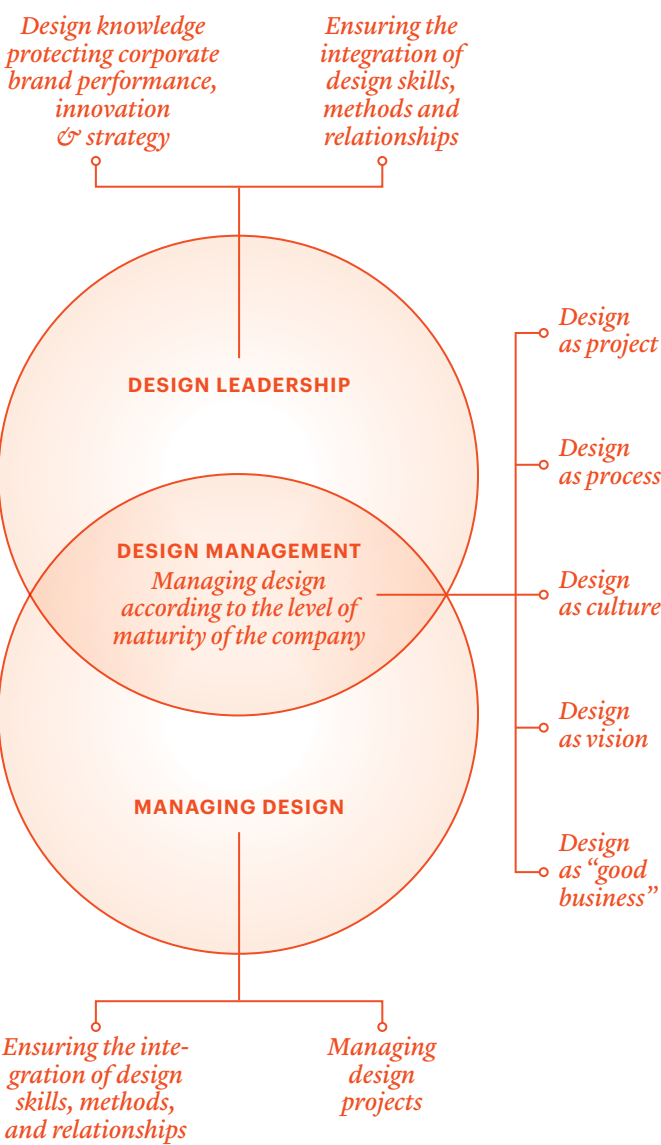
WHERE to Integrate Design?

Design management is a horizontal function that supports other, vertical functions, such as marketing, research and development, or human resources. Recently, however, the design function has become increasingly independent.

Design Knowledge, Design Attitude, Design Skills

KNOWLEDGE	ATTITUDE VALUES	APPLIED SKILLS	UNDERSTANDING SKILLS
Design process	Risk-taking	Practical design skills	Observation
Material	Managing uncertainty	Prototyping	Researching
Market	Originality	Drawing ability	Logical thinking
Technology	Anticipating future trends	Creative techniques	Framing problems
User awareness	Forward thinking	Lateral thinking	Scenario bulding
Culture	Open-mindedness	Commercial skills	Narrative
Aesthetic awareness	Focusing on usability	Communication skills	Synthetizing
Human factors	Attention to details	Computer skills	Holistic thinking
Manufacturing	Learning from errors	Design for manufacture	Intuitive thinking
	Proactive in developing relationships	Project management	Human empathy
	Understanding multidisciplinary context	Optimization	

Design Management Content



Building a space for the development of the design function requires time, constant investment, and talented people that will learn and act. From this perspective, organisations need in particular new knowledge in two areas:

- Defining a design strategy (requiring the strategic design skills and expert knowledge that organisations focus on in finding a better perspective and future-oriented vision);
- Integrating design methods and skills into the organisation's business processes.

By experimenting with design, the employees, the managers and all stakeholders will gain new skills and see design from a new perspective. Every organisation typically first perceives design as a project, then as a process, then as culture and finally as a possible vision for the organisation. There is a learning path with successive knowledge gaps in design capacities.

Design management is arranged in two levels. Managing the design function first requires Design Leadership for the development of the organisation's design strategy: identifying external challenges, proposing approaches for choosing design impact for customers and society, and performance and linking design strategy with other strategy diagnosis methods.

And second, managing the design function requires Managing Design—where design management puts design strategy into effect in the organisation's structure—by focusing on the development path of different design disciplines, forming guidelines (that merge different teams and strengthen the decision-making processes), management systems (that align the design strategy with business goals), and by measuring and communicating the impacts of design input.

HOW To? Choosing Your Role as Change Agent

The role of a design manager is to bring together design skills, methods and processes: the role can vary depending on whether the goal of the project is to change the portfolio, the innovation processes, the working culture in the organisation or the competitive vision.

Which agent of change are you: Doer, Humaniser, Facilitator, or Integrator?

THE ROLE OF DOER (WHAT)

You are an analyst who raises awareness of the market narratives and needs and you integrate these into the organisation's brand. Attention to detail is crucial, so design managers in this role exploit the abilities of in-depth observation, sketching and materialising proposals. The ability to gain experience by playfulness and creativity increases in the business. You keep records of design coherence and measure the brand's emotional intelligence and UX client satisfaction.

Four Design Business Values

In 2001, we interviewed 33 CEOs of small to medium-sized companies from across Europe and found that, although all of them agreed that design is important for business (all of them had received design awards), they can be classified into four categories of understanding of the value design brings to business: value for portfolio, processes, people and purpose. Which category do fall you into?

VALUE FOR PORTFOLIO

Accepting the design mindset helps you to discover your surroundings through differentiation in aesthetics and materiality, and usability. You are actually “seeing and “feeling” the market, the products, services, and experiences. It enables a thorough understanding of the perception value of the material aspects of the portfolio, the digital interfaces, or the importance of the perceptive quality in symbols, artefacts, and spaces—all signs that define one's organisation physically.

Business partners, customers, and other stakeholders perceive the difference of your organisation through its aesthetics and the sensorial and usability balance in all touch-points. Through the touchpoints, you manage the experience in all five senses. The sensorial and emotional value of the experience is improved by using good design principles. “Seeing” is “believing” and is an important driver of changing user behaviour. Design principles in aesthetics—functional and formal—can open new market opportunities or help gain an understanding of local cultural differences. Here, organisations value by gaining visibility through design award quality, visual coherence, originality, and imagination.

VALUE FOR INNOVATION PROCESSES

Most managers raise strategic questions because they are aware of new “good business” trends and best practices: innovation challenges come from external forces for reinventing organisations—such as new behavioural economics, socially responsible enterprise (SRE), sustainable development, agile methods, and similar. They then want to integrate these business excellence trends into process innovation that will enable some business impacts. But not everyone understands the managerial value of design to implement these best practices in business. What's more, when it comes to understanding how innovation works, not everyone among us is aware of how objects penetrate the many social spheres and change people's behaviour. For this aim, one has to understand the value of designers' empathy in user-oriented innovation

processes—observation and testing are used for better interaction with products, services, communication, and spaces. This “user-oriented design process” helps to apply multidisciplinary project-driven innovation and co-ordination between R&D and marketing departments. Managers understand that the design value brought by designers upstream in innovation teams means more efficient and better “time-to-market” change.

VALUE FOR PEOPLE

Business decisions are complex, so they require different analytical mindsets. This explains why organisation charts are built in divisions, and each division has its own experts that advocate a vision of the organisation “important for its own silo”. Consequently, it is difficult for people inside the organisation to see what is needed more broadly to achieve the right changes. Individual thinking prevents co-operation with others. This is where design is valued. Strategic design is comprehensive and connecting—it is a horizontal function. Design is valued for people. General design literacy in the business becomes shared knowledge. You understand what design thinking is and why people should be educated in how to use design in their job. Here, the value of design is in its systemic-thinking mindset and in encouraging a more creative culture.

VALUE FOR VISION AND PURPOSE

Business vision aims to create a competitive advantage and thereby to improve the organisation's ability to cope with changes. Design value is either seen as a competitive advantage or as a “core competency” for a more sustainable competitive advantage. Here the organisation manages design as an “asset” that is rare, inimitable, and non-substitutable, with a long-term perspective. Strategic design looks for assumptions and is not afraid to take risks; rather than certitude, it seeks movement, refusing inertia. It enriches a proactive vision and encourages disruptive imagination and future scenarios. The value of design here is visionary and concept-oriented, but it also provides the tools with which to make those scenarios happen.

THE ROLE OF HUMANISER (WHERE)

You are a humaniser, focusing on economy of time and acting as a technology enabler for employees and the target segments. Managers in this role promote acceptance of empathy and co-creation approaches: learning by practice, prototyping, and testing; experimenting by co-creating in multidisciplinary teams; orchestrating the relation between design and other internal functions. You design

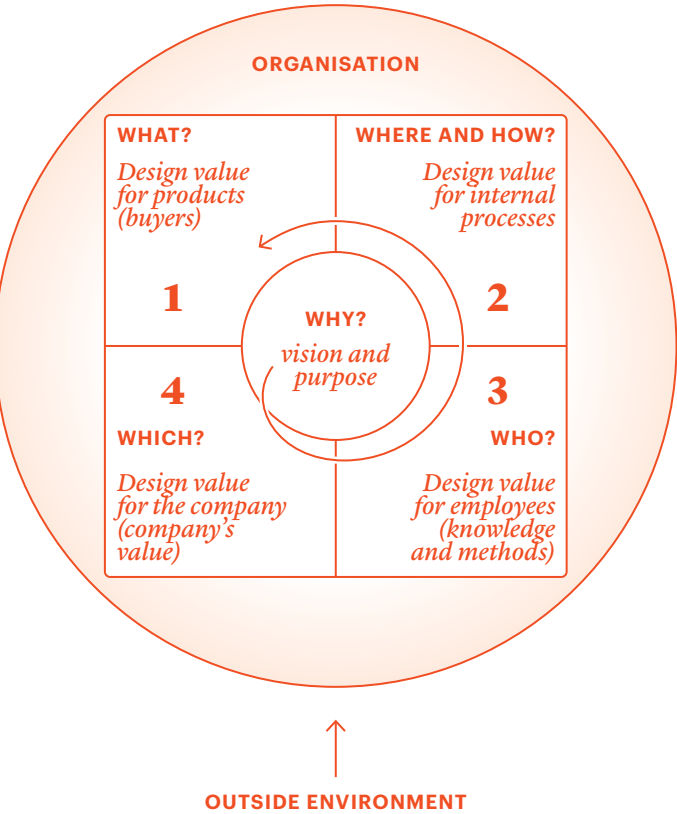
infrastructure for external partners and new performance criteria for measuring more agile innovation management.

THE ROLE OF FACILITATOR (WHO)

You are a decision-maker and constructive challenger. Setting the needs of key customers as a reference point for guiding decisions and culture change; helping to recognise new

Designence™ Model

Design value for the company's vision, employees, internal processes, products and business.



meaning in complexity; promoting a wide organisational commitment to design as a tool for managing uncertainty. You build the self-confidence of agents in thinking differently.

THE ROLE OF INTEGRATOR (WHY)

You are a builder of an organisation that tackles risks. Working by embracing ambiguity, paradox, and “the big picture”, anticipating future trends and a long-term perspective, the organisation understands the value of critical design challenges, of being able to simplify and synthesise information in a meaningful manner. You develop the design ability to zoom between detail and vision simultaneously. You integrate an understanding of societal changes and involve design systemic thinking in the early stage of the strategy process and risk management.●

Design is a challenge for all organisations that are not only interested in short-term financial benefits, but strive for broader societal success.

— *Brigitte Borja de Mozota*

Brand as a Catalyst

Metka Hrovat

Metka Hrovat (Slovenia) is the senior brand consultant at BrandTrust and chief brand and HR development executive at SIP.

We are surrounded at all times by a vast quantity of information, more than we can even process. As we make purchase decisions in such a complex environment, a feeling of safety becomes ever more valuable—even more important than the actual objective value of a purchased product or service. Brand has a key role in such circumstances since it simplifies and facilitates purchase decisions while giving customers the necessary feeling of safety. Efficient brand management is, therefore, a strategic opportunity for every organisation, even yours. It provides long-term and foreseeable success and has little to do with the standard marketing approaches but is nevertheless strongly connected with effective design management from the strategic perspective.

Brand management allows you to successfully bring together a variety of tactical tools under a unified strategy. Here, design has the role of the first and direct expression of the brand character. Because there is nothing you can show or sell to the world without designing it in one way or another. In today's business world, no company can survive only with its technical expertise. It is the same with the service industry, which is not just the fastest-growing industry but also significantly different from production companies. Namely, customers cannot replace or return the service when they are dissatisfied, and they take all the risk by themselves.

Brand Strategy and Visibility

Whenever you think of your brand, you should distinguish the two sides; one is the brand's visual side (called image or brand visual image—appearing through, for example, the name, logo or style), and the other is brand strategy. Strategy represents part customers don't see; it is vital for the successful management of any brand, since it sets the rules of management, defines the brand image, and steers other drivers that increase customers' trust and recognition of higher value.

Brand strategy defines the essential brand foundations and targets that the organisation wishes to achieve with the brand and so it establishes the direction the company intends to head in to further

market success. A good brand strategy covering all aspects of the company includes:

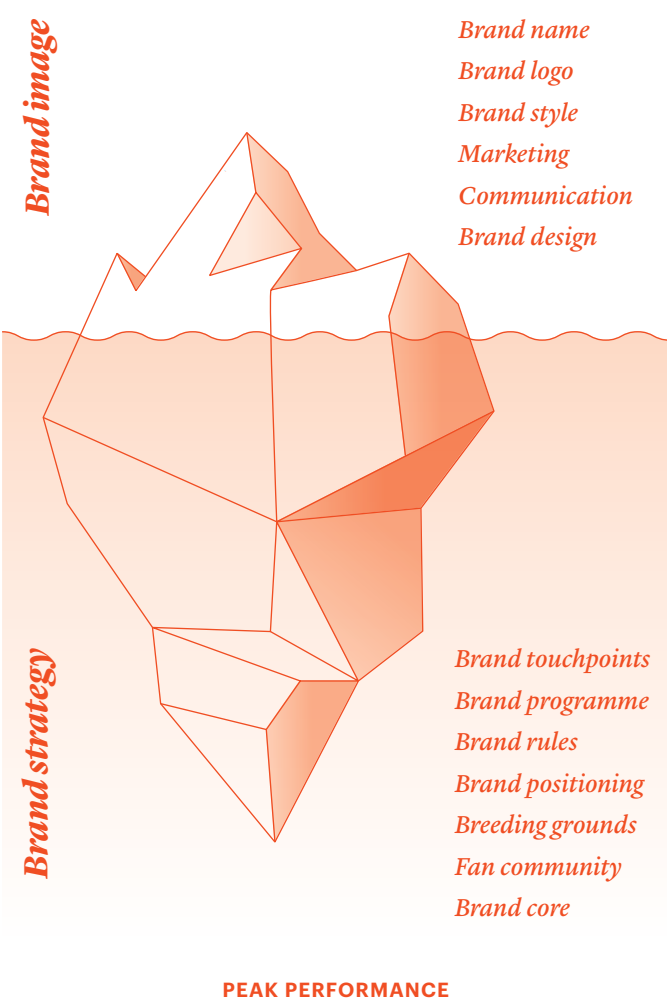
- core values (carrying brand DNA and its peak performances),
- style (expressing brand personality),
- positioning (aiming at the future market position of the brand),
- operating principles (business decision-making policy),
- rules (allowing for efficient management of the brand's many touchpoints).

Brand strategy is not the company's marketing strategy. While the brand strategy essentially sets the foundations, the purpose of the marketing strategy is to manage operative implementation and ensure the path is followed. Brand Management is the responsibility of the top management, since the brand defines the clear and long-term positioning of the organisation on the market; this is followed by strategies and key sales activities. For a brand to achieve market success, strict implementation of the strategy, synchronisation of sales and marketing, internal communication, and employee training are needed.

Marketing, on the other hand, is the profession of planning, co-ordinating, and monitoring the market and of market-oriented activities. Marketing aims to offer products and services on the market that satisfy the needs of (potential) buyers

Visible (Image and Design) and Invisible (Heart and Strategy) Brand Aspects

Each brand has its own patterns of appearance, representing its styling elements. There are several elements of brand styling. Some are visible, some are not, but it is important to assess which are important for the brand since it is not recommended to simultaneously develop more than three to five, nor is it possible to efficiently manage more than that.



and help to reach the targets. Marketing is an indispensable operative level in a company. It is important to distinguish between brand awareness and its attractiveness. Brand awareness is a criterion of how many people in the target group or a part of the population know the brand at all.

Awareness is generally built by communication and advertising and measured in per cent. Building brand awareness is not enough, since knowing the brand does not yet guarantee its purchase. There are many brands we know but do not buy: we either consider them unwanted or irrelevant.

The Two Sides of a Brand – “I Know You.” and “I Want You.”

Brand attractiveness is not the personal attractiveness of a brand, but the result the brand achieves on the market. The attractiveness of a brand is measured by a premium price (20 to 30 per cent higher than the commodity price), the percentage of returning customers and the percentage of product/service sales by recommendation and cross-selling rate (when there are several products in the brand’s range). While building brand attractiveness is important, it is not the same for all target groups, so no brand can be a fit for “all”. Only when the foundations of the attractiveness are set can brand awareness be created in those circles where the brand’s attributes are relevant. General brand awareness has no special value.

Brand Management

A well-managed brand is founded on building trust through appropriately designed touchpoints. It also contributes considerably more to the growth of a company and its profits than any exaggerated, unreal, and simply exchangeable marketing tricks. When striving for success in a crowded market, start by asking the right questions and avoid the standard assumptions that tend not to reflect the actual market conditions. This will create room for new thinking.

Brand management is more of a way of thinking than a conventional management tool. When you begin to think of a brand as an agent of your values, a representative of your promises, and in the framework of your mission on the market, such thinking never ends. Brand management can only start when your usual thinking changes its course. People change their thinking for two reasons: due to passion or pain. If one of these is strong enough, we begin to think of our brand as a whole host of business opportunities the brand has to offer but which we have been unaware of until now.

The environment offers useful numerous signs, constantly showing what is going on with

your brand. Learn how to read these signs and act on them. When considering the need for a new approach, complicated information, such as abstract operational reviews and forecasts, are best avoided. It is much better to rely on simple key data, with straightforward findings and a little common sense. You will need to consider the two sides of a brand when developing a brand strategy: its external image (expressed through the name, logo and design, as well as communication and marketing activities) and the brand strategy. In its core aim brand management is closely connected with design. A well-managed brand defines the meaning and the competitive framework in which the company is presented as the best choice. This is reflected by well-managed design typical for a brand (design of products, identity, communication, services, and architecture that together form the character and style of the company). Good design management brings the brand to life through typical functional, emotional, and aesthetic values that gradually become a synonym for customers’ trust and loyalty. Brand management or design management are therefore strategically connected in the company; without this connection, they cannot bring the desired results in the long run.

How Do We Know When the Brand Management Needs to Be Changed?

Go through the 10 indicators below: if you are uncomfortable with at least half of them, a fresh approach to brand management will open new horizons for you.

- 1. PROFIT MARGIN**
Margin is the most important clue in evaluating brand performance. If you have been recording a single digit profit margin for three years, now it is time to act as your long-term survival is in jeopardy. Your customers or the banks will simply take advantage, believing that you are depending on the success of your industry and on the general economic situation. If everything else is being managed well, you can seize the opportunity brand management presents.
- 2. GROWTH LEVEL**
If your business model is not outdated, your organisation should have double-digit growth, regardless of your competition. Double-digit growth proves

your products and services are wanted. Single-digit growth means your company is too susceptible to the changing needs of your customers, competitor activities or global impacts.

3. PERCENTAGE OF FAILED PROJECTS
How many of your new products have reached long-term success in the last few years? Don’t settle for the “benchmarks” in your industry. When the percentage of failed projects is too high, you must increase the basic brand attractiveness and trust. Only by doing so will your innovation reach the right people and the appreciation.

4. THE AVERAGE DISCOUNT
Discounts are a useful sales tool when used in a targeted manner and with a good impact. When the opposite is the case, they unmistakably prove your marketing and sales are unsuccessful. Discounts should not stray into double-digits, no matter what the competition is doing. Well-managed brands do not need to overspend, regardless of the industry.

5. PRICING DIFFERENCES
Customers are willing to pay more for strong brands besides the product or service itself,) since such brands also satisfy our basic as well as more complex needs in life. In our experience, customers are willing to pay up to 20 per cent more for an equal product if it provides a simple and safe purchase decision. How big is the difference between you and your most important competitors?

6. CUMULATION
If you make 80 per cent of your profits with 20 per cent of your products, there is something wrong with your brand stability or with the communication abilities of your sales personnel. If the situation is linked to an unsatisfactory level of failed projects, you must act immediately.

7. WHERE ARE YOU SHELVED?
Do retailers choose to place your products in their shop windows or only when you pay for it? Where in the shop window are they placing your products—at eye level in the main window or at the bottom in a side window? How well are you positioned in the store? How many of your products are available there? Where are they placed and at what height? Do the customers find you in the most distant corner of a shop, in boxes, in special offer locations or in expensive secondary placements?

Overview of Stylistic (Visible and Invisible) Brand Elements

Visual style	1 COLOUR WHAT COLOUR IS DOMINANT? <i>The Pošta Slovenije uses yellow, Hilti uses red, Orange uses orange.</i>	8 THE RHYTHM IS THE BRAND CHARACTERISED BY A RECOGNISABLE RHYTHM? <i>FedEx has of the time it collects the parcels, Zara has a new collection every week.</i>	Non-visual style
	2 SHAPE WOULD YOU RECOGNISE A BRAND ONLY BY ITS SHAPE? <i>Porsche is distinguished by the car silhouette, Toblerone by the shape of the chocolate, Coca-Cola by its bottle.</i>	9 THE RITUAL IS THERE A SPECIAL SEQUENCE OF ACTIONS ASSOCIATED WITH THE BRAND? <i>Sierra Tequila offers the lemon-and-salt ritual, Oreo biscuits are known for the ritual of opening the packet and soaking the biscuits in milk, Zippo is associated with opening/closing the lighter.</i>	
	3 THE PICTURE IS THERE A PICTURE TYPICAL FOR THE BRAND? <i>Lindt is recognised by the chef, Becks by the ship, Marlboro by the cowboy.</i>	10 THE SENSES IS THERE A DISTINCTIVE SMELL, TASTE, TOUCH OR SOUND TYPICAL FOR THE BRAND? <i>The smell of the Starbucks café, the Lush cosmetic shop, or the cabin of Singapore Airlines’ planes.</i>	
	4 THE SYMBOL IS THE BRAND MARKED BY A RECOGNISABLE SYMBOL OR LOGO? <i>Lacoste products bear a crocodile, Nike the check mark, Meinl an Arabian man.</i>	11 THE TERMINOLOGY DOES THE BRAND HAVE SPECIFIC ASSOCIATIONS AND/OR SEQUENCES? <i>Dolomiti SuperSki, Tesa and McDonald’s – all products bear the name of their umbrella brand.</i>	
	5 THE PERSONALITY DOES THE BRAND IDENTIFY WITH A PERSON? <i>Virgin is associated with Richard Branson, Michelin with the chubby mascot, Karl Lagerfeld with high fashion.</i>	12 THE WILD CARD DOES THE BRAND HAVE ANY OTHER UNIQUE FEATURES? <i>Porsches’ telephone switchboard numbers start with 911, Staud’s Wien marmalade jars are numbered.</i>	
	6 THE ARCHITECTURE IS THERE A TYPICAL BRAND BUILDING ARCHITECTURE? <i>For Pizza Hut a building, XXX Lutz a chair, Smart a glass tower.</i>		
	7 THE FONTS DOES THE BRAND HAVE A TYPICAL FONT? <i>Walt Disney has a typical signature, Harry Potter a sign, Pepsi a logo.</i>		

8. DISCOUNT SALES
Are your products discounted longer than your competitors’ products? How much time passes from the introduction of a new product to its “discount” sale? How long has the retailer been selling it this way? Does the retailer ever return the product to its usual price? The lower the branded product price, the lower the value of the brand.
9. CUSTOMER FEEDBACK
Talk to your good customers. What do they tell you about your products and services today in contract with “how things used to be”? Talking to customers is way of getting very important, even free insights about the position of your brand. Are you

- looking forward to meeting your biggest clients? Are you terrified, because you already know what they’re going to say? If you systematically build the brand attractiveness, these meetings will become fun again because it will be you that has the power.
10. HIRING
How easy is it for you to attract new employees and how much does it cost you? The greater the brand’s attractiveness, the more people want to work for it, sometimes even for less money. If you can only get the ideal candidates by paying “more” than they are earning now, the position of your brand is plain to see. ●

Brand management is the responsibility of top management as the brand determines the clear and long-term position on the market.

— Metka Hrovat

Measuring the Integration of Design

Darragh Murphy

Darragh Murphy (Brazil) is the co-founder and director of DUCO.

For the partner companies, one of the most important activities in the KCDM project was to conduct a Business Design Intelligence analysis. This enabled them to gain an objective assessment of their design practices, performance, and management. The assessment also provided them with answers to “where are we now?” and “where do we go?”

As much as good design can affect dramatic change and bring success to a company, it needs to be strategically led from the top, while the design itself needs to be supported throughout the organisation in order to fulfil its potential. Business Design Intelligence (BDI) supports managers in making informed decisions about the integration and management of design in their organisation. In the analysis, the design management practices of the KCDM partner companies were compared against those of high-growth companies in the same sectors in Europe, i.e. the benchmark. The purpose of the BDI research was to provide the management in the KCDM companies with an overview of the progress they had made in the programme and about the changes needed in the future. The analysis was conducted twice, at the beginning of the KCDM programme (2017) and at the end of the training programme in 2019.

The BDI analysis in 2017 revealed that the KCDM companies were, as a group, producing more sales from fewer new-to-market products, with less investment in design than high-growth European companies. In 2017, the KCDM companies achieved on average 27% of their annual sales from new-to-market products. They introduced 14 new-to-market products on average, while the high-growth European companies introduced 39 new-to-market products on average. The average proportion of design investment among the KCDM companies was 8% (of total investment) compared to 19% for the high-growth benchmark. Despite the admirable success the KCDM project partners had with new products, only a few of them experienced a growth rate that matched the high-growth benchmark. For them, the benchmarking exercise was an incentive to recognise the conditions necessary for design to move from being a one-off success story to being a repeatable process leading to sustainable

Design Practice in Slovenia – What Can We See under the Microscope?

In return for completing the questionnaire, each participant KCDM partner company received a design diagnostic report compiled specifically for them. It reported on the performance of their product development and the quality of their design management practices.

THE DESIGN DIAGNOSTIC REPORT PROVIDED

- An impartial overview of the company’s strengths and weaknesses in design management and leadership;
- Clarification for those responsible for design to understand the business’ needs and helping the management to understand the conditions for successful design;
- Quantifiable evidence for the value of design, consequently translating the abstract values of design into measurable business values specific to the company;
- Benchmarks to compare the practices and performance of the company against high-growth European companies of the same sector and size.

growth for the businesses. The high-growth European companies are actively trying to include design in their central decision-making processes, with design also being supported by the other company functions. This enables them to launch new products at the right time and through careful planning, increase growth. As the 2017 BDI analysis revealed, most of the KCDM companies had not yet reached such practices.

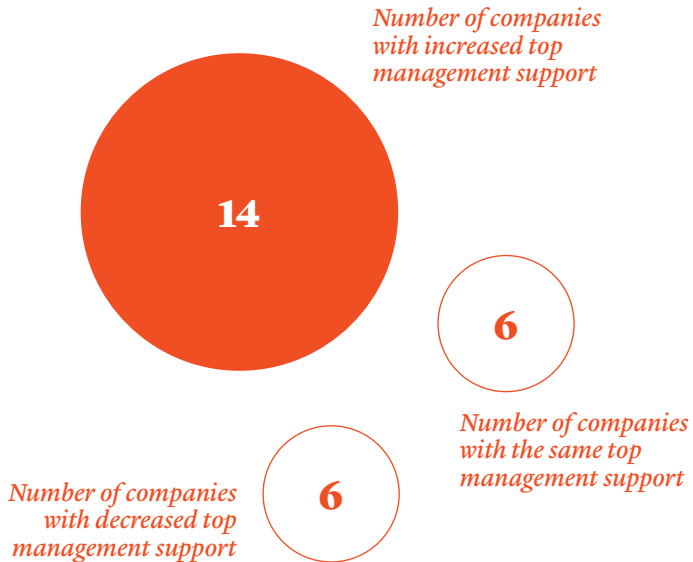
Measuring the Progress Made by Slovenian Companies

To monitor the impact of the KCDM programme a second BDI assessment was conducted in 2019.

FIG. 1

KCDM Companies: Design Is Becoming a Strategic Topic

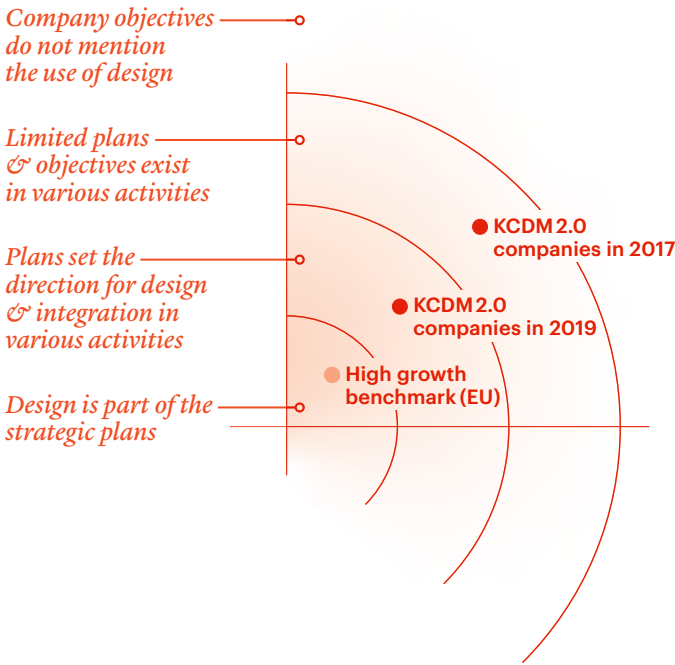
Support of top management



Changes in top managements' support in KCDM 2.0 companies in 2019.

In the KCDM companies design is moving towards a strategic level and gaining the support of top management.

Design for strategy



Its purpose was to identify the extent to which design has been further integrated into the partner companies.

One of the attributes of successful new product development is the "Support of Top Management". Of the 26 KCDM companies, 14 have improved their score for this metric [FIG. 1 → Support of top management]. For the majority of these, design has shifted from being a project-to-project activity to being an integrated function of the company's processes with clear plans and objectives for its goals. This improvement is nevertheless still inferior to most of the high-growth companies in the benchmark, where design is a central component of their plans and operations.

An equally important indicator to the support of high management is the support design has from other functions in the company. Among 71% of the high-growth European companies, all

or most of the staff are aware of the importance of good design and its management to the success of the business. In 2017, 24% of the KCDM companies could claim this support; now it stands at 47%.

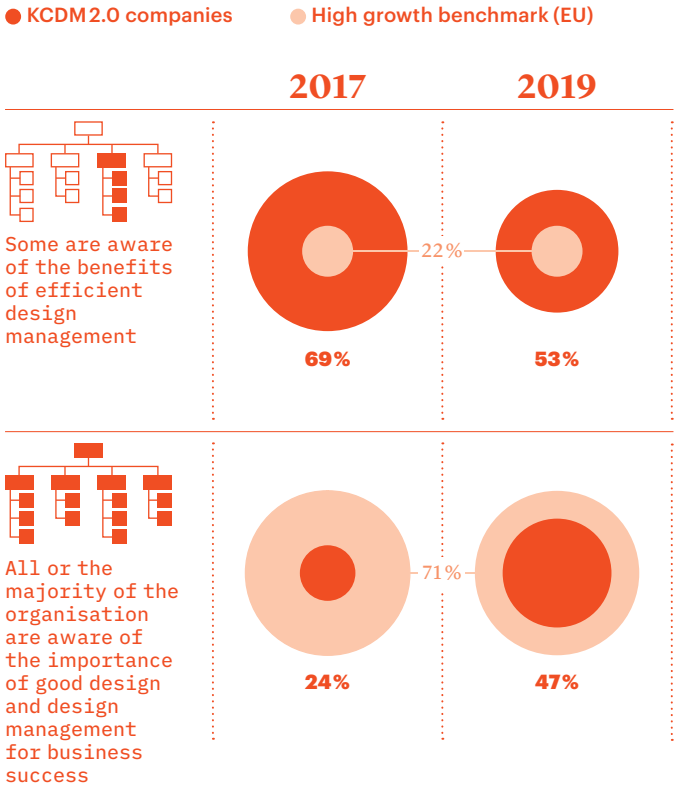
To capitalise on the support of other departments in the company, a good design manager would align the interests of the various departments by creating multidisciplinary teams and involve them in design projects. The BDI analysis revealed that almost 80% of the KCDM companies understand this aspect of design management, efficiently utilising it in occasional projects. The KCDM companies have made progress in this respect, but in comparison, many of the high-growth European companies align design projects from a high level to achieve better results more quickly.

Bringing design into the central decision making of the company depends largely on who is managing it, this is where the KCDM companies have

FIG. 2

Design and Organisation Success

In several KCDM companies, the staff are aware of the importance of good design and its management for the success of the business.

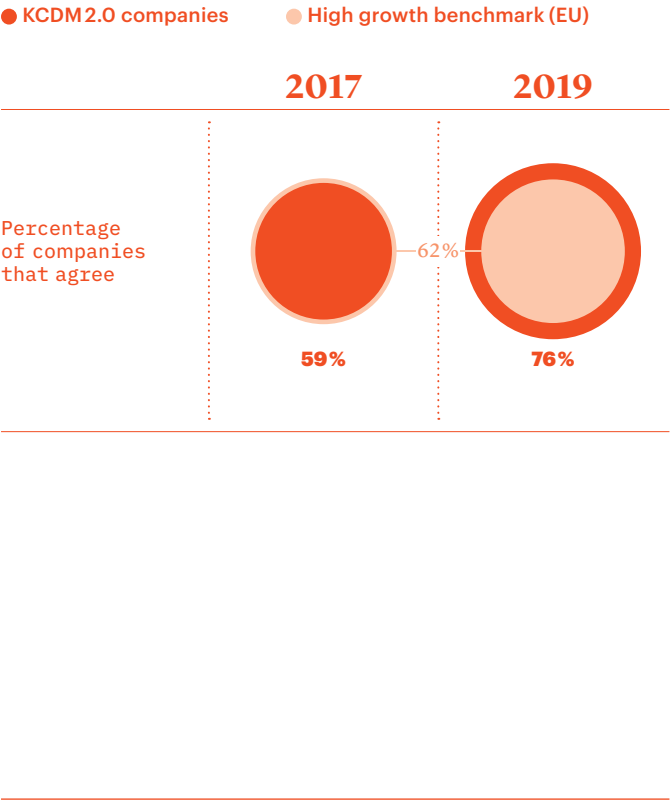


also made gains. In 2017, for the majority of the KCDM companies, individuals such as key buyers, co-ordinators, or individuals in the management team would manage design. Over the last two years, more of the companies have delegated this responsibility to multifunctional teams, often with top managers included. This is a small but important improvement (from 48% in 2017 to 54% in 2019) overall. The majority of high-growth companies have multifunctional teams consisting of design specialists, department heads, and directors managing the design process. Such authority means that design decisions come from a detailed understanding of the company's strategic objectives and how best to achieve them. The low level of improvement in this respect is most likely due to the KCDM companies postponing their major projects until the KCDM training has been completed.

FIG. 3

Advantages of Design Management

The KCDM companies are better aware of the design management advantages when aligning design with other departments in the company.



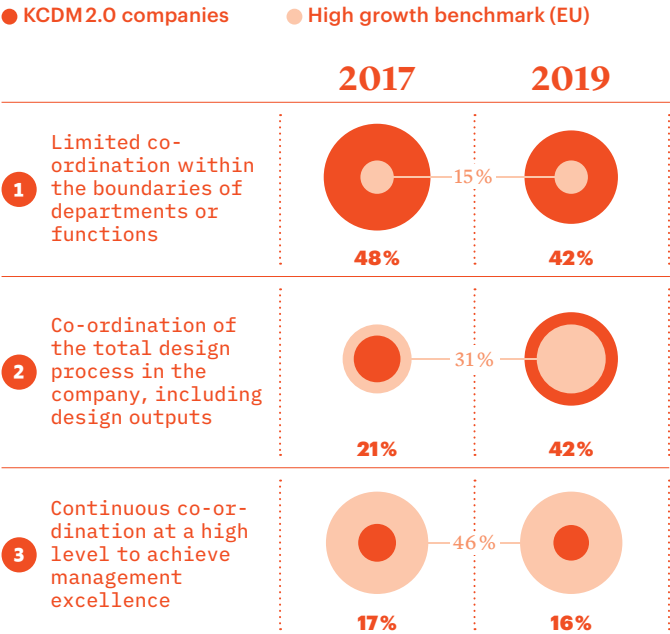
One key indicator that explains a disparity between the KCDM companies and the high-growth European companies is the inclusion of in-house design teams. In 2017, 38% of the KCDM companies had such teams compared to 75% of high-growth companies. Over the last two years, this figure has risen to 50%, while the KCDM companies still maintain a heavy reliance on external design consultancies. The forming of an in-house design team changes the role of design in a company, since it is then no longer merely a contractor arrangement but a function inside the company. This contributes to better co-operation in addressing complex tasks by involving management teams and other employees of the company.

Two years is a short period in which to measure a change in design practice and performance. It must also be considered that the partner companies have used this period to take advantage

FIG. 4

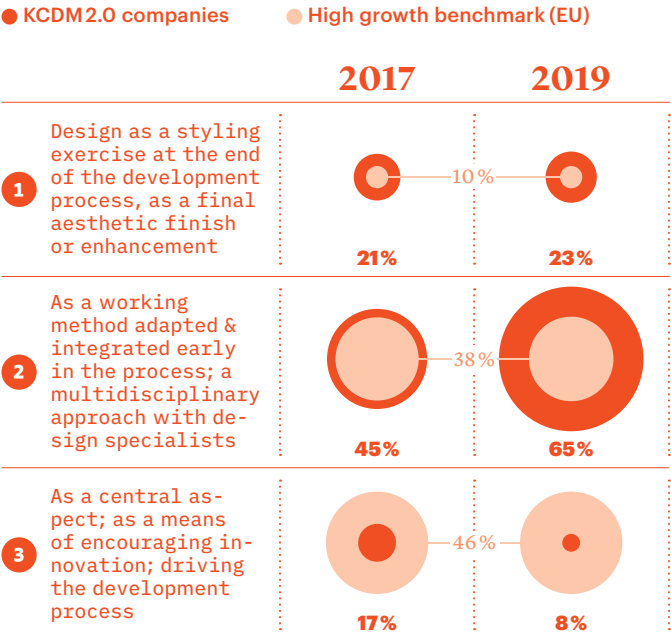
Design Has Become an Integral Part of New Product Development

To what extent are design activities being co-ordinated in your company?



More KCDM companies are co-ordinating the total design process within the company, but high-growth companies co-ordinate it at higher levels of management. Design has become an integral part of new product development and is a central part of the innovation process in many high-growth companies.

What place has design in the process when something new is developed?



of the training provided by the KCDM programme. These companies have already recognised the value of design and have proven it by their business results. Now, they simply want to upgrade their expertise and increase their performance.

This period of consolidation is observed in several indicators highlighted by the BDI analysis. In particular, it revealed the progress made by the KCDM companies in building an internal infrastructure for design.

The allocation of investment is a good indicator of the priorities of a company. There has been a shift in the budgets of the KCDM companies from being highly invested in marketing, premises, and IT in 2017 to equipment, R&D, and training in 2019 [FIG. 5]. This would indicate a shift in priorities from operational to long-term planning. The decrease in investment in design is countered by the increase in investment in training, especially due to the

companies’ participation in the KCDM training programme. It would suggest that companies are postponing design investment while training and R&D is being conducted.

That the KCDM companies are preparing for the future is also indicated by strengthening indicators of their activities in developing the parameters and conditions for design to perform at its best: more companies are investing time in preparing internal design policies and guidelines. The most telling increase can be observed in the unit cost analysis—while a quarter of the companies did not conduct any unit cost analysis in 2017, now all of them are doing it to some extent or more.

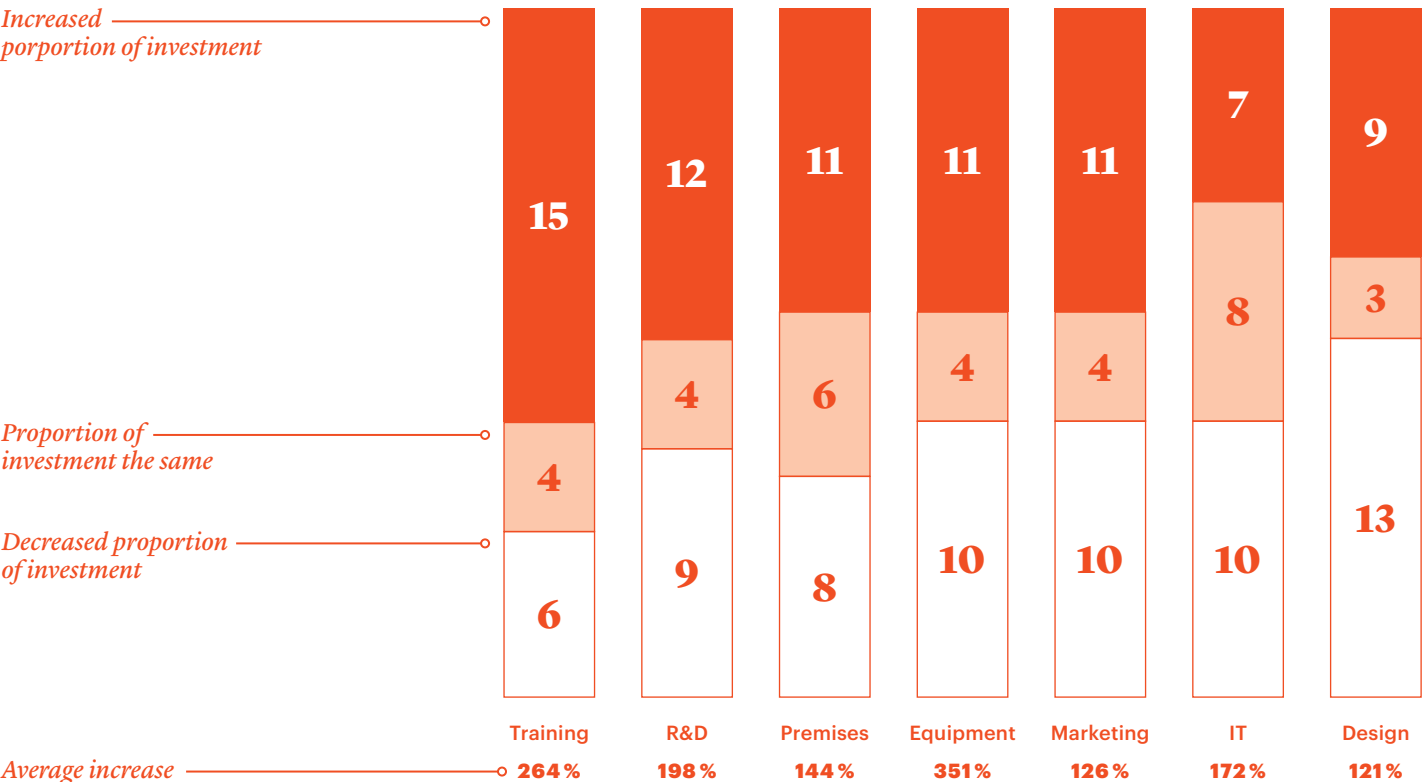
Knowledge as an Obstacle

The KCDM 2.0 programme has enabled more companies to access design management consultants (81% of the companies in 2019 vs. 42% in 2017).

FIG. 5

Where Do the Companies Invest?

Over a two-year period, training, R&D, and equipment have seen the highest increases in investment, indicating that the companies are preparing for the future. There are more companies that have reduced their design investment than those who have increased it.



In turn, this has had a positive effect on their knowledge of design management. The companies that had access to the consultants regarded “knowledge” as far less of a barrier to successful design practice than companies that had not engaged with the consultants.

In 2019, the BDI analysis also warned of an unexpected contradiction. By undergoing training, the partner companies strengthened their knowledge and consequently became more critical of their own practices. Hence, lower assessments were observed in the second analysis (2019) with some of the companies, despite their design management skills level being significantly higher.

Each company opted to participate in the KCDM programme on the basis of its own unique needs. When providing a training programme, one may always expect unplanned changes in individual companies, such as buy-outs, restructurings,

personnel changes, new management, or financial challenges, affecting the training success. By including such external factors in the BDI analysis, it is possible to gain some new insights.

In Figure 7, the experience of each company is described by a line following their gains or losses across 172 metrics. If the company had improved on any of the 172 metrics (between 2017 and 2019), it received a 1. In the case of deterioration in the metric it received a -1, and a 0 if there had been no change.

The companies that underwent major changes with the same management are recording evenly growing curves. This indicates successful introduction of new knowledge and improved performance.

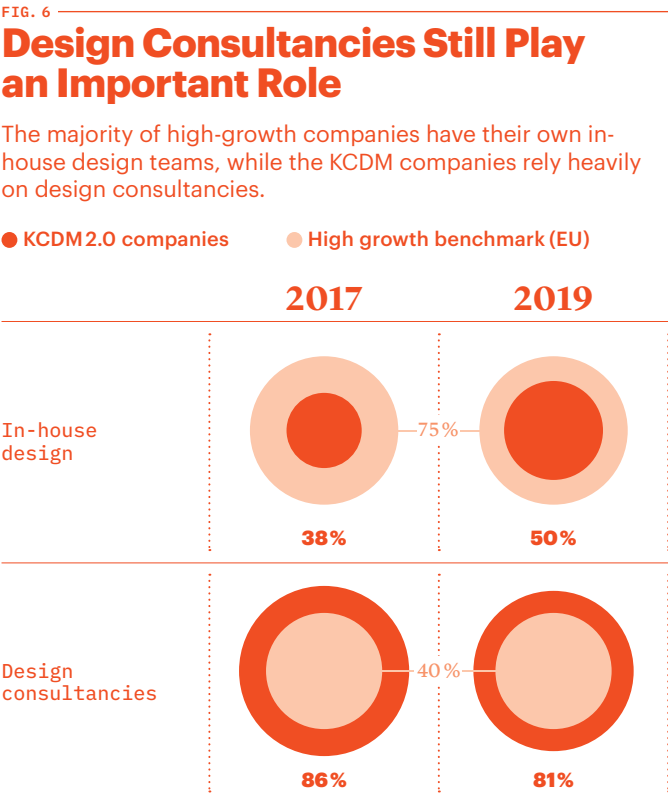
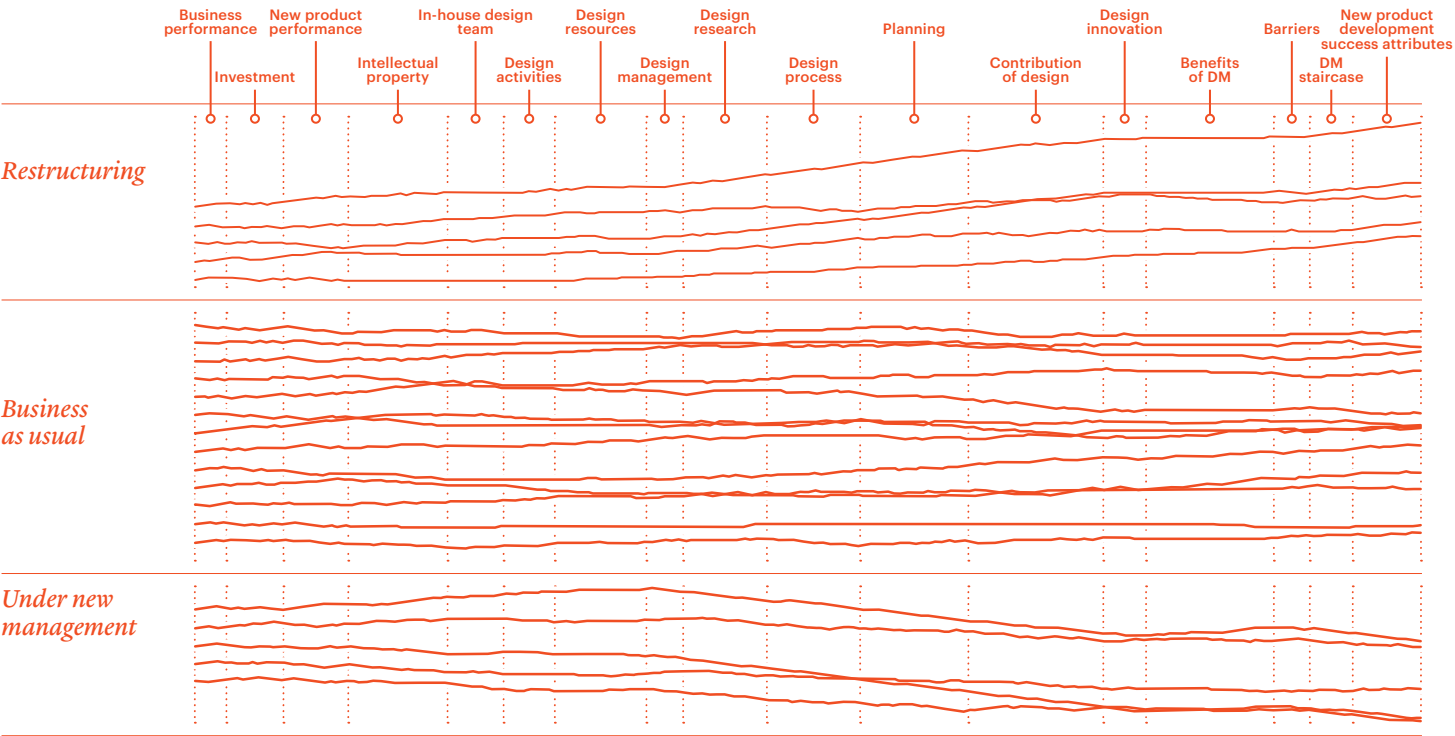
The companies that had the same management throughout the programme record fairly horizontal lines, undulating slightly up and down across the

chart, indicating improvement in some metrics and deterioration in others.

Companies that experienced a change in management and had different financial and/or commercial challenges in the observed period have curves that gradually decline across the chart: the indicators of their design management practices have decreased, especially investments in design research, design processes management, planning, and consequently, the value created by design.

One possible explanation of these results is that the companies undergoing restructuring implement the new skills gained from training more quickly. In the companies where it is business as usual, the management teams have not had the opportunity to apply the lessons learnt, as they are prioritising the usual business priorities. In the companies with a completely new management team, the departure of the previous management meant the tacit product development knowledge left with them. ●

FIG. 7
**KCDM Companies:
Company Progress and the Main
Commercial Changes**



Each line represents the progress a KCDM company has made over 172 metrics. The companies are grouped according to the major commercial changes they have experienced over the two-year programme.

Good design can result in radical changes and bring success to the company, but it has to be strategically managed by top management, and at the same time it must have support throughout the organisation if the company wants to harness its potential.

— Darragh Murphy

Where to Start?

Frans Joziasse

Frans Joziasse MSc/MBA (Germany) is the director and founder of PARK and Grow, Hamburg.

Business leaders often ask us to estimate the phase of design maturity of their companies and what impact they may expect with design. There is no simple answer to this. However, we do know there are organisations in Slovenia that also successfully compete at the international level—organisations that have systematically established design as their main competence since their inception. Such organisations underwent the typical five development phases of design. Education and training of both the employees and management is one of the key efforts that has given these companies a sustainable competitive advantage.

When organisations aim to efficiently and sustainably exploit the design potential, they have to arm themselves with the necessary education and skills, while also intensively and continuously leading all employees through the planned growth phases.

As the employees systematically strengthen their competencies, maturity grows and thereby the entire design process in the organisation too. More or less sporadically, the role of key individuals also develops—from formerly producers to now planners, facilitators, experts, and also visionaries.

It is easy to see that a company has reached the mature development phase: an obvious focus on regular implementation and integration of design projects as well as on planned design management, using design methodologies and finally the impact and influence of internal leaders responsible for design are all useful indicators to show that a company has reached this phase.

Passing from one maturity level to the next is characterised by development obstacles—the organisation will overcome them most efficiently by educating and training their own personnel.

Phase 1 – Designers Produce “Shapes”

The organisation typically only expects that the designers provide nice shapes. After all, this was supposed to be the basic competence they learned at art school.

When the designers become good at it, the organisation faces its first development obstacle or a gap in the available knowledge **K1**. The better the designers are, the more often they get invited to more

complex projects, sometimes even to several concurrent projects. This is the phase when the role of a designer no longer needs to be “sold” to the organisation, because it has already “bought” it. But if the organisation aims to increase the measurable impact of *design*, it needs to add co-operation and systemic thinking to the range of competencies its designers have.

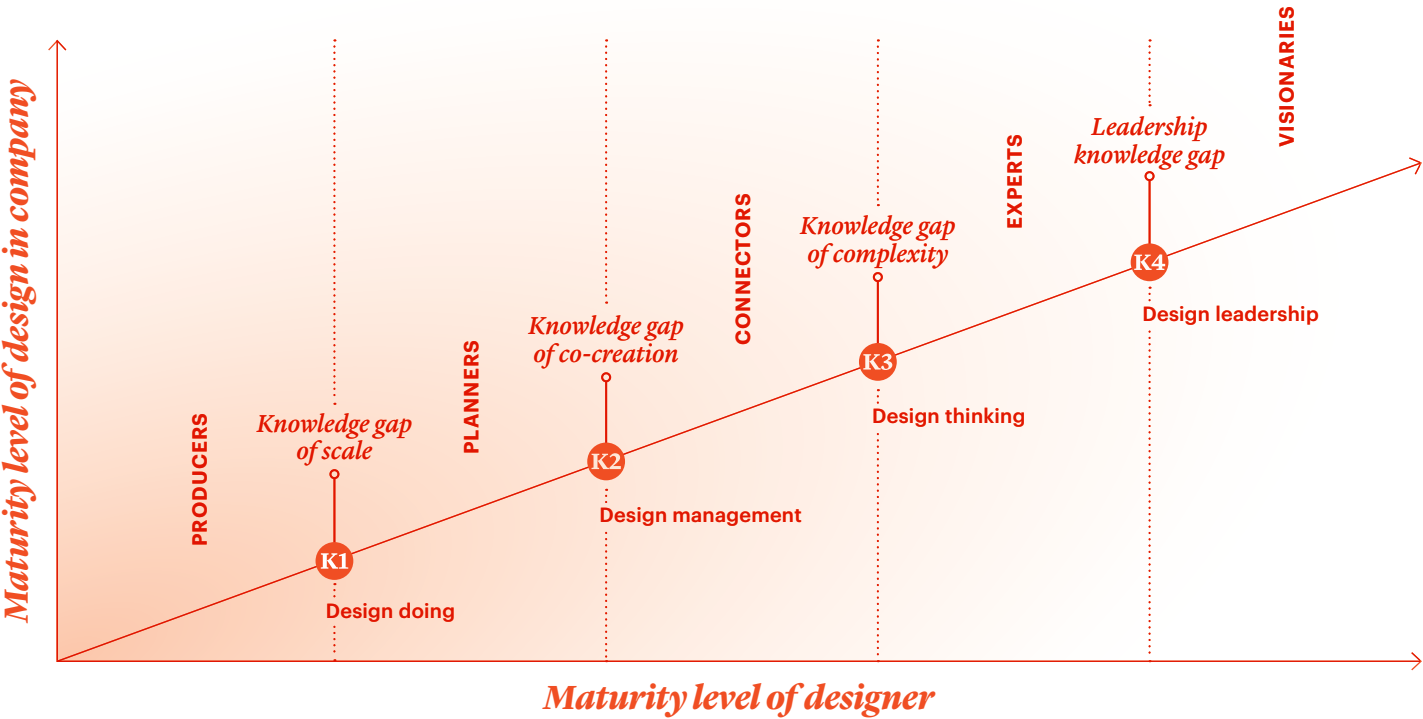
In this phase, system design skills, such as *product portfolio* or the *touchpoint ecosystem*, will provide growth for the company. For a successful transition from producing one-time “shapes” to designing systems, the management must ensure broader internal *design* competencies and capacities and also gain qualifications itself, especially to efficiently and successfully lead the designers in larger and more complex projects.

Phase 2 – the Organisation Implements the Design Planner Function

The conditions for design planning are met when the internal design contractors and the designers reach the ability of co-operation and system thinking. The planners now work with larger internal and/or external teams of designers, using modern design tools and designing systems instead of artefacts in their projects. On the basis of design instructions (“design briefs or design project baselines”), they design appealing solutions, while their work is still separated from other functions in the company. Following the increased scope, design gains a greater impact and is positioned higher in the strategic planning phases. However, design

Maturity Level of Design in a Company

Based on the competence model by Dennis Hambeukers, Design Leadership Notebook.



is still implemented by designers based on the orders and specifications of the organisation. At this development phase of design, the organisation faces its second development obstacle (K2). To overcome this obstacle, the organisation must enable access to the design function and processes to all internal functions and departments that are in any way connected with the company’s development goals. The designers will thus become solvers of the organisation’s business problems instead of “shape” producers. To succeed, they will have to allow their colleagues and management to enter the process itself, which may prove to be a challenge for any designer.

At this phase, growth will be facilitated by skills in successful co-operation. In our experience, organisations must recognise the importance of having narrower teams with a permanent position for a designer and the need to involve designers in planning at all phases. They must understand the way the design process works and how to connect it with other business processes. In order to successfully design systems, design has to convince the management of the value of a horizontal (instead of vertical

or sectoral) project set-up, cutting through the organisational silos among functions and departments. Finally, design has to co-create with the management clear design briefs (“design project baselines or briefs”) and the internal criteria of a good design. At this phase, a practical solution can be to create an internal Design Academy or join design sections, e.g. in marketing or R&D, elevating the professional level of both designers as well as non-designers. In organisations such as Adidas and LEGO, this contributes to better collaboration between design and management.

Phase 3 – the Organisation Connects Design

When connected with all internal departments or functions of the company, the designers can create much more efficient solutions. When it knows the problems and needs of users as well as all other business interests and implementation conditions, design gains a considerably greater impact. At this phase, design finally gains an excellent starting position from which to connect the needs of the user with the needs of the company and the possibilities

of technology. The individuals involved at this phase plan and lead the workshops, they know how to use design prototypes as an aid in the problem-solving process and they master the language of the business and technologies. As the internal design team becomes capable of connecting the needs of users and the organisation with the technological possibilities and gathering insights through design research, its design solutions become more aligned with the stakeholders’ interests. This will make their designs far more successful. At this phase the organisation faces a new development obstacle—complexity (K3), the third gap in knowledge. Developing of a greater number of design projects requires abundant resources and takes place in a complex world. In the end, most of the solutions simply do not work well enough or do not add enough value. Sometimes circumstances, market needs, or competition change during the course of the project. To solve such challenges, design must learn how to use more analytical approaches, thereby creating hypotheses and scenarios, conducting testing, and analysing the results. In other words, there is a shift from designing in order to solve problems to designing in order to discover and understand. The transition to more analytical business operations may require a great mind-shift from the organisation, hence merely conducting “Design thinking workshops” will not do. Training must present the leadership with the value of design approaches in terms of the contribution to the quality and success of the projects—visual thinking, using prototypes to gather insights and assessments of its orientation, managing innovation processes, and recognising the interconnections. Design will thus no longer merely fulfil assignments but rather co-create and transform them into successful user journeys. Design will have to develop comprehensible strategies and efficiently introduce them into all functions of the company.

Phase 4 – Design Becomes a Powerful Internal Expert Competence

Internal experts know how to use their design knowledge, skills and analytical capabilities. They know how to build, measure, and learn. By also applying design approaches, thinking, and a range of tools, they are able to take the projects

How Does the Head of Design Co-create the Organisation of the Future?

Design has three key management approaches available¹ for guiding and training other internal managers:

- 1 EMPATHY**
Heads of design are able to upgrade the view of management by focusing on the needs of customers and users (“outside-in thinking”). As they make the internal public aware of the potential design and trend research has, this will encourage other managers to focus their attention beyond their individual functions and stop putting the needs of the organisation before those of the customer (“inside-out thinking”). Orientation to customers and users is one of the key features of thinking in design. In this context, it is the responsibility of the head of design to teach and involve other managers in the new thinking—thinking as customers or users.
- 2 PRACTISING DESIGN**
Despite co-creating the company’s strategy, design still has a passion for creating things, which means hands-on prototyping, testing, and constant development of new versions. This also requires from the head of design the specific task of involving other managers in such practices, encouraging them to produce prototypes and new versions and involving them in testing the solutions—in the role of examiner as well as user.
- 3 RAISING AWARENESS**
By their very nature, designers are often focused, self-motivated, intuitive, creative, and inspiring. They can use their personal characteristics to foster trust, ambition, and forward-thinking at the boardroom table.

to a higher level, thereby reducing risk and boosting performance. At this phase, the organisation faces the final knowledge gap (K4). Design is no longer impacting only designers but rather entire organisations. High stakes and considerable interest from management need intensive communication, convincing story-telling, and increasing accountability. Because environmental challenges are solved with solutions that are continuously validated, design creates an enormous amount of value. The latter has a particularly strong impact on employees and their transformation. Design must now learn how to lead, because it is in a vulnerable position: the strategic

impact on management is an opportunity that design has been striving for many years, but it can also be a danger if design is unable to lead. Therefore, it must learn to control the organisation and management areas and to understand the operation of the organisation itself. It must be able to form an alternative organisation model and be familiar with the mindset of top management and its ways of planning the business strategy.

Design predominately needs the ability to guide and train other heads of departments and functions. Only then will it be able to develop the organisation of the future: using empathy to encourage managers to focus their attention beyond their individual functions and to co-create, test, and assess the solutions with other managers and users. In this way, design will have considerably greater success and will be able to co-create the corporate vision, leading to more purposeful business outcomes.

Phase 5 – the Head of Design as a Visionary

Design brings a unique view to strategy, organisation, and leadership because it can transform organisations and create visions of the future and roadmaps to get there.² Numbers and facts are not going to change organisations; only a new vision of the future can do this. There is, therefore, a growing need for a new kind of leadership in organisations—one that is based on accountability and creativity.³ A strong vision can be an important driver of changes: a visionary is able to use a variety of skills and tools and the mindset to solve business challenges. And design is certainly in a great position to present a new vision to the leadership, encouraging them to imagine a different future. ●

¹ Deepak Chopra, *the Soul of Leadership*, 2010, Harmony Publishers, New York.

² Nuttawuth Muenjohn, Prem Chhetri and others, *Design Leadership: A Conceptual Framework of Leadership, Design and Team Performance*, DOI: 10.7763/IPEDR. 2013. V60. 32.

³ Maria Giudice, Christopher Ireland, *The Rise of the DEO*, New Riders Publishing, 2013.

If we want to fully and sustainably exploit design potential, all employees should be educated and trained and also led intensively and continuously through all predicted levels of growth.

— *Frans Joziasse*

Case Studies

We have brought together seven examples of good practice, with detailed timelines presenting the six Slovenian enterprises and one public entity that participated in the Competence Centre for Design Management (KCDM).

How to Read the Timelines

The experiences of the participating companies are represented in a way that allows an insight into reactions and decision-making when faced with different challenges. The role of design in the organisations is described along with the model of the four steps of design management maturity and the increasing need for the development of competencies.

The training schemes of both editions of the Competence Centre for Design Management have been added to the timelines. The profiles of the employees involved are described, as well as an overview of the time and funds spent, and links to the types and content of training that employees from respective levels participated in are provided.

- KCDM training is structured in 5 groups depending on the activities (participation, informing, exchange of experience, demonstration, training, workshop, consulting, consulting, and mentoring), contents and their form:
- international design management events
 - expert training and training organised by the KCDM
 - inter-partner connections and networking
 - internal training in companies
 - other training that the companies chose according to their own needs

The red dots above the timeline mark knowledge gaps at certain points in time. You can find more about the gaps on pages 41–44.

The structure of the timelines follows the staircase model (for more information about the staircase model see pages 12–13). The timelines reveal the level of organisation competencies in the area of design management at certain points in time.

If the organisation participated in KCDM 1.0, the time period of this project is marked in yellow on the timeline.

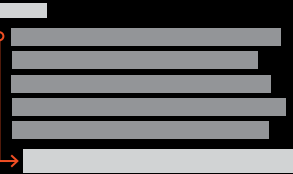
If the organisation participated in KCDM 2.0, the time period of this project is marked in blue on the timeline.

1st level of design management
No design

2nd level of design management
Design as project

3rd level of design management
Design as process

4th level of design management
Design as culture



The dots in the timeline document the challenges that the organisation faced and the measures it adopted in response.

Adria Mobil

From Competing on Price to Wining with Performance

Case Study

Company profile

With a history reaching back more than 50 years and a turnover of more than €446 million, Slovenia-based company Adria Mobil Group is today one of the biggest RV and mobile home companies in Europe. Presented through a wide dealership network across 30 EU markets it is considered one of the leading brands in its sector, based on high brand image, the well-recognised design of its products, and high perceived quality resulting from state-of-the-art manufacturing.

adria-mobil.com

Company logo



Company structure (2018)

○ Design related ● Design educated

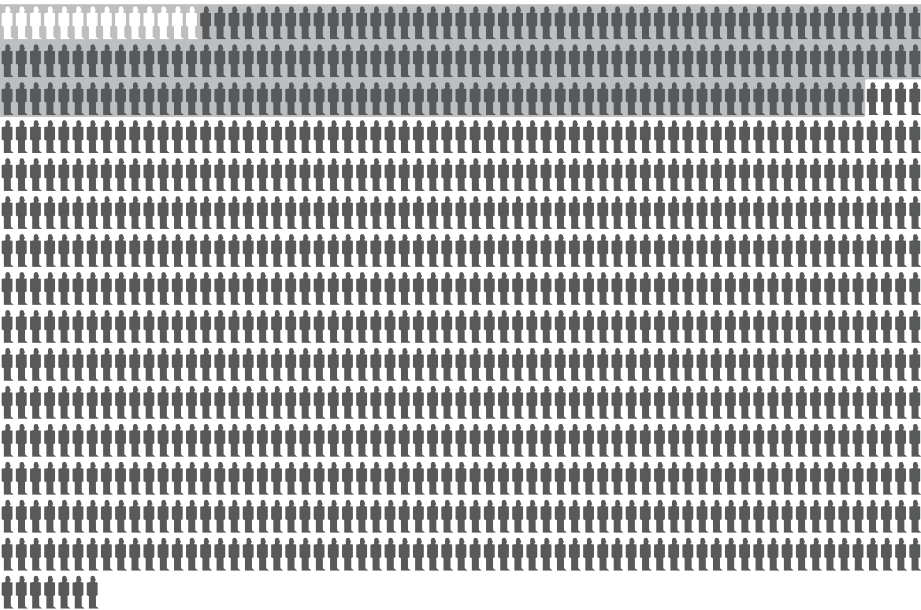
Strategic level 1+15



Tactical level 98



Operational level 982

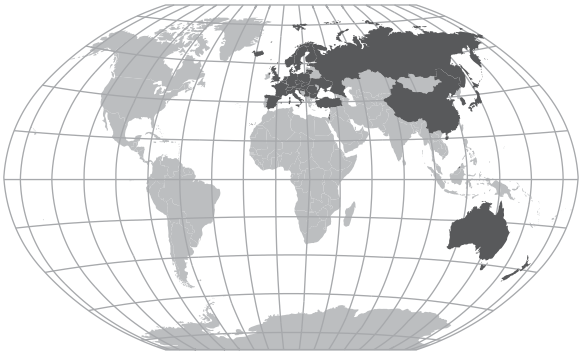


Markets and sales (2018)

30
markets

446M
sales

Data refer to the Adria Mobil Group



1996–2008

Technology Driven

Adria Mobil was born again from its predecessor’s liquidation in 1996. With impressive growth, Adria reached a significant position on the market in the following 12 years. During these years, the company was engaged in the accelerated development of new products, based on its own technological knowledge and limited design impact, and product policy was mainly influenced by distribution partners, without the integration of brand communication and a price strategy. This period ended with a sharp decline of the European market and, consequently, an even greater decline in the volume of the company’s business.

2009–2013

Design Management Introduced

In 2009, the company reached the turning point of a fairly large transformation, based on a greater focus on the market and the consumer. In addition to new sales and marketing approaches, the company adopted a new product strategy with unified platforms for regional customisations and design management, which resulted in collaboration with professional designers in the early development conceptual phase. The results of this activity were better product efficiency with higher price mix resulting in increased profitability and business partners’ confidence, and higher brand attractiveness in a still declining market environment.

2014–2018

Design Management as a Process

During this period, the company developed a strategy of product development through the process of product management, which gave rise to new development projects and initiated connections with external designs services in the product development process. The company increased investment in design, in-house design knowledge and the resources for it, and by joining the KCDM, it also increased awareness of the benefits of design management. New products that entered the market during this period became extremely recognisable and successful on the European market, elevating the Adria brand to the middle / premium class with a very balanced product portfolio that included all product groups and product families. The company and the Adria Mobil brand became one of the three largest brands in the European market.

2019–2023

New Ambitious Goal: Design as Company Culture

The company has set itself a very ambitious target for the future. In order to achieve this goal, the company needs to ensure a more comprehensive product development, with an emphasis on an earlier development conceptual phase, through the rapid development of so-called product life cycles and a growing diversification of market needs and rapidly changing trends. Design thinking has brought breakthrough innovation solutions, met the challenges of the competition and new regulations, and developed a roadmap for the next generation of products that will gradually enter the market and will have to successfully deliver the given strategic growth and profitability.

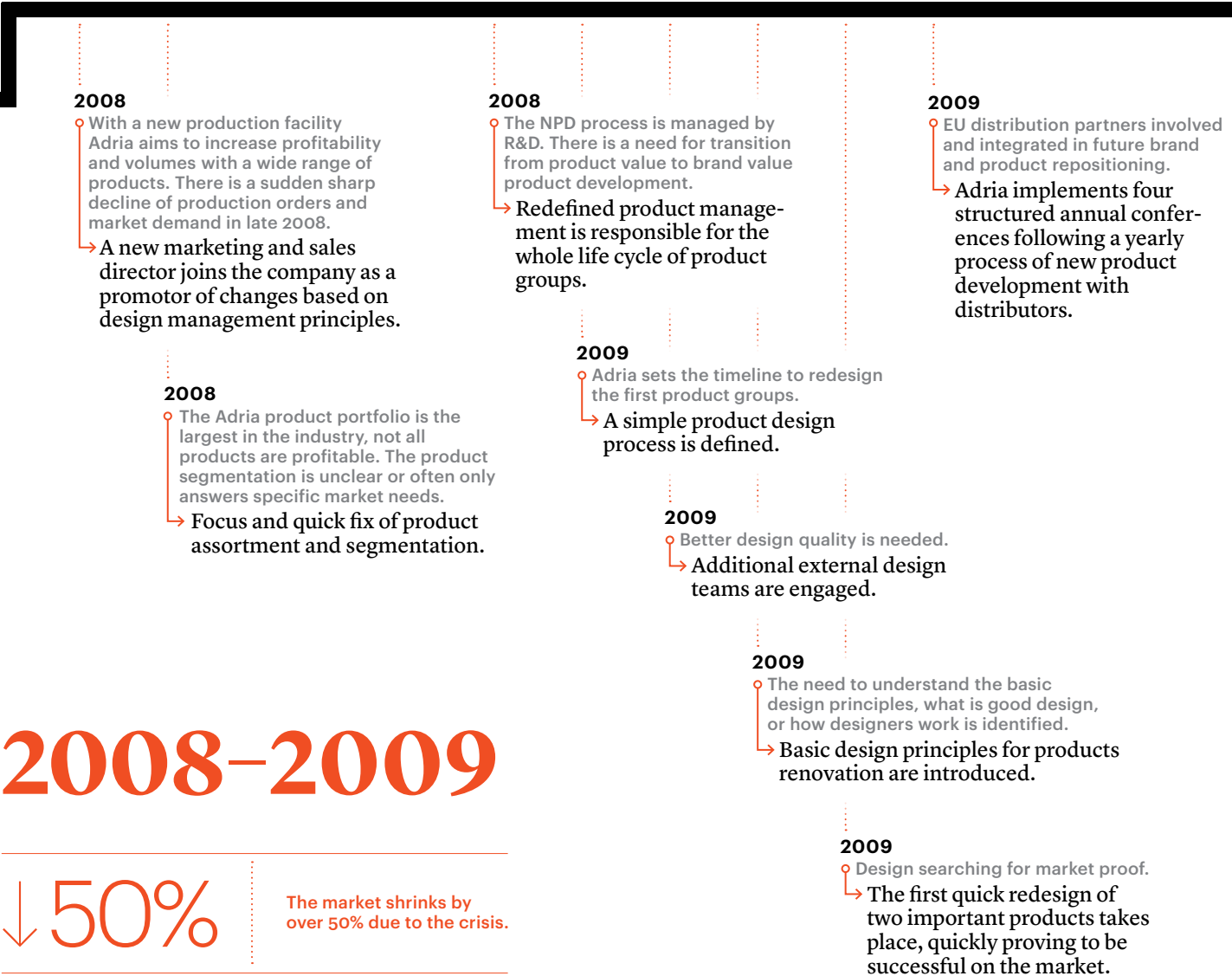
Ten years ago, if you asked a hundred consumers from the market what they thought about Adria, they would know it for two things: quality and price. If you were to do the same thing today, the consumers would recognise Adria for its quality and design.

Matjaž Grm

Sales and marketing executive director, Adria Mobil

2nd level of design management

Design as project



K1

1ST KNOWLEDGE GAP

The increasing scope of design projects

Design has already gained trust in the company. From designing individual projects, design broadens to designing system solutions. To establish such co-operation, designers must help companies acquire a set of new competencies to improve understanding of co-operation and systemic thinking.

[← P. 41]

K2

2ND KNOWLEDGE GAP

The ability to co-create

Organisations employ the design planner function. In the design process, companies co-operate with designers; design is increasingly connected to the organisation and ranks higher in the strategy; however, planning is still run by individual development or marketing offices and is isolated from other business operations.

[← P. 42]

3rd level of design management

Design as process

2010

- Newly developed products have to be better aligned with market needs.
- Reorganisation of activities and roles between R&D and marketing.

2012

- Repositioning of brand value from price-oriented to user-oriented innovation.
- Real user innovative solutions are integrated into products.

2011

- Product portfolio has no brand consistency.
- A five-year development plan for the renovation of the entire product portfolio based on design activities is introduced.
- Redefinition of product modularity.
- Definition of unified product design language, first products enter the market.

2011

- Increased brand value and differentiation of the Adria portfolio.
- Guidelines set for basic user experience innovation.

2011

- Gaining self-confidence with different new styling.
- The first sales of restyled products are followed by important international awards.

2013

- The need for a systematic approach to gaining new DM competences is recognised.
- Adria joins KCDM 1.0.

2013

- Exploring the potential of DM.
- First validation of design management competences.

2013

- A need for better product presentations of renewed product portfolio.
- Redesigned communication of renewed products.
- Better structured and positioned product segmentation.

BEGINNING OF KCDM 1.0

KCDM COMPETENCE
CENTER FOR
DESIGN
MANAGEMENT

2013-2015

Adria Mobil

KCDM 1.0 record sheet

Adria Mobil aims to firmly incorporate design management into the company's strategy, wishing to achieve better visibility of their products in the mature Western European markets. This differentiation will result in an increased market share and higher added value of the company.

No. of employees involved in KCDM training at this level
Total no. of hours spent by employees at this level for training

8 285h

Strategic level



76 1,891h

Tactical level



191 1,391h

Operational level



275

No. employees on training

3,567h

No. of training hours

€43,300

Investment in education

INTERNATIONAL DM EVENTS

Attendance at Leading Business by Design, Design Council, Great Britain, 2014

Attendance at Service Design Global Conference, Creating Value for Quality of Life, 2014

THE KCDM EDUCATION AND TRAINING PROGRAMME

Attendance at KCDM conferences

Education in the field of design management skills 10, 12, 14, 15, 16

6-month Grow Design Leadership Programme 3, 4, 5, 6, 7, 8, 9, 13

INTER-PARTNER EXCHANGES AND NETWORKING

One-to-one exchange of experiences

KCDM partnership meetings – exchange of experiences

Demonstration of the design management process in KCDM's partner companies (Gigodesign, Adria Mobil, Studio Moderna)

IN-HOUSE TRAINING

Communicating design, design management, and visual communications 1, 2

Introducing a new corporate design of the Adria Mobil brand

Strategic workshop and revision of processes

Counselling and managing E2E process revision

OTHER

Attendance at national professional conventions, forums, and conferences

Training in professional skills linked to design management 21, 22

"Soft skills" workshop 11, 17, 18, 19, 20

Legend of education topics

- | | | | |
|----------------------|--|--|--|
| 1 DM staircase model | 8 Design methods and tool | 14 Service design | 20 Business communication |
| 2 Introducing design | 9 Design quality | 15 Architecture and ergonomics | 21 Project management in practice |
| 3 Design leadership | 10 Role of design and future of brands | 16 Intellectual property rights and authors rights | 22 Sales management and customer interaction |
| 4 Design management | 11 Corporate communication | 17 Presentation skills | 26 Design thinking |
| 5 Design disciplines | 12 Brand strategy | 18 Negotiation skills | 35 Other |
| 6 Design brief | 13 Design language | 19 Copywriting | |
| 7 Design process | | | |

Managing the complexity

Design spurs the dialogue between technological possibilities, users' needs, and business interests, thereby increasing the number of design projects that require more resources and are more complex. Connecting and using a more analytical approach, design research, and design thinking becomes a must.

[← P. 43]

K3

CONCLUSION OF KCDM 1.0

BEGINNING OF KCDM 2.0

2017

6,6%

Adria Mobil achieves 6,6% market share in EU.

2014

- Outdated corporate identity not supporting the new strategy.
- Corporate identity renovation.
- Renewal of corporate communications.
- Updated identity fitting to new products.

2014

- A need for unified product and brand communication throughout distribution channels for reaching the end user.
- Adria reinforces its marketing competence and enters into multichannel with more focus on digital.

2014

- Need to prove consistency in innovation and design.
- Adria continuously presents highly differentiated products gaining user awards and publicity.
- Users recognise the higher value of Adria's products.

2014

- Gain awareness of the importance of design in new product development throughout the organisation.
- Regular design and design management presentations for the majority of employees.
- Presentations of new product design directions.

2015

- Following the five-year portfolio of renovation plans.
- The last products are redesigned following the plans.
- Design language applied to the whole product portfolio.

2015

- Adria celebrates its 50th anniversary.
- Showing the achievements of the last five years to 500 guests from all over the world.
- An integrated product launch & communication campaign, best demonstrated with 50th anniversary special edition products.

2015

- As a result of the 2.5-year KCDM project Adria redefines its product management approach with:
- More structured design management.
- More trust in external design resources.
- Clearly defined yearly design briefs, processes, project gates.
- More active integration of R&D and technology department into design process.

2016

- A need to include all stakeholders in the new product development process.
- Starting to redefine E2E development process with external DM experts.

2016

- It becomes clear that there is a need to develop design solutions better aligned with current and future user needs.
- First systematic design research project executed on the most important markets.

2017

- The need to increase and optimise design outputs is identified.
- New user insights are used to inspire innovation.
- New product development is led by internal multidisciplinary team and external design studios using methods of design thinking.

2017

- Planning the investments for the next five years of design and R&D activities.
- Adria start to implement its first proper new design strategy complete with road map planning up to 2025.
- The mainstream products are continuously face-lifted and restyled to maintain their consumer attractiveness.

2017

- A need to manage complex development processes.
- Implementation of new E2E development process, integrating design management and leadership governance into all phases, stages and functions.
- KCDM 2.0 Design Diagnostic evaluates and guides company activities for higher design excellence.

2017

- The need to redesign the sub-brand "Sunliving" becomes apparent
- Adria redefines its sub brand "Sunliving" to attract new consumers.

2018

- More time needed for experimental development of new-to-market concepts.
- Adria establishes an early development phase to thoroughly mature concepts throughout the exploration phase.
- Regular experimental prototyping methods are used for fast, iterative improvement.
- Empowering R&D and S&M teams to develop the right solutions for a new generation of products.

2018

- A need to increase fast and better decision making among different departments.
- Design thinking methodologies are frequently used.

2018

↑19%

Adria Mobil records a 19% growth, produces 12,800 pieces, and is ranked among the top three brands in the EU in the trailer program, and among the top five in motorhomes and vans.

To further strengthen Adria Mobil's excellent market position and to introduce the innovation processes as separate product development processes, providing a good platform to ensure product excellency and differentiation.

No. of employees involved
in KCDM training at this level
Total no. of hours spent by
employees at this level for training

8 826h
Strategic level

30 2,240h
Tactical level

49 2,091h
Operational level

87
no. employees
on training

5157h
no. of training
hours

€39,800
investment
in education

INTERNATIONAL DM EVENTS

Attendance at the DMI Europe, Design and Innovation Management in the Age of Transformation conference, Bonn, 2018

Attendance at the DMI Europe, Managing Disruption in an Uncertain World conference, London, 2019

THE KCDM EDUCATION AND TRAINING PROGRAMME

Attendance at the KCDM Kick-off Conference

Education in the field of design management skills 10, 28

6-month Grow Design Leadership Programme, 2nd and 3rd generation 3, 4, 5, 7, 8, 9, 13, 23, 25, 27, 29, 30, 33

INTER-PARTNER EXCHANGES AND NETWORKING

One-to-one exchange of experience

Grow Alumni – exchange of experience and networking

Demonstration of the design management process in KCDM partner companies (JUB, Kronoterm, SIP, Steklarna Hrastnik, Primož Mahne, Gigodesign, Intra lighting)

IN-HOUSE TRAINING

Adria Mobil strategic workshop

Innovation Week workshop

Counselling and managing E2E process revision 28

Counselling and managing the implementation of E2E development processes

OTHER

Attendance at national professional conventions, forums, and conferences

Training in professional skills linked to design management 34, 35

Legend of education topics

- | | | | |
|----------------------------|--|-----------------------------------|----------------------------|
| 1 DM staircase model | 10 Role of design and future of brands | 17 Presentation skills | 27 Design strategy |
| 2 Introducing design | 11 Corporate communication | 18 Negotiation skills | 28 Early innovation phase |
| 3 Design leadership | 12 Brand strategy | 19 Copywriting | 29 Design research |
| 4 Design management | 13 Design language | 20 Business communication | 30 Design research methods |
| 5 Design disciplines | 14 Service design | 21 Project management in practice | 31 User experience |
| 6 Design brief | 15 Architecture and ergonomics | 23 Design presentations | 32 Brand touchpoints |
| 7 Design process | 16 Intellectual property rights and authors rights | 24 Determining brand value | 33 Design value |
| 8 Design methods and tools | | 25 Design resources | 34 Digitalisation and AI |
| 9 Design quality | | 26 Design thinking | 35 Other |

CONCLUSION OF KCDM 2.0 AND THE PUBLICATION OF THIS BOOK

2019

An increased need for in-house design competences.

Adria starts employing design professionals.

2019

Ambition to become a design-led organisation and the leading brand in the RV industry.

External mentoring of top management to empower design leadership across the entire organisation. Adria receives the final KCDM 2.0 validation of company progress in the company design management function.

2019

Ambition to enter the premium consumer segment.

Adria starts to develop a new product category, reconfiguring the use of caravans with unique solutions and launches an innovative first new product category.

K4



Video
case study



4th level of design management

Design as culture

We have ambitious plans for strategic growth and we believe in the importance of comprehensive (E2E) product development and transformation as a platform for successful and exciting new product generations that will ensure our company becomes “the most desired brand in the European leisure vehicles industry”, while making design management an important part of the company's culture.

Matjaž Grm

Sales and marketing executive director, Adria Mobil

Intra lighting

Outshining it All by Adding Service to the Product

Case Study

Company profile

Intra lighting manufactures architectural lighting and offers comprehensive lighting solutions. The company, registered in Slovenia, has three production facilities: in Slovenia, Croatia, and Serbia, and eight branch offices: in the Netherlands, Germany, Croatia, Serbia, Bosnia and Herzegovina, the United Arab Emirates, Italy, and Spain. Three decades of tradition, continued investment in development and responsibility to the environment qualify the company as one of the leaders in its field.

intra-lighting.com

Company logo



Company structure (2018)

○ Design related ● Design educated

Strategic level 5



Tactical level 55



Operational level 190

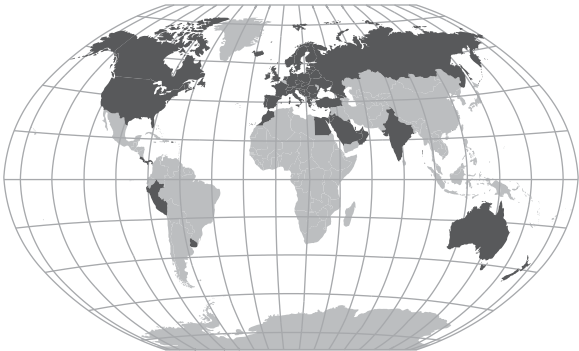


Markets and sales (2018)

60
markets

31M
sales

Data refer to the Intra lighting Group

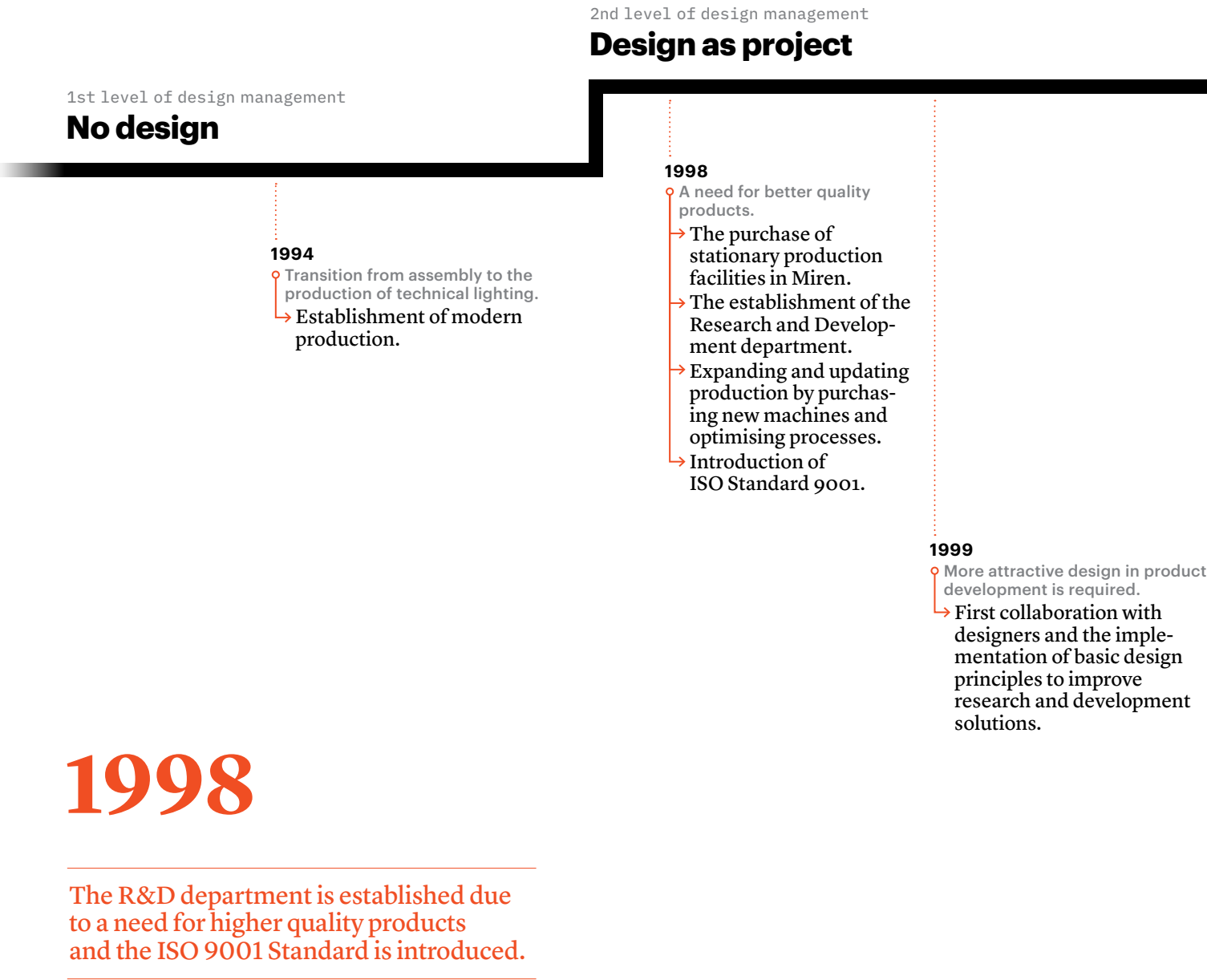


1989–1993	<p>Background</p> <p>The first connection with lighting arose when Marjeta and Marino Furlan, still students at the time, started assembling lights as gifts for their friends. In 1989, they established the company Intra, and in 1990, they started trading in decorative lamps. The first buyers were lighting installers and lighting shops.</p>
1994–1999	<p>Modern Production of Technical Lighting</p> <p>The owners of Intra spot an opportunity in the field of technical products, so in 1994, they established the first modern manufacture, and in 1996 the company was renamed Intra lighting. The market was expanding; they soon began producing up to 20,000 pieces a month. By 1998, the focus was on building quality, setting up production processes, purchasing new machines, and deploying the ISO 9001 standard. In 2008, the Research and Development department was established and Marino became a permanent member of the Intra lighting team. The quality improvement was well-accepted on the market, but just making “light boxes” was not enough of a challenge for Marino.</p>
2000–2008	<p>Transformation from a Technical to an Architectural Manufacturer</p> <p>Building a portfolio that would be interesting to architects took a lot of time. Intra lighting established its own brand, which the market took to well. From 2003 to 2007, branches were established in Bosnia and Herzegovina, Serbia, the Netherlands, and Denmark. New markets began to open, the production capacity and product portfolio were increased and the company was exposed to further diversification with additional product designers. In 2008, the first project was realised in Scandinavia, using only LED lamps.</p>
2009–2015	<p>From Product Provider to Solution Provider</p> <p>The company experienced its greatest transformation. When the crisis occurred, the company was not prepared for it. However, every crisis is also an opportunity to grow. They decided to tighten the budget on everything except sales trips. In this period, the company made some of its largest investments: the laboratory, the new administrative building, the ERP system, and the central logistics centre. In 2010, Marino and Marjeta Furlan won the Slovenian Entrepreneurs Award. The newly implemented design management approaches received the first important recognition—the honourable mention at Design Management Europe Award. This period marked the transition to LED technology.</p>
2016–2020	<p>Focus on User Needs</p> <p>Intra lighting began to produce recognisable high-quality products, followed architectural trends, and completely transformed the development process. It diverted attention from the product to the solution. The company acquired several top references, such as: Facebook, Microsoft, Ferrari, Volvo, and others. It continuously improved the process of launching products on the market and developed suitable presentation tools. Prestigious design awards were also becoming common: Red Dot, Good Design Chicago, and Good Design Tokyo, as well as a number of important national and international prizes. New important partnerships with lighting specialists were established to take the final step in the project approach.</p>

It is important to do something that nobody expects and that the majority consider impossible.

Marino Furlan

Co-founder and president, Intra lighting



The first project equipped only with LED technology is implemented.

K1

1ST KNOWLEDGE GAP

The increasing scope of design projects

Design has already gained trust in the company. From designing individual projects, design broadens to designing system solutions. To establish such co-operation, designers must help companies acquire a set of new competencies to improve understanding of co-operation and systemic thinking.

[← P. 41]

3rd level of design management

Design as process

- 2001
- Production capacity cannot keep up with market demand. It is difficult to find a suitable space and the right workforce.
 - A new production plant in Croatia is purchased for the production of the technical portfolio.
 - Investment in new machinery and the further modernisation of the production facility in Miren for the specialisation of production of the architectural portfolio.

- 2001
- Lack of knowledge and experience with lighting design, architectural planning, and sales-oriented projects.
 - Start of co-operation with lighting designers Louis Clair and Lars Beyond as advisers.
 - Training staff to better understand the role of light: which lamps best correspond to specific spaces and what documentation is needed to work on projects.
 - The first showroom is built in Miren.

- 2002
- Intra lighting aims to establish its own trademark and to cease production under other trademarks.
 - All products are produced under the Intra lighting brand name.

- 2002
- There is a need for a new product philosophy based on the development of platforms and product modularity.
 - The first flexible and modular family of products is launched that sets the standards for further products.
 - Basic ergonomic lighting standards are introduced into product design.

- 2003
- The old company identity does not support the new strategy.
 - Introducing a new corporate identity.
 - New packaging standards.

- 2003
- Improved and professionally trained support for sales.
 - Establishment of a marketing department with the professionalisation of sales materials.
 - Development of the innovative Intra Constructor tool for the easier design and ordering of complex lighting systems.

- 2006
- LED technology is gaining interest in the market. The lighting industry faces a decision on how to respond to the emerging technology.
 - A decision is made to actively monitor the market situation.
 - Intra lighting tracks new trends and technologies by testing different suppliers' patterns.
 - The first LED lamp is launched, which receives a nomination for the ID Design Award.

- 2007
- A The company identifies a need to reach end users, investors, and architects, and improve brand awareness as a provider of architectural lighting.
 - Establishing a representative space in Ljubljana and Zagreb for experiencing and learning about the importance of light in co-operation with one of the leading architectural bureaus in Slovenia.
 - An architect is engaged who can design lighting and advise architects.

- 2008
- The need is identified to extend the product portfolio to the illumination of hotels, shops, and outdoor spaces in Slovenia, Croatia, and Serbia.
 - A new range of decorative and external lighting with the acquisition of the company Tim*ing, a specialist lighting company that already has its own portfolio of products for outdoor and decorative purposes.
 - Intra lighting offers a comprehensive solution for lighting in local projects.

- 2008
- Due to a high number of sales, production capacity is at its limit: It is difficult to find a suitable space and the right workforce in Slovenia.
 - A new production plant in Serbia is obtained. It specialises in the production of plastic parts of lamps and finished products.

- 2008
- Intra lighting sets itself the challenge to create a comprehensive innovative reference project that will be based entirely on LED technology, and be among the first on the market to move to LED.
 - The first project, fully based on LED technology, is realised in Scandinavia and it sets new standards in energy efficiency and human ergonomics.
 - The first products are designed according to the needs of the project in collaboration with architects and light designers.
 - The project opens the door to new technology-based projects and builds trust and reputation on the market.

2002

The company stops producing under other brands and starts marketing its products under its own Intra lighting brand.

The ability to co-create

Organisations employ the design planner function. In the design process, companies co-operate with designers; design is increasingly connected to the organisation and ranks higher in the strategy; however, planning is still run by individual development or marketing offices and is isolated from other business operations.

[← P. 42]

2012

“Light where it is needed, when it is needed and as much as is needed” becomes the company’s DNA.

BEGINNING OF KCDM 1.0

2010

- Intra lighting explores its unique market position as a service provider.
- The establishment of an interdisciplinary team or “marketing parliament”, responsible for the development of new business opportunities and the excellence of products and services.

2010

- The need for new LED products and accelerating the transition to LED technology is identified.
- Co-operation with a specialist lighting design studio for the development of new products based on LED technology.
- Gaining knowledge and experience in LED lighting.

2011

- Switch from technical to market-oriented brand communication.
- New communication guideline and initiating co-operation with the communication agency.
- Everything visible—the definition of the new slogan and new brand positioning.
- Product presentation in a more confident way.

2011

- Building brand reputation with new products.
- Intra lighting decides to build on the visibility of its design and innovation; it begins systematically signing up for design contests and winning them.
- First international design awards.

2011

- Building the trust of staff and customers in the quality of products and the correctness of data in order to improve their confidence.
- One of the largest laboratories in the region is designed to measure products and produce product documentation.
- Testing competitive products to understand their strengths and weaknesses and the correctness of data.
- Intra lighting is among the first to offer a five-year warranty.

2012

- Processes need to be optimised: it is difficult to manage more than 200,000 different product options in procurement and production.
- For greater transparency and interconnection, a new ERP is introduced.
- The optimisation of the research and development process by introducing “generic products” in the ERP system, allowing for the easy management of BOMs, product changes, production processes and orders.

2012

- Intra needs more space for the administration, sales, and marketing departments, and at the same time a building that will represent the values of the brand.
- A new representative office is built in Sempeter, which pays great attention to design and architecture and improving the welfare of employees with lighting.

2013

- New specialist services aimed at investors and architects need to be introduced.
- The establishment of a project department and technical support, providing professional support for projects.
- The recruitment of lighting professionals and education on the design of light for employees.

2013

- Intra lighting obtains the status of a sustainable solution provider.
- Green focus: implementation of a green philosophy in all processes (product development, lighting design, production, packaging).
- The Intra Calculator tool is launched, which compares the cost of energy consumption of the product during the life span of the lamp.

2013

- Intra lighting solutions and products start to be refined, the need for new tools and presentations arises.
- New product presentation tools: presenting products through the “demobox” with the possibility of touch and testing.
- A new concept of product presentations showing the benefits of products and important details that standardise how all employees make presentations.
- Clearer product segmentation.
- Workshops and training for the sales department and partners on how to present new promotional tools.

2011

1,85M

Acquisition of the photogoniometric laboratory worth €1.85m.

Intra lighting wishes to improve the design knowledge, learn about the latest tools and models used by the competition, implement design management across all levels of the organisation, and precisely define the areas where the company shall enhance its competencies and, as a result, its competitiveness. The KCDM is an opportunity to connect with companies and to share experience from the global markets.



- INTERNATIONAL DM EVENTS**
- Attendance at Salone Internazionale del Mobile, Milano 2014
 - Attendance at DME Award; Honorary Mention for Intra lighting, 2015
- THE KCDM EDUCATION AND TRAINING PROGRAMME**
- Attendance at KCDM conferences 1, 2
 - Education in the field of design management skills 10, 11, 14, 15, 16
 - 6-month Grow Design Leadership Programme 3, 4, 5, 6, 7, 8, 9, 13
- INTER-PARTNER EXCHANGES AND NETWORKING**
- One-to-one exchange of experiences
 - KCDM partnership meetings – exchange of experiences
 - Demonstration of the design management process in KCDM partner companies (Gigodesign, Adria Mobil, Studio Moderna)
- IN-HOUSE TRAINING**
- Introduction to design, design management and visual communication 2
 - Demonstration of new products and technologies
- OTHER**
- Attendance at national professional conferences, forums, meetings
 - EXPO Milano
 - Training in professional skills linked to design management 9, 19, 35

- Legend of education topics
- | | | | |
|----------------------|--|--|--|
| 1 DM staircase model | 8 Design methods and tool | 14 Service design | 20 Business communication |
| 2 Introducing design | 9 Design quality | 15 Architecture and ergonomics | 21 Project management in practice |
| 3 Design leadership | 10 Role of design and future of brands | 16 Intellectual property rights and authors rights | 22 Sales management and customer interaction |
| 4 Design management | 11 Corporate communication | 17 Presentation skills | 26 Design thinking |
| 5 Design disciplines | 12 Brand strategy | 18 Negotiation skills | 35 Other |
| 6 Design brief | 13 Design language | 19 Copywriting | |
| 7 Design process | | | |

3RD KNOWLEDGE GAP
Managing the complexity

Design spurs the dialogue between technological possibilities, users' needs, and business interests, thereby increasing the number of design projects that require more resources and are more complex. Connecting and using a more analytical approach, design research, and design thinking becomes a must.

[← P. 43]

K3

CONCLUSION OF KCDM 1.0

2014

- There is a need for company DNA and market differentiation, concentrating all the activities of the company in one direction.
- "Light – where we need it, when we need it, and as much as we need" becomes the DNA of the company.
- Addressing future global lighting trends: sustainability, efficiency, quality.
- A focus on user needs.
- The impact of lighting on human well-being becomes an important cornerstone of product development and light design.

2014

- The transition to LED technology occurs more quickly than expected, so Intra needs to react and accelerate its transition.
- 50% of the product portfolio is adjusted to LED resources.
- Five new product families featured in LED technology.
- Creating new standard product platforms.
- Periodic and regular updating of technology to improve light parameters.

2014

- Intra lighting needs to professionalise the design management process in the company.
- Process analysis.
- Transforming the development and sales processes of products by optimising gaps and weak parts.
- Unifying the strategic objectives.
- The clear introduction of design management principles throughout the company.
- The exchange of experience and knowledge with KCDM partners.
- Starting product-based innovation and redefinition of the service as a whole.
- Transforming the employment structure, redefining accountability and a new way of collaborating to market Intra lighting as a solution provider.

2015

- Setting an objective – to enter into demanding international architectural projects and to start working with established architects.
- Intra lighting provides lighting for the Slovenian, Japanese, and Estonian pavilions at Expo Milano 2015.
- Entering other international projects.

2015

- With the analysis of the portfolio, the need to develop products for offices and shops becomes clear.
- The development of five new product families.

2014

50%

50% of the product portfolio is adapted to LED technology, including 5 new product families.

Design becomes an influential internal professional competence in the management of all organizations. Leadership includes management, promotion and the development of design skills to increase the company's value.

[← P. 43]

K4

4th level of design management

Design as culture

BEGINNING OF KCDM 2.0

2016

- The company focuses on user needs.
- Changing the perspective on what users need and how to offer them a comprehensive solution.
- Testing all marketing tools in the training programme for new employees, exploring the good and bad practices of competitors and other niches, getting feedback from the market and from partners.
- Renovating the catalogue according to the findings.
- Simplifying marketing tools, presentation through photos, visualisations, product stories.
- The simultaneous generation and creation of content to improve user experience.

2016

- The company acknowledges a need for a 100% shift to LED technology.
- 95% of products in the general catalogue are LED.
- Lowering product prices to accelerate and increase sales of LED products.
- Presenting the benefits of LED technology in training and in market communication.
- The abolition of products sold in smaller quantities.

2017

- Better management of complex development processes is required.
- Intra joins KCDM 2.0 with the aim of improving design excellence, and integrating design management and leadership at all phases, stages, and functions.
- Second competences validation in design management and changes in certain processes.

2017

- Intra wants to be a leading trademark for lighting in the digitalisation of its products on BIM.
- Intra prepares 3D models for the BIM library and is among the 7 brands with the most downloads.

2017

- The need to unify brand contact points becomes important.
- Updating the corporate video and company presentation.
- The new design concept of the website in line with the renovated catalogue.

2017

- Control of the complex configuration of lighting systems is difficult.
- Introducing new services not offered by anyone else.
- The renovation and rebooting of Intra Constructor: an improved user experience with the ability to design a light system in less time (from 20 minutes to less than a minute).

2017

↑47%

Intra lighting is recording a 47% turnover growth.

KCDM 2.0

COMPETENCE CENTER FOR DESIGN MANAGEMENT

2017-2019

Intra lighting

KCDM 2.0 record sheet



REPUBLIC OF SLOVENIA
MINISTRY OF ECONOMIC
DEVELOPMENT AND TECHNOLOGY

Intra lighting wants to improve its product development and market launch process. By formulating better starting points for new product development, cutting and optimising development time, and preparing new promotional materials and services, they want to increase product differentiation and kick-off project sales before the product is launched.

No. of employees involved in KCDM training at this level
Total no. of hours spent by employees at this level for training

4 279h

Strategic level



21 693h

Tactical level



27 488h

Operational level



52

No. employees on training

1,460h

No. of training hours

€26,500

Investment in education

THE KCDM EDUCATION AND TRAINING PROGRAMME

- Attendance at the KCDM Kick-off Conference
- Education in the field of design management skills 10, 28
- 6-month Grow Design Leadership Programme, 2nd and 3rd generation 3, 4, 5, 7, 8, 9, 13, 23, 25, 27, 29, 30, 33

INTER-PARTNER EXCHANGES AND NETWORKING

- One-to-one exchange of experience
- Grow Alumni – exchange of experience and networking
- Demonstration of the design management process in KCDM partner companies (Kronoterm, SIP)

IN-HOUSE TRAINING

- Consulting and mentoring – early innovation design approach

OTHER

- Attendance at national professional conferences, forums, and meetings
- Training in professional skills linked to design management 34

Legend of education topics

- | | | | |
|----------------------------|--|-----------------------------------|----------------------------|
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| 8 Design methods and tools | | 25 Design resources | 34 Digitalisation and AI |
| 9 Design quality | | 26 Design thinking | 35 Other |



Video
case study



CONCLUSION OF KCDM 2.0 AND THE PUBLICATION OF THIS BOOK

2018

- Intra lighting wants to become a recognisable brand.
- Replenishing the portfolio with hotel products.
- 10 new product families featured, three launched.
- Identifying the unique products and services of Intra.
- Seven-year guarantee for building further trust.

2018

- The company sees a gap in the portfolio for a product to attract established international architectural bureaus.
- Finding a solution for tracking fluidal architectural forms in the most demanding projects and introducing a new product line that does not yet exist on the market.

2018

- It is difficult to manage product changes and maintain the correctness of bases and product documentation.
- Making one database for more than 650,000 product options in ERP.
- Unifying data on the website, in price lists, offers, and technical documentation from one resource in the ERP.

2018

- There is a need to transform the website as it does not follow the brand identity.
- Launching a new website designed to address the needs of architects, lighting designers, investors, and sales staff.
- Introducing detailed presentations of products and the configurator to allow product configuration in 10 seconds.

2018

- The company recognizes the need to get known brands to become part of the company's reference portfolio.
- Realised projects: Ferrari, Microsoft, Facebook, Oracle, Volvo.

2018

- Due to outstanding growth of 47%, production becomes a challenge.
- New team members and the robotisation of certain processes.

2018

- The company considers how to conquer the American market.
- LFI LightFair International in USA for brand presentation on the US market.
- New marketing tools and product certification.

2018

- It is important to think more than three years ahead.
- Building a long-term strategy.
- An early innovation team is assembled to design a plan for the next 5–10 years.
- The implementation of the new E2E development process, which includes the management of design and leadership in all phases, stages and functions.

2019

- Intra lighting celebrates its 30th anniversary.
- Celebrating with all staff from nine countries.

2019

- The need to improve the sales process is recognised.
- B2B Sales for partners and buyers with process optimisation.
- Automation of project documentation.
- Time savings in the customer support department and eliminating errors in copying orders between different files and systems.
- Optional 24/7 data access.

2020

- The need for a single location becomes clear.
- Migration of production and technical departments to Šempeter in order to have all key divisions in one place to improve co-operation.

2020

- The company identifies the need to shorten marketing time.
- Improving the process of developing and launching the product, the further synchronisation of departments.
- Selling products before launch.

2020

- The company decides to tackle the need to create integrated experiences that create differentiation on the market.
- The development of design solutions that are better aligned with today's and future user needs.
- Light Centre – Light Experience Centre showing different areas of use and exposure options.
- Visualising apps to better understand products, lighting in general and its shapes.
- Building a database of applications and improving the training process, the sales process, and introducing new ways of presenting.

2018

Realised international projects:
Business facilities for Ferrari,
Microsoft, Facebook, Oracle, Volvo.

Finally, not everything at Intra lighting is about lumens, lux, and efficiency, but there is also design, users, and the impact of light to consider.

Nika Furlan
Marketing, Intra lighting

JUB

Linking Lifestyle Choice with a Helpful Productt Portfolio

Case Study

Company profile

JUB is considered one of the oldest wall paint manufacturers in Slovenia and on the surrounding markets. The production of mineral paints in Dol pri Ljubljani, where the company is still located today, dates back to 1875. Today, JUB is an independent international company focused on marketing system solutions for finishing works in construction. It generates sales in more than 30 countries across Europe and the world. The company’s vision is to become consumers’ first choice on the leading markets.

jub.si

Company logo



Company structure (2018)

○ Design related ● Design educated

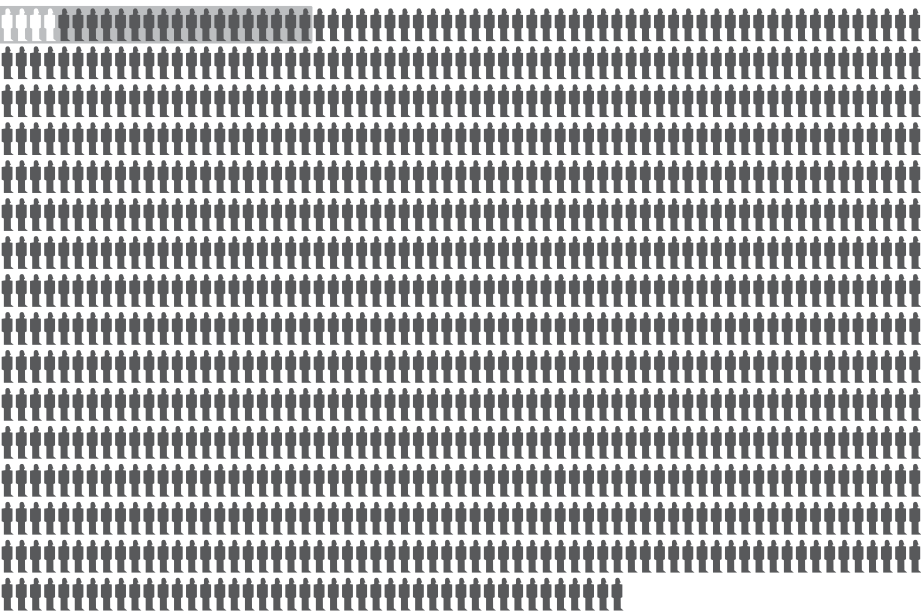
Strategic level 12



Tactical level 70



Operational level 718

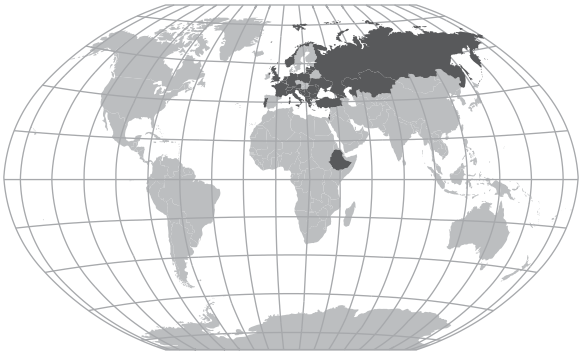


Markets and sales (2018)

37
markets

110.7M
sales

Data refer to the JUB Group



1875–2007

The Beginnings

The beginning of paint production in Dol pri Ljubljani dates to 1875, when grain mills were repurposed for grinding earth colours. After World War II, the company fell into the hands of the public limited company Jugoslovenska industrija ulja i boja Zagreb, abbreviated to JUB. In 1969, JUB launched JUPOL paint, which would later become the most well-known brand for interior wall paint in the markets of the former Yugoslavia. The company also began its development in the field of facades. Privatisation took place in 1993: as much as 60% of the ownership was attributed to workers, retirees, and their relatives. With the disintegration of Yugoslavia, sales halved. Successful privatisation and prudent business decisions in the following years steered the company away from crisis.

2008–2011

Overcoming the Crisis

The construction industry crisis of 2009 greatly affected JUB’s operations. Product sales began decreasing rapidly. Due to the contraction of the market and decreased purchasing power, JUB was facing a serious challenge to growth during the crisis. The company followed its growth strategy with a focus on the consumer and the market. The focus was also on optimising distribution routes to achieve competitiveness in more sensitive markets.

2012–2014

New Development Calling for Design Management

During this period, several changes occurred both in the product portfolio and in the market approach. Novolit from Nova vas, known on the market for its expanded polystyrene insulation, became part of the JUB Group. The drop in purchasing power affected several markets and also the profitability of the Group. The focus was on the development of façades, in which the company saw the best opportunity to increase sales. The volume share of interior paints in total sales began to decline, from 30% prior to the crisis to 20% in 2014, announcing an important change in the sales structure. A period of major legislative changes due to the new EU regulations began.

2015–2017

Management of Complex Processes

The complexity of the company’s operations was increasing. The product portfolio was expanding with less profitable products, which resulted in a drop in value-added per employee. JUB introduced a new information system. AHA Plastik, specialised in the production of packaging, became part of the Group during this period. In 2017, JUB launched the marketing of the JUB Home passive houses. The growing problem was reflected in low sales of newly developed products, while renewed products recorded good results.

2018–2019

Design Management Is Integrated into Processes

The lack of certain raw materials on the market, lack of labour force, higher unit production costs, and the expansion of the portfolio with fewer profitable products had a negative impact on the company’s operations. The first signs of an economic slowdown were showing. The mindset of the company started changing: sales growth must also be followed by an increase in profit and added value per employee.

Design is an opportunity to connect the conscious and unconscious needs of our customers to the options we offer. It opened our eyes to an incredibly large number of opportunities within the company, which needs to be known and oriented toward market superiority.

Dragan Stajić

Member of the board for Marketing and R&D, JUB



↓15%

Sales dropped from €82 to 70 million in two years. The company was forced to search for ways to grow.

Stagnant market, price war, and strong legislative pressures on manufacturers in the industry.

2010

- Purchasing power drops, especially in the markets of the former Yugoslavia.
- Launch of the budget line of professional products in order to protect the profitability of the regular product range.
- Optimisation of distribution through the reduction in number of intermediaries between the company and end consumer.

2010

- Due to the crisis, there is a need to reduce the number of projects targeted at the development of individual products.
- Organised strategic consultation of the Directors of the JUB companies in order to support selected projects aimed at developing systemic solutions that ensure long-term growth.

2010

- The Research and Development department is technically lacking. The equipment is obsolete and deficient.
- A new development centre is constructed; it has laboratories for development and research with high-end equipment.

2010

- Products do not clearly communicate their competitive advantage and are only recognised by regular customers. A need emerges for a thorough comparison with the competition.
- A detailed comparative analysis is prepared.
- First marketing research is carried out.
- Increasing confidence in sales and marketing based on new knowledge.
- Opportunities for improvement.

2010

- Due to a decline in sales, production capacity is not fully occupied and the cost of production per unit is growing.
- Search for production options for commercial brands.
- More intensive conquering of smaller markets.

2011

- The need to strengthen partner relations with operators and traders and to distinguish JUB on the market.
- JUB Academy is founded, which is the first organised service geared towards promoting sales.
- A partner education programme is set up with the aim of increasing the level of knowledge and system solutions sales.

2011

- Only individual products are being advertised, promotional activities are not harmonised across markets.
- JUB prepares the first campaign for JUPOL as a family of products in co-operation with an agency.
- The campaign is uniform for all markets and aimed at encouraging purchase.

2011

- The design of individual interior wall paint products lacks a common graphical language, which is identified as a problem for effective marketing.
- A redesign of packaging, which is well received on the market.

2012

- The market is stagnating. JUB looks for possible ways to increase sales on the reduced market.
- Intensive development of system solutions with a focus on the façades segment.
- The production of expanded polystyrene insulation is established.
- The production of price-sensitive components of the façade system is launched in several markets in order to reduce transportation costs and increase competitiveness.
- Complementing the range of additional components for the high-quality execution of façades.

2012

- Communication is targeted at the product group and/or brand. Corporate identity fails to stand out.
- Quick corrections to the integrated graphic image.
- Presentation of the renewed and branded harmonised materials for the equipment of outlets in order to increase the visibility of brands at the product family level.

2012

- The store-in-a-store' concept emerges on more developed markets, renowned producers occupy positions in stores. JUB wants to keep the best position at points of sale.
- JUB introduces the "store-in-a-store" concept that brought an increase in sales to retailers.

2012

- Market contraction leads to an increase in competition and price pressures. A better understanding of the market is needed, along with a rapid response to changes.
- Marketing is reorganised. Product management becomes a standalone department at the level of the entire Group; the Market Communications Department becomes part of Sales.
- New roles are assigned to employees in order to increase the focus on individual market segments.

2013

- Pressure of competition on JUPOL Classic—the most profitable of JUB's products; JUB is losing market shares and volume sales—it drops to a historically low level.
- A product with improved quality is launched on the market.
- Sales increase, but substantial differentiation is not achieved.

The increasing scope of design projects

Design has already gained trust in the company. From designing individual projects, design broadens to designing system solutions. To establish such co-operation, designers must help companies acquire a set of new competencies to improve understanding of co-operation and systemic thinking.

[← P. 41]

3rd level of design management

Design as process

BEGINNING OF KCDM 2.0

2014

- The expansion of the product portfolio brings complexity to programme management.
- The product portfolio is divided into 5 strategic areas, creating the foundation for future communication, management, and the guidelines for the organisation of the Group's operations.

2014

- The new EU regulations have a strong impact on the permissible raw product composition and labelling requirements.
- Intensive adaptation of product recipes.
- Adaptation of all safety marks on products and in accompanying documentation.

2015

- Poor installation of facades means a bad reputation for the company and risk regarding the issue of guarantees. The need to increase the professionalism of façade builders becomes apparent.
- Control of the installation of façades at facilities is established.
- Targeted education for façade builders is organised.
- The JUB Academy certificate on completed training is a prerequisite for issuing a guarantee for the facility.

2015

- Both employees and consumers have problems understanding the differences between interior paints.
- The division of paint products into classic and special-purpose paints.
- Advertising special purpose paints based on customers' needs.
- Increase in the sales of special purpose paints, up to 30% in certain markets.

2015

- JUB still has problems regarding the relations of sub-brands to the umbrella brand. The company's identity doesn't stand out and the effectiveness of the marketing was not optimal.
- Successive introduction of unified graphical language of products. Elements and positions are defined on packaging and in printed materials in order to establish consistency.

2015

- The need to identify further guidelines for the development of the Company.
- A new five-year strategy is prepared for all five strategic areas including portfolio development.
- The focus is on the following values: innovation, creativity, and enrapturing customers.

2015

- The functioning of the Product Office and of the Market Communications Department is not driven by the same objectives, which makes it difficult to prepare a quality launch of new/renewed products to the market.
- The process of regrouping divisions into the strategic marketing of the Group begins in order to increase efficiency.

2016

- JUB faces difficulties in launching new products and seeks ways to improve its effectiveness.
- The Company is acquainted with the example of Adria Mobil, which, through the implementation of DM, begins improving its market reputation.
- JUB recognises the opportunity for improvements in design management.
- Contact is established with KCDM 1.0.

2017

- JUB connects with some members of KCDM 1.0. The practices described confirmed the success of design management. JUB was awaits an opportunity to be included in KCDM 2.0.
- JUB becomes a member of KCDM 2.0. Basic.
- Design management and innovation training sessions and workshops are carried out.

2017

- JUB gets acquainted with design management. At first, the company is not able to assess what should be changed in order make operations more effective.
- The first validation of the company's design management competences is carried out.

2018

- Some of the company's brands are not achieving satisfactory sales results.
- An overview of the number of employees throughout the chain from development to sales of a particular brand, and the preparation of a balancing plan.

2018

- Problems with the launch of new products dictate the need to change the process.
- JUB redefines the process of developing a new product with clear definition of the roles of the product manager, development, and the new product customer.
- The methodology for new product development, which can also be a service, application etc., identifies basic design principles.
- When defining a new product, design objectives must be defined (functional, aesthetic, and emotional).
- In case of the development of more important products, a designer is now involved in the design research from the very beginning.

2017

100M

JUB exceeded sales of €100 million for the first time, but the added value dropped by a further 10%.

75% JUB reaches 75% of sales on export markets.

2018

The first product is developed by taking into consideration the new rules and is presented to the market. The knowledge from design research has influenced the product preparation for the market. The company isn't sure what to expect.

→ Excellent feedback from the market. Compared to the same period the previous year, sales are 30% higher. All the design goals for the product have been achieved.

2018

JUB notes that product level differentiation will not be possible in the long term. It is necessary to look for other ways of differentiating itself and achieving a competitive advantage.

→ We carry out focus groups with do-it-yourself craftsmen and the first in-depth interviews with contractors in order to find innovative guidelines for better differentiation.

→ Consumer "pain" points are identified in relation to the company and the industry.

2018

JUB touch points are not being managed. The company is aware of the importance of management and surveillance as a way of differentiation and user experience improvement.

→ JUB prepares the first proposal for assessment of key touchpoints with consumers in all JUB companies.

→ Together with the sales results and profitability, the touchpoints are the basis for a comprehensive assessment of the company's performance.

→ The assessment system is at a subjective level since management rules do not yet exist.

2019

The company does not have a clear picture regarding profitability at the product level, making decision-making difficult.

→ An excellent tool is developed that enables the tracking of costs from production to the buyer

→ More emphasis on the sale of profitable products.

2019

The company becomes aware of the importance of introducing basic design principles into its processes. There is a need to deal intensively with topics related to design for high-quality implementation.

→ Continuous training in the field of design.

→ Weekly co-ordination focused on market needs and the search for innovative guidelines introduced.

→ Instructions prepared for using a variety of design tools to improve the design process.

KCDM 2.0

COMPETENCE CENTER FOR DESIGN MANAGEMENT

JUB

KCDM 2.0 record sheet

REPUBLIC OF SLOVENIA

MINISTRY OF ECONOMIC DEVELOPMENT AND TECHNOLOGY

JUB's goal in the framework of KCDM 2.0 is to learn about design management and the basic principles implemented in JUB processes to achieve a better customer experience and differentiation on the market.

No. of employees involved in KCDM training at this level

Total no. of hours spent by employees at this level for training

6 506h

Strategic level

46 1,492h

Tactical level

22 665h

Operational level

74

No. employees on training

2,663h

No. of training hours

€33,002

Investment in education

The company also invested its own resources in education.

INTERNATIONAL DM EVENTS

Attendance at the DMI Europe, Design and Innovation Management in the Age of Transformation conference, Bonn, 2018

Attendance at the DMI Europe, Managing Disruption in an Uncertain World conference, London, 2019

Attendance at the Doers Conference, Budapest, 2019

THE KCDM EDUCATION AND TRAINING PROGRAMME

Attendance at the KCDM Kick-off Conference 1, 2

Attendance at Design Conference, Chamber of Commerce, 2019

Education in the field of design management skills 2, 26

6-month Grow Design Leadership Programme 3, 4, 5, 6, 7, 8, 9, 13, 14, 23, 25, 27

INTER-PARTNER EXCHANGES AND NETWORKING

Grow Alumni – exchange of experience and networking

Demonstration of the design management process in KCDM partner companies (Adria, Elan)

Design and Design Management Education (Gigodesign)

Workshop – JUB Design Studio (Ad-Hoc) 15

Digital communication demonstration at Intra lighting

IN-HOUSE TRAINING

Education on design management 1, 2

Design research 30, 32, 31

Counseling and managing the brand architecture evolution 12, 24

OTHER

Attendance at national professional conferences

Training in professional skills linked to design management 9, 26, 34

Legend of education topics

1 DM staircase model

2 Introducing design

3 Design leadership

4 Design management

5 Design disciplines

6 Design brief

7 Design process

8 Design methods and tools

9 Design quality

10 Role of design and future of brands

11 Corporate communication

12 Brand strategy

13 Design language

14 Service design

15 Architecture and ergonomics

16 Intellectual property rights and authors rights

17 Presentation skills

18 Negotiation skills

19 Copywriting

20 Business communication

21 Project management in practice

23 Design presentations

24 Determining brand value

25 Design resources

26 Design thinking

27 Design strategy

28 Early innovation phase

29 Design research

30 Design research methods

31 User experience

32 Brand touchpoints

33 Design value

34 Digitalisation and AI

35 Other

81 JUB Case Study



CONCLUSION OF KCDM 2.0 AND THE PUBLICATION OF THIS BOOK

2019

- JUB decides to develop a new product for both B2C and B2B. It wants to differentiate itself from similar products on the market.
- A foreign agency is engaged to conduct design research.
- Guidelines prepared for the development of a new product.
- Several projects are simultaneously activated aimed at improving user experience, based on the research.

2019

- Touch points for B2B and B2C are still not fully defined and managed. We start concentrating on improving the user experience.
- External agency engaged. Identification of strong and weak touchpoints and opportunities.

2019

- Problems with brand architecture and their relationship to the umbrella brand are becoming more pronounced due to the breadth of the product range
- An external expert with several years of brand management experience is engaged.
- In-depth interviews are conducted with company employees.
- Scenarios are prepared for the possible development of architecture in the future.

2019

- Design as a process is facing obstacles several points; it is necessary to increase the importance of design in the processes of JUB.
- A decision is made that more employees will participate in the Grow Design Leadership Programme, as soon as possible.

2019

- JUB celebrates the 50th anniversary of the JUPOL brand.
- JUB strengthens digital communication and participates in events related to the celebration of the anniversary.
- Visits of the JUB website increase. We were achieving up to 50% more visits to the website than compared to previous periods.

2019

- With each step, JUB identifies the value of DM. There is a need to assess progress in terms of design.
- The second validation of the company's DM competences is carried out.

2019

- Descriptions of touch points are being prepared. Problems arise because the values, vision, and mission are not fully aligned.
- It becomes clear that in the framework of the preparation of new strategy, it is necessary to devote a lot of time to ourselves.

2019

- There is a need for the planned development of the design function.
- Training of graphic designers and product managers in the direction of design take place.
- Graphic designers are more intensively included in new product development projects.
- Search for optimal organisation in terms of the design management function.
- The Marketing area takes on a new role. Is this perhaps the beginning of something new?

The first design research study was a moment of confrontation with reality. With every new day, new opportunities emerged for the company's greater differentiation and for improvement of the user experience of our consumers.

Vojka Kos

JUB Group strategic marketing director

SIP

Customer Empathy Fueling Explosive Business Growth

Case Study

Company profile

Based in Šempeter in the Savinja valley, SIP is the biggest producer of agriculture machinery in Slovenia. The company had grown from the local environment and entered the international market, gaining 80% of its revenues in over 40 countries globally. As a specialist in hay harvesting systems, it develops and produces grass mowers, tedders, rakes, and pick-up rakes. SIP’s vision is to become a leading company in providing responsive, adjustable, robust, and durable machines for professional users.

sip.si

Company logo



Company structure (2018)

○ Design related ● Design educated

Strategic level 3



Tactical level 23



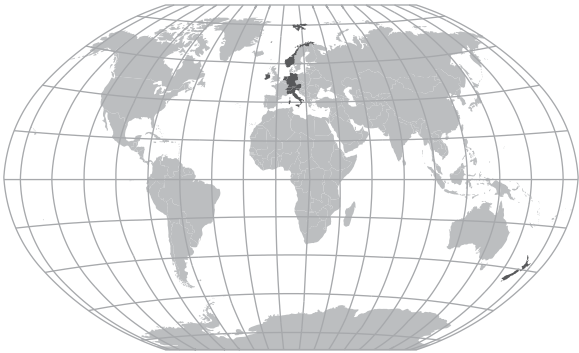
Operational level 222



Markets and sales (2018)

9+
markets

29.3M
sales



1954–2006

The Beginnings

SIP was founded in 1954 as an agro-service workshop for servicing agricultural equipment and has been gradually introducing the production of agricultural equipment over the years. In the 70s, they became visible European producers of trailing agricultural machinery by expanding their production facilities and with new machines developed using their own knowledge. In the beginning of the 90s, SIP converted to selling farm machinery for the mowing, tedding, raking, and storage of hay, corn harvesting and silage, manure spreaders, and corn mills for the Western European markets.

2007–2010

On the Brink of Collapse

In 2008, the company was on the brink of collapse, with an obsolete and uncompetitive product portfolio, while being unable to develop new, more competitive products. Through cost optimisation and staff reform with younger employees in the R&D department, a simple design process of new user-oriented products was established. The company started developing a new Silvercut mower family. The product redesign strategy was based on simplifying the machinery and introduced a new market segmentation of small, medium and professional farms, along with the terrain characteristics.

2011–2012

The Company Is Still in the Red

The company continued to operate at a loss. A new ownership structure and Management board introduced production quality and improved the processes. A product development strategy was defined, including the development of professional machinery. By establishing a marketing department and through close co-operation with the development department, SIP introduced the Spider 1500 rotary rake for professional users at the Agritechnica fair in Hannover, re-introduced a patent and innovation application system, all of which had a significant impact on the SIP brand visibility and the breakthrough to the biggest world markets.

2013–2017

Sales Growth

With assistance from international consultants, SIP developed a brand strategy and defined its vision. The company revised its brand identity and introduced a new product language. The new visual communication at all touch points contributed to increasing trust among the business partners and employees. SIP was focused on covering niche segments with specialised product lines: it broadened its tedder range and launched a new Disc ALP mower family for mountain terrains. The market response was positive, sales increased by 25.5% and SIP scored first place in an independent test of front mount Alpine mowers. With the aim of upgrading its knowledge in several areas, SIP joined KCDM 2.0.

2018–2019

On Par with the World Competition

SIP was looking for new innovation potentials, introduced the first design research to identify new user needs, and participated in the organisation of co-creative workshops with external DM consultants, involving them in the early innovation and development phases. In 2019, the company redefined its strategy and vision—it developed from a follower to the leading specialist in the hay line segment. It was focused on measuring the user experience, kept up with the set upgrade of its development process and implemented new quality standards.

The design research proved to play the key role in the development of new products. We adjusted the processes accordingly and trained our staff to collect such information in the market and recognise the final customer needs.

Sebastjan Bogataj

Head of R&D, SIP

1st level of design management

No design

2007

- The SIP product portfolio is obsolete.
- SIP buys the competitions' machinery to determine their advantages and disadvantages, actively developing a new mower line, with a new name to differentiate from the old low-quality product range.
- A concept of mower working widths and the standardisation of the assembly parts are developed.
- Prototypes, produced and tested in Slovenia.

2008

- SIP is on the brink of collapse.
- Following record sales in 2007 (€25 million), SIP achieves only half of the sales plan in 2008, concluding the year with a turnover of €14 million.
- The active reduction of all costs in the company.

2008

- The R&D department is obsolete in terms of staff and technology.
- Engaging new and younger staff in the R&D department.
- A new Head of the R&D department is appointed.

2008

- The product portfolio is obsolete, while some products do not generate added value.
- Consolidation of the product portfolio.
- Termination of unprofitable programmes.

2008

- SIP is unable to develop new competitive production on outdated product platforms.
- The development of the new Silvercut mower family continues.
- Launch of the first machines from the new line on the market.

2008

- The new Silvercut mower programme creates a need for innovative solutions.
- SIP R&D conducts a simple survey on user needs.

2007–2008

↓ 44%

Sales drop from €25 mio to €14 mio.

SIP undergoes changes in the ownership structure and in the company management.

Redesigning the strategy of the SIP brand.

2nd level of design management

Design as project

BEGINNING OF KCDM 1.0

2008

- Product development is in the domain of individuals and is not systematic.
- Product systematisation and the introduction of modularity becomes the top principle.

2008

- Revision of the new product planning process in the reformed R&D department is required.
- A simple process of the new product planning process is introduced.

2009

- Overcomplex products and costly production create losses.
- The product management is reformed.
- A product redesign strategy is created.
- Product simplification is started, reducing costs and vitally improving the characteristics (for the changed user needs).

2010

- The added value created with old machinery in the existing segments of small- and medium-sized customers is too low.
- Orientation towards the development of professional machinery.
- Product line separation into alpine and lowland terrain cultivation.
- Upgrading the entire Silvercut mower family.

2011

- SIP continues to make a loss.
- Changes in the ownership structure and in the company's management.

2011

- Quality issues contribute to the poor reputation of the SIP brand.
- The intensive introduction of quality to the production and improvement of the processes.
- Redefining the product development strategy, introducing the first four-year RNP plan.
- Presentation of the new Spider 1500 tedder line at the Agritechnica fair (the key breakthrough in visibility, users in 2012 were excited).

2012

- SIP is a production-led company, not customer-oriented.
- Establishment of the Marketing department.
- The first sales conference for international retailers.
- Entering new markets (Japan and New Zealand) with new professional product lines.

2013

- A broad production programme is preventing cost efficiency and increasing the added value.
- SIP engages international consultants to develop a brand strategy.
- The brand strategy is confirmed on the basis of the recognised company values.
- Defining the fast-follower strategy in the hay product line.

2013

- The visual identity of the existing brand is copying competitors and is unsuitable for the new orientation.
- A tender for selecting design studio services is issued.
- Redesigning the visual brand identity by defining the basic communication rules.
- The introduction of a new product language for the first products.
- Presentation of the first machinery set with a new design at the Agritechnica 2013 fair.

2013

- There is a need to regain trust in the redesigned products and strategy.
- The introduction of a two-year warranty for SIP products.

2013

- With the new strategy, SIP feels the need for greater market differentiation and gaining new knowledge.
- SIP joins the KCDM project.
- The Head of the R&D participates in the Grow Design Leadership Programme.

2014

- The introduction of the new product image and design language brings a mixed response from the employees and the market.
- The Management Board President insists on implementing the changes and marketing the entire redesigned product portfolio.
- Implementation of the new corporate design in the redesigned SIP communication.
- The new visual communication is introduced on all brand touchpoints with users.
- New tools and devices are developed following the new design language; outsource providers are engaged, etc.

2014

- The new company strategy must be comprehensively pursued.
- Ending the corn harvesting products.

SIP's goals in KCDM 1.0 are gaining new and additional knowledge in the areas of design and design management, spreading awareness of design and design management in the company, systematization of new product development processes and use of design tools, connecting with KCDM partner companies and transferring experience.

No. of employees involved
in KCDM training at this level
Total no. of hours spent by
employees at this level for training

0 0h

Strategic level

11 536h

Tactical level

63 1420h

Operational level

74

No. employees
on training

333h

No. of training
hours

€23.200

Investment
in education

Legend of education topics

- | | | | |
|----------------------|---|---|---|
| 1 DM staircase model | 8 Design methods and tool | 14 Service design | 20 Business communication |
| 2 Introducing design | 9 Design quality | 15 Architecture and ergonomics | 21 Project management in practice |
| 3 Design leadership | 10 Role of design and future
of brands | 16 Intellectual property rights
and authors rights | 22 Sales management and
customer interaction |
| 4 Design management | 11 Corporate communication | 17 Presentation skills | 26 Design thinking |
| 5 Design disciplines | 12 Brand strategy | 18 Negotiation skills | 35 Other |
| 6 Design brief | 13 Design language | 19 Copywriting | |
| 7 Design process | | | |

THE KCDM EDUCATION AND TRAINING PROGRAMME

- Attendance at KCDM conferences 1, 2
- Education in the field of design
management skills 2, 10, 15
- 6-month Grow Design Leadership Programme
3, 4, 5, 6, 7, 8, 9, 13

INTER-PARTNER EXCHANGES AND NETWORKING

- KCDM partnership meetings – exchange
of experiences
- Demonstration of the design management
process in KCDM partner companies
(Adria Mobil, Gigodesign, Schwarzmann)

IN-HOUSE TRAINING

- Communicating design, design management
and design processes
- Workshop – testing facilities for demonstrating
operation and testing durability of the products

OTHER

- Attendance at professional fairs and conventions
- Training in professional skills linked
to design management 22, 26, 35

1ST KNOWLEDGE GAP

The increasing scope of design projects

Design has already gained trust in the company. From designing individual projects, design broadens to designing system solutions. To establish such co-operation, designers must help companies acquire a set of new competencies to improve understanding of co-operation and systemic thinking.

[+ P. 41]

K1

3rd level of design management

Design as process

BEGINNING OF KCDM 2.0

CONCLUSION OF KCDM 1.0

2015

- The visual image of the company, facilities, and surroundings is not supporting the new positioning of the brand.
- A renovation of the external appearance of the facilities, yard, entries, and guidance system.
- The arrangement of new external and internal product exhibition rooms.
- The establishment of a retailer training centre and service network.
- The change brings the greater trust of employees in the new company strategy.
- Greater trust from business partners.

2015

- SIP feels the need to cover all the niche segments with specialised product lines.
- Broadening the tedder product scope.
- Launching a new Disc alp mower family for the Alpine programme (completely integrated design language).

2015

- SIP is still present with two identities: new, and some older product generations from the past.
- At the Agritechnica 2015 fair, SIP presents itself in the entirely new image for the first time.
- The older products no longer appear.
- SIP presents itself with new corporate video content.

2016

- The need to strengthen the employees' self-confidence and market recognition is recognised.
- The market proves that the strategy is correct: a positive response from the competitors and retailers to the new product design language.
- SIP scores first place in an independent test of alpine mowers.
- Sales growth of 25.5%. SIP enters new markets (USA).

2016

- The need for the better integration of design with the planning process for all new products is identified.
- Regular co-operation with contractual designers in the process of planning new products in SIP R&D department.

2017

- Following the initial success, the need emerges to upgrade the knowledge in several areas of the design management.
- SIP joins KCDM 2.0. Investing in new technology due to a new product design language and greater differentiation from the competitors.

2017

- The specialisation strategy in the hay line segment is confirmed.
- The hay line sales share amounts to 95% of all sales.
- SIP is achieving excellent results in the most demanding markets.
- SIP presents the new, technologically innovative line of Air pick-up rakes.
- At the Agritechnica 2017 fair SIP introduces the largest mower in the world; the competition is shocked. SIP's reputation increases.
- The largest four-rotor rake is developed and introduced to the SIP product range.

Upgrading design management as a system solution and improving the market position in Canada and the USA.

No. of employees involved in KCDM training at this level
Total no. of hours spent by employees at this level for training



Legend of education topics

- | | | | |
|----------------------------|--|-----------------------------------|----------------------------|
| 1 DM staircase model | 10 Role of design and future of brands | 17 Presentation skills | 27 Design strategy |
| 2 Introducing design | 11 Corporate communication | 18 Negotiation skills | 28 Early innovation phase |
| 3 Design leadership | 12 Brand strategy | 19 Copywriting | 29 Design research |
| 4 Design management | 13 Design language | 20 Business communication | 30 Design research methods |
| 5 Design disciplines | 14 Service design | 21 Project management in practice | 31 User experience |
| 6 Design brief | 15 Architecture and ergonomics | 22 Design presentations | 32 Brand touchpoints |
| 7 Design process | 16 Intellectual property rights and authors rights | 23 Determining brand value | 33 Design value |
| 8 Design methods and tools | | 24 Design resources | 34 Digitalisation and AI |
| 9 Design quality | | 25 Design thinking | 35 Other |

INTERNATIONAL DM EVENT

Attendance at the DMI Europe, Design and Innovation Management in the Age of Transformation conference, Bonn, 2018

THE KCDM EDUCATION AND TRAINING PROGRAMME

Attendance at the KCDM Kick-off conference

Education in the field of design management skills 10, 28

6-month Grow Design Leadership Programme, 2nd generation 3, 4, 5, 7, 8, 9, 13, 23, 25, 27, 29, 30, 33

INTER-PARTNER EXCHANGES AND NETWORKING

One-to-one exchange of experience

Grow Alumni – exchange of experience and networking

Demonstration of the design management process in KCDM partner companies (JUB, Kronoterm, Plastika Skaza)

Demonstration of digital communications in Intra lighting

IN-HOUSE TRAINING

Training on introducing design management into the company

Counselling and management in creating new opportunities

Counselling and management in design research analysis and defining strategic guidelines E2E

OTHER

Training in professional skills linked to design management 34

K2

2ND KNOWLEDGE GAP

The ability to co-create

Organisations employ the design planner function. In the design process, companies co-operate with designers; design is increasingly connected to the organisation and ranks higher in the strategy; however, planning is still run by individual development or marketing offices and is isolated from other business operations.

[← P. 42]

CONCLUSION OF KCDM 2.0 AND THE PUBLICATION OF THIS BOOK

2018

- SIP becomes comparable to its competitors and is looking for new potential innovation opportunities.
- Introducing the first design surveys to identify new user needs.
- The organisation of the first co-creative workshops with contractual DM consultants.
- Positioning and managing the contractual consultants in defining the process in the early innovation stage.
- Beginning the development of a new mower generation.
- Investing in a pipe laser, which is necessary for the easier handling of the new design language.
- A design strategy for new products and services to 2022 is prepared.

2019

- The strategic goals of 2013 are achieved; SIP is ready for a new strategy and needs new motivation.
- Redefining the SIP strategy from a follower to the leading specialist in the hay line segment.
- The integration of design with the development process of new products and services.
- Introducing and starting to measure the quality of the user experience.
- Upgrading the development process by using the Double Diamond method.

2019

- The need is identified for implementing new quality standards compared to the competition.
- SIP introduces three-year guarantees for all SIP products at the Agritechnica Fair.

2016–2018

↑ 25,5%

SIP is recording a 25.5% annual growth increase.

K3



Video case study



The SIP company has grown considerably over the last three years. The two main reasons are the implementation of certain design elements and a better understanding of final users.

Sebastjan Bogataj
Head of R&D, SIP

An Approach for Small and Medium Enterprises

Lynne Elvins

Lynne Elvins, MSc/FRSA (UK),
director and founder of Design Rally.

Many SMEs have never worked with designers in a strategic way. Because of this, it can be difficult for them to see why their business needs something that it hasn't needed before. To engage small business owners, we must appreciate their perspective and consider the common ways in which they may have encountered design before. This is important because it will frame their current understanding and sets the starting point for a new design management pathway ahead.

How many SMEs understand design:

- Design is an expensive 'nice to have' that is only suited to big consumer brands. Showing design examples of global companies may only reinforce this position.
- Design is just about making 'things'—the shapes, sizes, and colours of perhaps a piece of designer furniture or the graphic design of a logo. Why would a business owner ask a designer to give them advice on business strategy?
- Design is for marketing materials. An affordable and available freelance designer has perhaps been brought in to deliver a marketing task when it was ready. Why would a business bring in this designer before they have even decided what they want to do?
- If a business has done well without design, why would it need it? If a business is not doing well, it needs quick and cheap solutions, not strategic design workshops. In either of these modes, it can be difficult to be persuaded to invest time and money in something unfamiliar.

In this context, we must reframe the understanding of design and open the conversation to make a business case for engaging with design management. This can be done in a variety of ways.

Start with the 'thing'. If a business thinks it needs a website or other marketing materials, it is an opportunity for deeper enquiry. Why does a business need this? The real reasons will be known, but they lie further in the background. Sales growth, modernisation, fending off competition, or capitalising on new technologies? Find the bigger issue and broaden the conversation to multiple ways in which design might help solve this.

Expand the knowledge of types of design. What type of designers has a business used before? Did they even realise how many other options are available to them—product designers, brand agencies, service designers, packaging designers, interior designers, digital designers. It's a chance to introduce an exciting new range of design possibilities that builds on the existing knowledge.

Stay in their business zone. SMEs rarely leap from never having used design strategically to suddenly wanting to embed a design-led innovation culture like Vitra, Apple, or Tesla. Start with companies that have similarities. Are there examples of business in their own sector that are champions of design? Are there other small business that have achieved similar business goals by investing in design?

Focus on the users. Small business owners know a lot about their own company, but customers can easily get forgotten when decisions are made inside the business by a small team. Exploring the user perspective can help forge a relationship between business owner and design manager in the pursuit of customer research and insights, rather than a battle over internal business decisions or design preferences. ●

Kronoterm Pumping Fire Into the Product Development Cycle

Case Study

Company profile

The heat pumps have been at the core of the company since its roots in 1976. With increasing specialisation, the company now produces cutting-edge heat pumps for domestic, commercial, and industrial applications. Although still a local player, export share is growing rapidly, with the goal of increasing this share to at least 80%. The company's vision is to design and produce cutting-edge heat pump solutions with all the systems and services needed to provide the best customer experience.

kronoterm.com

Company logo

KRONOTERM

Company structure (2018)

○ Design related ● Design educated

Strategic level 2



Tactical level 8



Operational level 59



Markets and sales (2018)

19
markets

10.5M
sales



1976–2009

The Beginnings

Kronoterm was officially founded in 1991, but the company’s roots date back to 1976, when the founder developed the first domestic hot water heat pump. In the first few years after 1991, the market was not really ready for heat pumps, so the company was developing, producing, and installing various cooling systems, with a particular focus on wineries and the cooling of plastic injection moulds. Heat pumps were always part of product range but the market wasn’t really ready until 2003. Ever since then, the company has been developing and producing heat pumps as its primary programme. The company is now developing and producing cutting-edge heat pumps with increased focus on export.

2010–2011

No Design Management

In 2010 the company had its first encounter with design management. As the company grew out of the garage, it needed a cleaner, less stochastic corporate identity. The initial motivation was to improve the look of the company, but by hiring renowned designer Janez Smerdelj as a consultant, the project grew in scope. The first product design language was formed. Product development focused on performance and not the end user. Design was incorporated as styling.

2012–2013

Integrating Design Management into Processes

In 2012, sales reached record levels and company confidence was at its highest. The company placed high hopes for sales on the first independently tested heat pump with the best performance in Europe. Initial market response and sales were very poor. In 2013, sales stagnated, there were problems with the quality, inadequate product development, no products were focused on the customer. The company started exports of products under its own brand. Without a proper strategy, many problems arose and sales performance was very low.

2014–2016

Heat Pump Market Stagnates

Sales dropped by almost 25% in 2 years. Company confidence was at its lowest ebb. Internal conflicts and the lack of processes continued to slow down the mindset shift. Lack of sales knowledge was recognised as the main reason for poor sales performance. The company invested in sales training with the hope to improve sales performance. The training yielded no real results as processes remained unchanged and most things were still business as usual. Quality issues continued as most of the R&D was focused on domestic hot water heat pumps and OEM business.

2017–2019

Heat Pump Market Starts to Grow

Slow company growth in 2017 and 2018 cemented the belief that internal processes needed to be improved and that a certain degree of reorganisation was needed. For the first time, design was used as a process, although it was still not completely clear. Design was used to develop complete solutions and to set long-term product development strategies. A special space was devoted to the R&D of the customer experience. The heat pumps are the most promising technology to replace traditional boilers. The market could grow 10× in the next 10 to 20 years.

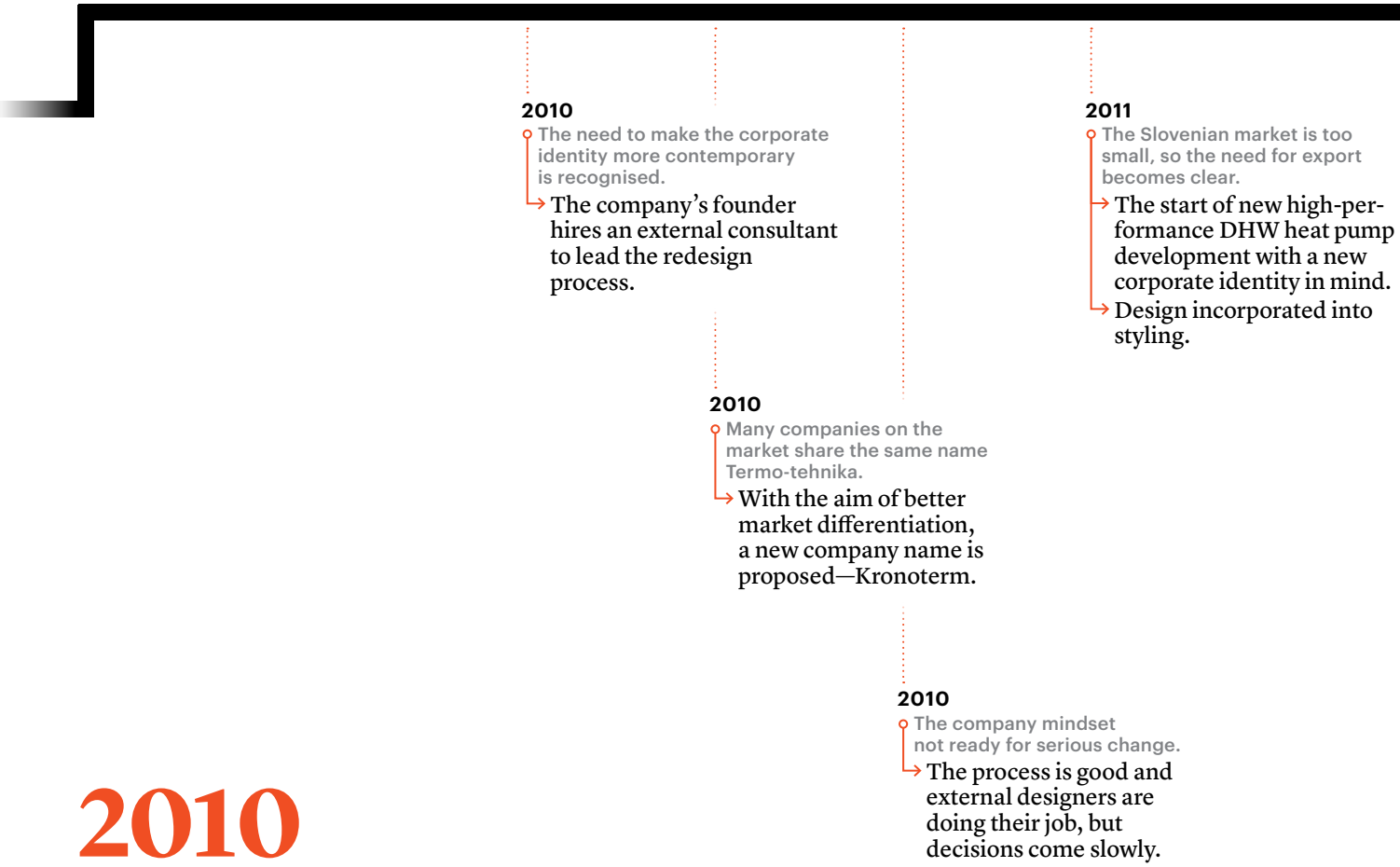
KCDM has become more than a project; it has become a community of people and companies who see great opportunity in the knowledge and relationships to be gained. KCDM helped a great deal in the mindset change in our company and only for the better.

Franc Marovt

Head of development, Kronoterm

2nd level of design management

Design as project



2010

↑ 24%

Kronoterm records a 24% increase in turnover.

2014–2015

↓ 25%

Due to inactive sales, the company records a 25% drop in turnover.

2012

- The launch of the highest-performance DHW heat pump in Europe has no real impact on export sales.
- Focus shifts to OEM customers.

2013

- Market differentiation is required.
- Launch of new brand Kronoterm at the DOM fair.
- The company name remains Termo-tehnika.
- Start of double branding and customer confusion.

2014

- Sales drop dramatically. The need to change from passive to active sales is felt more than ever.
- The company invests in sales training with the aim of getting the right knowledge for active sales. No real results felt.

2015

- Quality issues are recognised as one of the main issues for poor sales performance.
- To improve product sales performance, all R&D capacities are focused on improving quality.

2012

- The need to increase product portfolio for export becomes apparent.
- All products now available for export but with the lack of proper documentation and technical support, customers are frustrated and sales stagnate.

2013

- The need to break out of sales stagnation is identified.
- Launch of face-lifted products with the newly defined design language.

2014

- Quality issues with products continue. Quality assurance not adequate enough.
- New R&D team members are hired to increase R&D capacity.

2015

- The need for clearer and better documentation and support for export partners is appreciated.
- Complete technical documentation redesign, first time with the user in mind.

2015

- There is a demand for better product and service quality.
- The company moves to a new location with the goal of increasing production volumes, quality, sales, and profitability.

2014

- The need to gain knowledge about design and managing design is clear.
- The Head of R&D joins KCDM's design management education & coaching programme. This training completely changes his mindset and understanding of design.

2015

- The need for more awareness becomes apparent.
- The Head of R&D continues his efforts to improve the perception of design and sees that the lack of a clear brand strategy negatively impacts the company and sales efficiency.

2013

Kronoterm is the first heat pump producer in the EU with digital cloud connectivity of its devices as standard.

2012

- Production capacity does not meet the demand.
- Many shortcuts are taken to meet market demand.

2013

- The search begins for product differentiation based on product features.
- Launch of heat pumps with serially integrated cloud service, a first in Europe.
- Massive internal benefits seen, but no real impact on sales.

2013

- The need to improve product quality and quality assurance processes is established.
- The company gets the ISO 9001 certificate for the first time.

1ST KNOWLEDGE GAP

The increasing scope of design projects

Design has already gained trust in the company. From designing individual projects, design broadens to designing system solutions. To establish such co-operation, designers must help companies acquire a set of new competencies to improve understanding of co-operation and systemic thinking.

[+ P. 41]

K1

3rd level of design management

Design as process

BEGINNING OF KCDM 2.0

2016

- The sales trend has to be reversed.
- Quality issues on new products decrease dramatically, falling to zero in some cases.
- Start of preventive quality actions to improve the quality of fielded products.
- Sales team becomes more active and sales increase by 7%.

2017

- The company resolves that double branding must end.
- The company is renamed from Termo-tehnika d.o.o. to Kronoterm d.o.o.

2017

- A robust product development strategy is needed.
- Start of research for the next generation of heat pumps.
- Design also included in the initial development phases.
- The customer now comes into focus.
- Rough development roadmap defined.

2017

- The Managing Director has to be convinced to increase support for design management.
- Kick-off International Conference key to Managing Director's mindset change.

2017

- The company feels the need to know more about design management and design in general.
- The company joins the design management education and coaching programme KCDM 2.0.

2017

- The company sees a need for a quick-fix new product with great differentiation.
- Launch of new super silent geothermal heat pumps.
- Growth in this sector due to the new product is significant.

2016

↑ 6%

Kronoterm again records a 6% increase in turnover.

KCDM 2.0

COMPETENCE CENTER FOR DESIGN MANAGEMENT

2017-2019

Kronoterm

KCDM 2.0 record sheet

REPUBLIC OF SLOVENIA
MINISTRY OF ECONOMIC
DEVELOPMENT AND TECHNOLOGY

Through KCDM 2.0, Kronoterm wants to improve the reputation of its brand name, increase its market share in the EU countries, and improve user experience with its products and services.

No. of employees involved in KCDM training at this level

Total no. of hours spent by employees at this level for training

2 152h

Strategic level



2 77h

Tactical level



21 279h

Operational level



25

No. employees on training

508h

No. of training hours

€14.200

Investment in education

THE KCDM EDUCATION AND TRAINING PROGRAMME

6-month Grow Design Leadership Programme 3, 4, 5, 6, 7, 8, 9, 13

Attendance at the KCDM Kick-off Conference

Education in the field of design management skills 26

6-month Advanced Grow Design Leadership Programme 27, 29, 30, 31, 33

INTER-PARTNER EXCHANGES AND NETWORKING

Exchange of experience – partner meetings with SIP

Demonstration of the design management process in KCDM partner companies (JUB, Plastika Skaza, SIP, Steklarna Hrastnik)

Digital communication demonstration at Intra lighting

IN-HOUSE TRAINING

Consulting and mentoring on brand strategy 12, 32

Consulting and mentoring on identification of users and UX 31, 32

OTHER

Attendance at national professional conferences, forums, meetings

Training in professional skills linked to design management 34

Legend of education topics

- | | | | |
|----------------------------|--|-----------------------------------|----------------------------|
| 1 DM staircase model | 10 Role of design and future of brands | 17 Presentation skills | 27 Design strategy |
| 2 Introducing design | 11 Corporate communication | 18 Negotiation skills | 28 Early innovation phase |
| 3 Design leadership | 12 Brand strategy | 19 Copywriting | 29 Design research |
| 4 Design management | 13 Design language | 20 Business communication | 30 Design research methods |
| 5 Design disciplines | 14 Service design | 21 Project management in practice | 31 User experience |
| 6 Design brief | 15 Architecture and ergonomics | 23 Design presentations | 32 Brand touchpoints |
| 7 Design process | 16 Intellectual property rights and authors rights | 24 Determining brand value | 33 Design value |
| 8 Design methods and tools | | 25 Design resources | 34 Digitalisation and AI |
| 9 Design quality | | 26 Design thinking | 35 Other |

↑ 21%
21% increase of added value per employee.

Video case study

CONCLUSION OF KCDM 2.0 AND THE PUBLICATION OF THIS BOOK

- 2018

 - The need for a clear brand strategy becomes apparent.
 - An external brand consultancy firm is hired to establish Kronoterm brand values and strategy.
 - Efforts to find the “Why” of the company.
 - Brand rules used in the development and design of our next generation heat pumps.
- 2018

 - The need is identified to improve the knowledge transfer from R&D to the rest of the company.
 - R&D reorganised into the development part and the application part. The focus of the latter is to improve the transfer of knowledge from R&D to sales and our partners.
 - The R&D team improves communication with the rest of the company.
- 2018

 - The company’s long-term product development strategy requires improvement.
 - A new product development roadmap established with the help of knowledge from the design management education & coaching programme and research.
- 2018

 - New products are needed to replace the obsolete products still in production.
 - Start of design and development of the new generation of air water heat pumps.
 - The new products are designed with the brand rules, values, and strategy in mind.
- 2018

 - The Kronoterm customer experience needs to be defined.
 - Start of internal design research into the customer journey during the installation and usage phase.
- 2019

 - The company’s corporate identity is no longer in line with brand values and brand strategy.
 - A new corporate identity is launched with brand rules and strategy in mind.
- 2019

 - Design research is required to gather insight into the customers.
 - Design management coaching and design space establishment to start with a systematic approach in researching customer needs and to further define the Kronoterm customer experience.
- 2019

 - The products require memorable names.
 - Design management coaching to find the right names for our products.

- 2019

 - New sales channels are needed.
 - An external design company is hired for the first time for design research into the needs of architects.
- 2019

 - The company recognizes the need to succeed with the new products.
 - Big launch event and PR campaign with proper product benefit communication.
 - First Kronoterm product with high differentiation on the market. Initial market response is extremely positive.
 - Production cannot keep up with demand.
 - Company mindset and employee engagement and enthusiasm increase dramatically.
- 2020 AND BEYOND

 - Reorganisation of R&D in order to improve the product development cycle and align it more to other company processes and market demands.
 - Design management needs to become more systematic and used to further improve our products and services.
 - The Kronoterm customer experience needs to be clearly defined with an end-to-end process for various stakeholders.
 - Further development of the next generation of heat pumps with the customer in focus.

2019

With its new Adapt line, the company has fully occupied production capacities for 6 months in advance.

We believe that the knowledge we have gained, the changes we have implemented, and the planned improvements to processes give us a very high probability of reaching our brand vision. We still have a long way to go and much to learn, but the best thing is that we now want to.

Franc Marovt
Head of development, Kronoterm

Seascope

Redefining the World of Sailing

Case Study

Company profile

Seascope was founded by two Minitransat sailors with a simple mission—to bring the sailing experience of the world’s most advanced racing boats into the hands of recreational sailors and create the best possible interface between human beings and nature. Today, Seascope is a world leader in trailerable sport cruisers with more than 800 owners around the globe. Based in Slovenia, it produces 4 models, organises events, and develops digital tools to modernise the sailing experience.

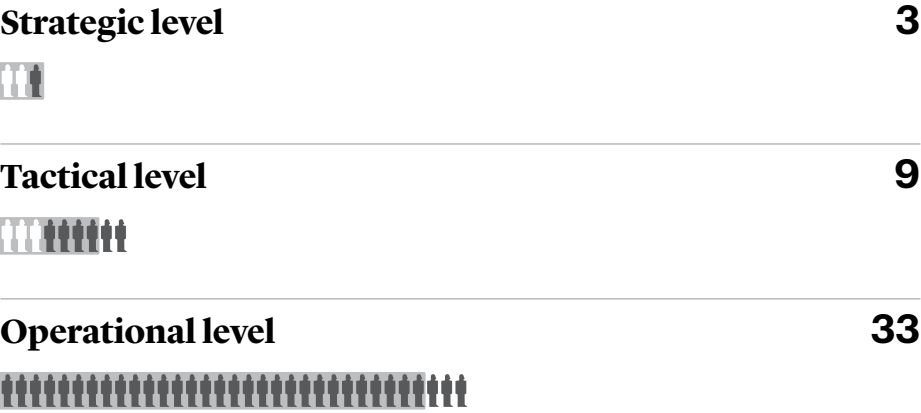
thinkseascope.com

Company logo

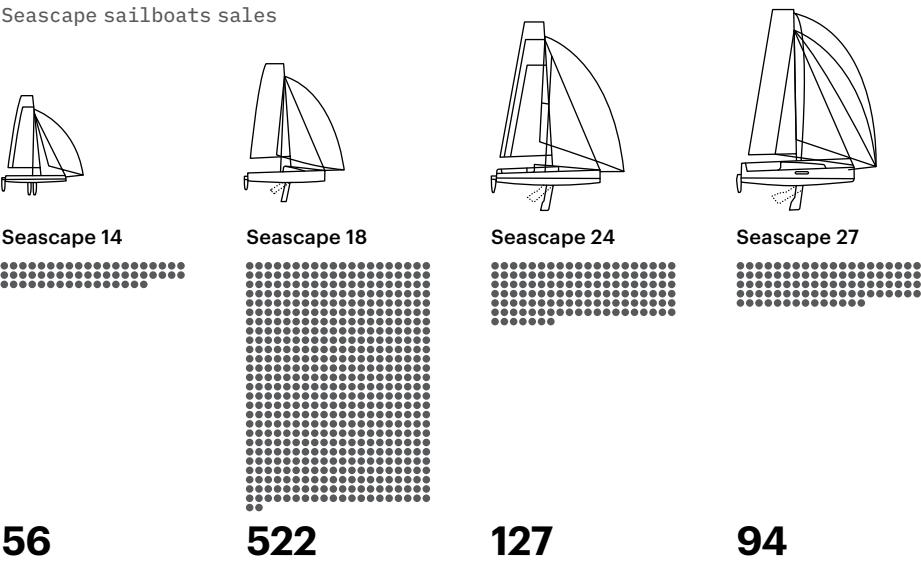


Company structure (2018)

○ Design related ● Design educated



Seascope sailboats sales



Markets and sales (2018)



2002–2007

Background

It all started in 2002, when Seascope founders Andraž Mihelin and Kristian Hajnšek rented their first boat for sailing a trans-Atlantic race called Minitransat. Later on, in 2004, they signed a contract with a sponsor for building two prototypes for the same race that they sailed twice, in 2005 and 2007. Although coming from a different field, the sponsor had the ambition to start a nautical programme. They agreed to develop a project together called AX18. The brief was simple—the boat should provide 80% of the fun of a Mini-transat prototype for 20% of the price. This was the first time they started to use design management methods, but at the time only intuitively, not knowing of their existence.

2008–2012

Outsourcing

In 2002, they bought the AX18 from the sponsor and started the Seascope brand. The first 5 boats were sold in 2008. At that time, the company and business model were really simple: A two-man band with no other employees, outsourcing all the work to production sites and small businesses across the region. Design was understood as styling—a tool at the end of the development process that makes the product look good.

2013–2015

Production

After approaching the product development of the next model—the 27—too confidently and too narrowly, they soon realised the company’s business model and production process did not allow for its realisation. The boat and the adaptations to the new in-house production caused a lot of problems in that period, resulting in negative growth. Nevertheless, the 27 is still by far the best product they’ve ever made. In that period, in-house production was partly implemented and co-operation with new subcontractors was established.

2016–2017

Stabilisation

The idea behind the next boat, the 24, was to bring together the best of both worlds. The brief was conceived based on new knowledge gained by deeper design management education and all of its aspects were included in development. The product was a success. The 24 worked brilliantly, building a stronger brand as well as stabilising the company. Seascope’s attention focused on its community. Gathering at events organised by the Seascope team and connecting through Class associations, the owners of the Seascope boats became the living, breathing face of the Seascope brand. Seascope also started working on digital tools to further connect and motivate owners.

2018–2019

Connecting

In 2018, Seascope joined forces with Groupe Beneteau in order to accelerate its mission. This came as a surprise to many but it turns out that Beneteau shares the mission of Seascope, so joining them was a natural next step. The mission remains the same, but the playing field has changed. In one step, the company moved from being an independent niche leader with limited reach to being part of the large team at Beneteau, working on projects that should change the world of sailing.

Seascope wants to turn ordinary people into sailors.

Andraž Mihelin

Co-founder and director, Seascope

2nd level of design management

Design as project

2008

- The project sponsor deviates from the intention of developing a nautical programme; the co-founders Kristjan and Andraž see in this an opportunity to transition from sport to a career in business.
- Agreement with the sponsor on interest in project acquisition.
- Purchase of the AX18 project and launching autonomous development.

2008

- After leaving the sponsor and its trademark, a new name is required.
- The name Seascope is selected.

2008

- The product and new brands need to be positioned in the nautical market.
- Market analysis and concentration on the niche of sport sailboats that are accessible to recreational sailors.
- Clear description of properties for niche positioning.
- Determining the attitude to the “one design” competitive concept of product development.
- Transfer of paragliding experience to the Seascope 18 product.
- Design included at the end of planning with a view to defining typical non-functional forms.

2008

- A community of supporters of the new development concept needs to be built.
- Integration of supporters from the competitive sailing period.
- Connecting Seascope supporters.

2008

- Entry into the market.
- The Seascope 18 is presented on the market.
- Acquisition of the first distributor for the Austrian market.
- The first five Seascope 18 sailboats sold.

2009

- The company recognizes the need to manage orders.
- All the production for Seascope 18 is carried out by suppliers.
- 30 units of Seascope 18 sold in 2009.

2008

↓ 70%

Following the crises in the nautical industry, sales of new recreational vessels decrease globally by 70%.

BEGINNING OF KCDM 1.0

2011

- A need to expand the market is identified.
- The establishment of a new market network in the International sailing community.

2012

- The product portfolio needs to be upgraded with a new performance product.
- The preparation of design starting points for a new sailboat that will combine high performance with solutions suitable for comfort and family sailing.
- Start of Seascape 27 development.

2012

- The specific positioning of the new product, the innovative concept of the interior, and the on-board ergonomic features demand co-operation with experienced designers.
- Starting a collaboration with an external design studio.

2012

- Increasing the company’s activity exceeds Andraž and Kristjan’s capacities.
- Joined in the company by a third employee.

2012

- Due to the project baselines of the innovative concept of the interior, a clear vision is needed in the pre-development phase on what the predicted volume could offer.
- Construction of a 1:1 cardboard volume prototype.
- The prototype encourages comments and ideas from various project supporters.
- It turns out to be a tool for co-creation and for conceptualising project bases
- For its benefits, the pre-prototype becomes a common development practice in all further projects.
- More specific user-driven innovative solutions implemented.
- The implementation of overhead equipment and sails is empirically prototyped in co-operation with professional sailors.

2013

- The niche concept needs to be extended to another user type.
- After a year and a half of development, the Seascape 27 is presented for the first time at the nautical fair in Dusseldorf.
- Due to the performance of the Seascape 18 and Seascape’s reputation, the first 4 Seascape 27 sailboats are already sold on the basis of the design brief described in the new product’s presentation.
- If the Seascape 18 was the starting point, the Seascape 27 draws the line of development for future products under the Seascape brand.

2013

- Due to the more complex design and the number of tools in the new boat, there is a need to manage quality.
- Unsatisfactory attempts to establish the control and management of production quality in existing and new suppliers.
- Beginnings of partial own production.
- Extensive customisation in search of solutions and changes to the existing business model.

2014

- Design has to be integrated and managed as an additional resource for innovative Seascape solutions.
- Integrating Seascape into the KCDM project.
- Getting to know design management areas and management strategies and the integration of designs in the Grow training programmes.

2014

- The company establish the need to identify values and to define the Seascape brand.
- The implementation of a series of workshops guided by an experienced specialised advisory agency.
- Defining the strategy and values of the Seascape brand.

2014

- Seascape organises the first sailing event where the need emerges to understand the specific needs of the Seascape community with a view to personalising Seascape events.
- Co-operation with external designers in the field of service design.
- Conducting research on the specific needs of the Seascape community and the specific organisational and substantive objectives of events.
- The integration and piloting of various tools, at that time still following the principle of learning through implementation.

2014

- The first official Seascape Challenge event is organised.
- The event is a success and sets the standard of expectations for all other events.
- After the event, an evaluation is carried out including interviews with the participants, with a view to continuously introducing improvements.

Seascope wishes to integrate design into all stages of new product development by outsourcing designers and to deepen the knowledge of design management and its integration into the organisation in order to become part of the company culture.

No. of employees involved
in KCDM training at this level

Total no. of hours spent by
employees at this level for training

1 181h

Strategic level

6 148h

Tactical level

1 4h

Operational level

8
No. employees
on training

333h
No. of training
hours

€9.800
Investment
in education

THE KCDM EDUCATION
AND TRAINING PROGRAMME

- Attendance at KCDM conferences 1, 2
- Education in the field of general design management skills 2, 10, 14, 15
- 6-month Grow Design Leadership Programme 3, 4, 5, 6, 7, 8, 9, 13

INTER-PARTNER EXCHANGES
AND NETWORKING

- One-to-one exchange of experience
- KCDM partnership meetings – exchange of experience
- Demonstration of the design management process in KCDM partner companies (Intra lighting)

IN-HOUSE TRAINING

- Service design education in the nautical industry segment

OTHER

- Attendance at national professional meetings and exhibitions
- Training in professional skills linked to design management 35

Legend of education topics

- | | | | |
|----------------------|--|--|--|
| 1 DM staircase model | 8 Design methods and tool | 14 Service design | 20 Business communication |
| 2 Introducing design | 9 Design quality | 15 Architecture and ergonomics | 21 Project management in practice |
| 3 Design leadership | 10 Role of design and future of brands | 16 Intellectual property rights and authors rights | 22 Sales management and customer interaction |
| 4 Design management | 11 Corporate communication | 17 Presentation skills | 26 Design thinking |
| 5 Design disciplines | 12 Brand strategy | 18 Negotiation skills | 35 Other |
| 6 Design brief | 13 Design language | 19 Copywriting | |
| 7 Design process | | | |

The increasing scope
of design projects

Design has already gained trust in the company. From designing individual projects, design broadens to designing system solutions. To establish such co-operation, designers must help companies acquire a set of new competencies to improve understanding of co-operation and systemic thinking.

[← P. 41]

K1

3rd level of design management

Design as process

CONCLUSION OF KCDM 1.0

2014

- The success of organised events and dialogue with participants leads to the idea of a competition without limiting the location and time.
- Research of user needs in the gamification of sailing.
- Research of similar tools and applications in other sports, such as running, cycling, and gliding.
- Learning and implementation of the UX and UI concepts.
- Implementation of a solution on the web portal that allows competition between individuals or teams anywhere and at any time through digitally gathered speed and distance data, and their comparison with competitors.
- Seascope's advanced solution is the first in the nautical industry.

2014

- Increasing market activity and active user event management show the need for the more effective management of the brand's contact points.
- Mapping of contact points.
- Defining areas of possible improvements.
- Raising the level of quality of managed events.
- The event management strategy is clearly defined.

2014

- With its complexity and the development of its own production, the Seascope 27 is a significant burden on the company. Despite moderate sales of the Seascope 27, a negative trend is showing. Quick action is needed: with a new product there is no room for error.
- Start of the development of the Seascope 24 sailboat.
- The project has brought together all previous experience.
- Limits of complexity clearly defined on the basis of the consequences of errors made in the development of the Seascope 27.
- The design phase is led by the company's development section, creating a product that is easy to produce.

2015

- The need for new organised events is created as more and more sailboats are sold.
- The employment of a manager for communications and events.
- Introducing two new annual events—the Seascope Cup and Seascope Party.

The ability to co-create

Organisations employ the design planner function. In the design process, companies co-operate with designers; design is increasingly connected to the organisation and ranks higher in the strategy; however, planning is still run by individual development or marketing offices and is isolated from other business operations.

[← P. 42]

Managing the complexity

Design spurs the dialogue between technological possibilities, users' needs, and business interests, thereby increasing the number of design projects that require more resources and are more complex. Connecting and using a more analytical approach, design research, and design thinking becomes a must.

[← P. 43]

BEGINNING OF KCDM 2.0

2016

- There is a desire to complement the product portfolio with a sailboat that will combine the best elements of both earlier models—both in the provision of user experience and simple production and profit.
- The Seascope 24 first presented in January at the largest nautical fair in Düsseldorf.
- It wins the prestigious European Boat Award in 2017 the following year.
- Production capacity sold out in the first two years.

2016

- Better media coverage of events is required.
- The first event where a professional photographer is present.

2016

- The company is successful in the field of development and production, but lacks knowledge and experience in the field of financial management and the organisation of support systems.
- Introducing the function of the finance manager, which will soon become the COO function.

2016

- The need is recognised to reorganise the administrative systems of the company through the systematisation of processes.
- Employing an administrator.
- Introduction of the ERP system.

2016

- Experts from different areas are needed.
- Looking for new employees based on their skills and references, rather than among friends and sailing enthusiasts.
- The team is joined by a new sales and business development manager.

2017

- As events become an increasingly important part of the brand, it is necessary to increase quality and ensure repeatability.
- The team is joined by a photographer and reporter, who is then present at all events.
- This event is the first time a camera is present.
- Increasing the quality of communication and building a story in all content.

2017

- Seascope wants to bring sailing closer to a new target group with the new smallest sailboat, while also filling production capacities with a smaller simple product.
- The D2 project is financed by European funding for the development of a product with an integrated innovative digital environment.
- Development of the smallest and least expensive sailboat, the Seascope 14.
- The Seascope 14 enables users entry into the Seascope community, which is becoming increasingly desirable.

2017

- At the beginning of KCDM 2.0, the company wants to educate new employees in the various areas of design management.
- Three new employees participate in Grow programme.

2018

- The company wishes to fill the segment of smaller boats on the market and once again show the nature of the brand through a successful and wisely formulated product.
- The Seascope 14 unveiled at the Nautical Fair in Düsseldorf at the beginning of the year.
- More than 50 boats sold in the first two years.

2018

- The decision to develop a larger sailboat is very risky for the small company; however, the market has been expecting such a sailboat from Seascope for a long time.
- The A6 Project receives EU development resources.
- Beginning of the development of the largest sailing boat in the fleet.
- Co-operation with established design studios, as in previous projects.
- The first broader survey of user needs in specific recorded groups is implemented within the project.
- Re-made pre-design 1:1 cardboard model, which offered a test environment in the development of an innovative interior.

2018

- The company employs a growing mix of design and development activities which have proved to be crucial in developing innovative solutions.
- Employment of the first professional designer, who also works as the company's innovation manager.

2018

- The start-up company has reached a point where radical changes are needed in order to further expand their ideas.
- During this time, Seascope was contacted by the French company Beneteau with a proposal to merge.
- As it turned out, Beneteau's idea coincides well with the vision of Seascope.

2018

- While Seascope has already begun to develop larger boats in the 33- to 36-foot range, Beneteau had similar plans.
- The launch of the FI3MA project as a continuation of the A6 project, which Beneteau joined.

2018

- The new knowledge gained in the framework of education at KCDM shows the need to define the structure of development projects.
- Redefining the development process and steps.
- Introduction of the double diamond method.
- Breakdown of projects by difficulty and impact.
- Implementation of the project strategy.

2019

- The association with Beneteau presents an opportunity for the Seascope media team to participate in their events.
- The team joins the GPEN event.
- The team joins the SPI OUEST event.

2019

- The quick merger with Beneteau raises many outstanding questions on the theme of brand integration in a new environment.
- Implementation of workshops with two more advisory agencies in the field of trademarks.

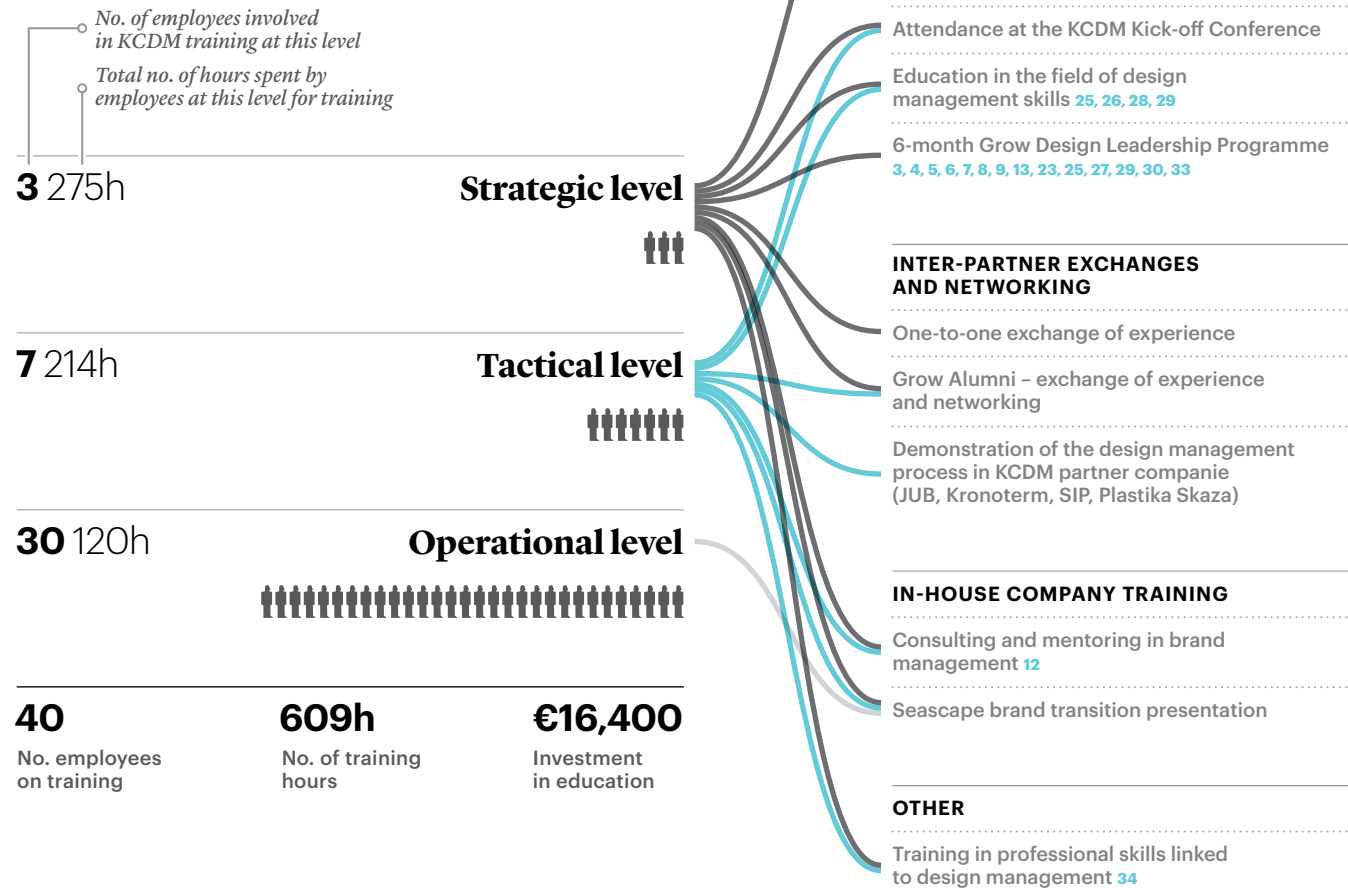
2019

- The old website does not suit the needs and standards.
- Development and launch of a new website with a young team of UX and UI designers and developers.
- It is designed keeping in mind the function of a simple overview of organised events.

2016

The Seascope 24 model is developed by the company in just eight months. The sailboat receives the *Boat of the Year* and other international awards.

Seascope wishes to improve and deepen design management knowledge gained at the first KCDM.



2019

The Seascope brand transforms into the brand First.

CONCLUSION OF KCDM 2.0
AND THE PUBLICATION
OF THIS BOOK

2019

- The transitioning of the product trademark into the brand First causes owners and users a lot of confusion.
- A proposal is prepared for the visibility of the Seascope brand within Beneteau, which, in addition to products, also separately addresses trademark services and a community of supporters.
- A separate strategy for the community of supporters enables the logical preservation of the organisation of events and their management by Seascope.

2019

- The scattered production in several locations increases, increasing logistics and transport costs.
- Closure of the largest subcontractor production plant and relocation to own production.
- Redefinition of the production process.
- Establishment of a central warehouse at the location of production.

2019

- Areas are identified where the knowledge and agile approach of the Seascope team could contribute to the much larger, more complex and therefore slower system of Beneteau in terms of development goals.
- Development of the knowledge implementation strategy in the Beneteau system.
- Positioning Seascope values and competencies related to proven innovation within the greater Beneteau family.

2019

- Development of the Seascope A6/F13MA records a number of innovative opportunities to be tested before serial production.
- Acquisition of the hull of a sailboat similar in design to what will be the new A6 sailboat, which was provided by Beneteau's sister company.
- Development and production of new sailboat moulds that will be adapted to test solutions on the prototype.
- Testing the functionality of the redefined interior.
- Testing sailing performance solutions.

K4



Video
case study



Design management allows targeted management of the company's capacities. It provides a better understanding of the actual goal; without it, the company could quickly get stuck in short-term or investment goals, without constantly considering the relevance of its brand in the market.

Andraž Mihelin
Co-founder and director, Seascope

Improving Non-for-Profit Organization

Lynne Elvins

Lynne Elvins, MSc/FRSA (UK),
director and founder of Design Rally.

The principles of good design management are not just for manufacturing businesses that develop and brand products. They apply equally well to funded organisations that offer knowledge or advisory services. The difference is that instead of managing the development and promotion of tangible products and packaging, these organisations need to develop and promote the value of intangible networks and expertise. To do this requires two things. Firstly, a focus on service design. Secondly, shifting the language of success away from ‘sales’ and toward ‘influence’ that will lead to a greater ability to attract more funding.

There are many types of organisations that are not driven by commercial sales transactions. Charities, campaign groups, government-funded programmes, or other cause-related entities will not engage with design to increase ‘sales’ or ‘profits’ when they may be more driven by increased ‘impact’ or ‘reach’. These organisations are still very aware of financial costs, but can become concerned if designers treat them like commercial ventures when they operate in a world of public money, grant funding, or donations that come with policy constraints and public scrutiny. Stakeholder engagement or efficiency gains may be the language of measuring successful outcomes, whereas ‘increasing turnover’ may be wholly inappropriate.

But whilst it is important to speak the right language, the underlying principles of putting design to work remain the same. Design adds value and provides meaning by connecting any organisation with their external audiences, regardless of whether they are customers, users, stakeholders, participants, visitors, or funders. And, as with any design strategy, it is these external audiences that must be understood and mapped from the outset.

For organisations that seek funding, it is vital to appreciate that whilst funders might seem like the most important audience to engage, they are not the source of success. It will be the quality and uniqueness of the user experience that will ensure future stability and attract renewed interest from funders. If teams become focused on keeping funders happy, they can lose sight of the real

objective of user value. This is where journey maps become a core service design tool to begin focusing everyone on the visualisation of all the ‘touch-points’. How are users informed, engaged, and given clarity on how and why to participate? After participation, how are user relationships maintained, repeated, and deepened to ensure long-term value and growth?

Journey maps show the connections between various marketing materials, phone calls, or meetings with different staff, and participation points at multiple events or programmes. With this mapped, gaps and inconsistencies become clearer allowing the creative design process to use these insights to prototype and then test better ways to connect. There may be opportunities to strengthen the brand messages, use more digital delivery, or try more experimental formats for events or gatherings. The marketplace for knowledge and advice services is increasingly crowded at a time when users are often short on time and over-loaded with information. Creating a strong shared community of users is vital to survival. Only with the user needs, not the funders’ needs, central to the vision, values, and culture of these organisations, can the design possibilities for new solutions become open and exciting. This is what will attract more users, and lead to more funding. ●

Museum of Architecture and Design (MAO)

Innovative Forms and Engaging Content

Case Study

Organisation profile

The Museum of Architecture and Design (MAO) is an international platform for promising talent in architecture and design, the custodian of the collection of Slovenian architectural and design heritage, and an accelerator for the creative sector. MAO's collections encompass 80,000 items in the fields of architecture, design, and photography. Every year, it attracts 28,000 visitors through exhibitions, training sessions, knowledge transfers, and creative exchanges. It has a presence in 22 countries by virtue of its programmes focused on discovering and supporting creators of the future practices.

mao.si

Organisation logo



Organisation structure (2018)

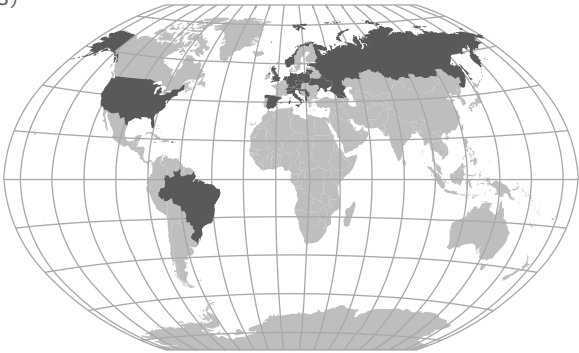
○ Design related ● Design educated

Strategic level	2
Tactical level	10
Operational level	13

Program reach and revenue (2018)

22
countries

1.85M
revenue



1972–2010

The Beginning

The Museum of Architecture and Design was founded in 1972 under the name of the Architectural Museum of Ljubljana (AML). Upon its founding, it assumed the organisation of the Biennial of Design (BIO), which was founded in 1963. Its programme was based on architectural and design exhibitions, which were largely the result of external initiatives, and on the Biennial of Design. However, in the absence of any processes for developing its own programme, the AML failed to carry out its basic tasks and fell into stagnation. In 2010, the Ministry of Culture purchased the Museum from the city of Ljubljana and assumed its founding rights.

2011–2015

Recognition in the International Environment

In 2011, the Museum was reorganised and a new programme focused on the needs and expectations of various target groups. The development of the new brand included planned and systematic use of digital channels to engage with the audience. It set up processes for collection processing and reformed the Biennial of Design. It joined its first international projects and professional networks. Despite a lack of understanding from its founder and the budget cuts, the Museum managed to double the number of visitors, created and presented a digital inventory of key works from the collections, and became a recognised and noteworthy international player.

2016–2017

Future Architecture and the Centre for Creativity

The Museum developed a new strategic plan to enhance the Museum’s international recognition, making collections available to all types of public, and becoming one of the national hubs of the cultural and creative sectors. It founded the European platform *Future Architecture*, positioning itself at the heart of international developments in architecture. In 2016, it became the accredited institution for the Pavilion of Slovenia at the Venice Biennale of Architecture. The *Centre for Creativity* project, financed by EU funds was established by the Ministry of Culture after Museum’s successful application and strategic plan. The Museum designed and developed two new brand names: *Future Architecture* and *Centre for Creativity*.

2018–2019

Comprehensive Development Strategy

The rapid growth, increased labour force, establishing of new programmes and adaptation of its activity lead to overburdening. Being a part of the KCDM helps the management focus on continuous improvements and on the rationalisation of processes and operations. A Head of Programmes and Head of Technical Implementation for the programmes are appointed. The hiring of a documentary curator gives an impetus to the processing of collections and set a plan for the online availability of collections by 2020. A contract is signed with a publication distributor for the international market. The KCDM results in a new 2020–2024 strategic plan with the goal to design a comprehensive development and management strategy for the range of services for visitors and partners.

Ten years ago, MAO was practically non-existent. Today, however, MAO is an indispensable player in the international arena. We have become synonymous with well-designed programmes featuring innovative formats, interesting names and support for young creators. People consider us a case study on how to transform a museum into a dynamic institution with new functions.

Matevž Čelik

Director of MAO

2nd level of design management

Design as project



The increasing scope of design projects

Design has already gained trust in the company. From designing individual projects, design broadens to designing system solutions. To establish such co-operation, designers must help companies acquire a set of new competencies to improve understanding of co-operation and systemic thinking.

[← P. 41]

3rd level of design management

Design as process

2011

The Museum restructures and forms a systematic corporate identity.

2011

- As one of its key tasks, the Museum's new programme envisages reforming and re-establishing the international Biennial of Design (BIO).
- The Director appoints a new Head of the BIO and updates the structure of the committees involved in the BIO's management.
- The Director begins the practice of appointing external international curators.
- The opening of the Biennial and expansion from the industrial into other fields of design.

2011

- As one of its key tasks, the Museum's new programme envisages ensuring availability of the Museum collections for visitors and researchers and enhancing their recognition in the international arena.
- The collections are presented to the public for the first time in the Museum's history with the *Open Depots* exhibition.
- With the exhibition, the Director launches the programme of active collection processing and presentation.
- Regular monitoring of the curators' progress in terms of items inventoried.
- The first reorganisation of the depots to gain additional capacities and to purchase missing equipment.

2011

- Leading Slovenian companies notify the Ministry of Foreign Affairs of the need to promote Slovenian industry for easier entry into new markets.
- MAO becomes involved through the Ministry of Culture and prepares *Silent Revolutions*, a travelling exhibition of product design.
- At its first presentation in London, the exhibition attracts 9,200 visitors in three days.

2012

- The Museum's new programme envisages increasing the MAO's international reach and actively engaging in projects that increase the possibilities for the international presentation of MAO collections.
- The Director includes MAO in the European project *Unfinished Modernisations*, where it supports research into the architecture of socialist Yugoslavia together with partners from Croatia, Serbia, and Macedonia.
- The active promotion of the *Unfinished Modernisations* exhibition among world museums.

2012

- A response is needed to address the lack of space for the implementation of the programme.
- The establishment of an additional 150m² of exhibition space and the launch of the *Project Space* programme in a non-renovated part of Fužine Castle.

2012

- Evaluating the results of the revised BIO reveals the Biennial's potential as a driving force in the transformation of the Museum and the development of the design profession.
- New presentation formats start being introduced to attract new visitors.
- The transfer of the international collaboration model and the utilisation of BIO connections for future projects.

2013

- After the initial rapid increase in the number of collection items processed, there is a delay in inventorying the architectural collection.
- An additional curator for architecture is hired.
- The processing and presentation of materials about key public buildings of the 20th century at the exhibition and in the book entitled *Under a Common Roof*.

2013

- The need to update the *Silent Revolutions* exhibition, which the Ministry of Foreign Affairs continues to request.
- The exhibition is updated with a selection of products from start-ups and crowd-funding campaigns.
- The exhibition is set up in Vienna and Moscow.
- In 3 years, the exhibition is hosted 9 times, attracting a total of 134,800 visitors.

2013

- The need for active involvement in key international networks to increase the recognition and importance of MAO in the international arena.
- MAO's Director is appointed a member of the advisory committee of the European Prize for Architecture.
- MAO becomes one of 6 co-organisers of the European Prize for Urban Public Space.
- The start of the European project *Europe City* with partners from Finland, the United Kingdom, and Spain.

2014

- The BIO celebrates 50 years. The need for the further development of the innovative, responsive, and open format of the Biennial to engage young designers and professionals.
- The Director backs the new Biennial format designed by Belgian curator Jan Boelen.
- A BIO organisational group launches collective research, development, and production under the mentorship of renowned international designers.
- The co-ordination of development and production for the BIO requires the involvement of external project managers.
- MAO becomes acquainted with the KCDM 1.0 project and monitors the process and results.
- 143 prospective talents from 20 countries participate at the 50th anniversary BIO.
- MAO provides financing for 11 groups, which develop 58 projects.
- The main BIO exhibitions attract 11,450 visitors.

↑100%

The number of Museum visitors increased by 100%.

34,270

By 2015, MAO stores 34,270 items in its digital inventory.

2014

- The Museum's new programme envisages inclusion in the implementation of top events of international importance in order to promote MAO and Slovenian architecture and design in the international space.
- Upon submitting the application, MAO's Director acquires the task of organising the 18th Biennial Conference of the International Confederation of Architectural Museums (ICAM) in Slovenia.
- At the invitation of MoMA, MAO's Director joins the advisory committee for the organisation of an exhibition on the architecture of socialist Yugoslavia.

2014

- A response is urgently needed to the situation where the founder lacks strategy and priorities. Cutting of regular budget funds for the operation of the Museum.
- An intense focus on finding own sources of revenue on the market.
- The intense preparation of applications for new projects in international calls for applications.
- A second reorganisation of the depots in order to ensure additional capacities using donated equipment.

2015

- The success of BIO 50 requires a balancing of the programmes and the introduction of a comparable modern international architectural programme.
- The Director establishes the *Future Architecture* platform with 12 European partners.
- The application for the *Future Architecture* platform project is submitted to the European Commission's tender for cultural platforms.

2015

- The *Future Architecture* project is selected and MAO becomes the co-ordinator of one of the 8 European platforms.
- Two project co-ordinators are hired.
- The design and development of the new European Future Architecture brand.
- The platform programme is launched with the first international call for ideas, to which 524 young professionals from 39 countries apply.

2015

- In its 2015–2019 strategic plan, the Museum sets itself the goal of becoming one of the national hubs of the cultural and creative sectors. The Ministry of Culture charges MAO with preparing the *Centre for Creativity* project.
- MAO prepares a proposal for the *Centre for Creativity* project that envisages linking subsidies for product and brand development with education, promotion, and international networking.
- The unclear starting points of the Ministry of Culture and the instructions of the Government Office for Development and European Cohesion Policy delay the approval of the application by two years and require more than 10 amendments.

2015

- By the decision of the Ministry of Culture, MAO becomes a delegated institution and its Director the Commissioner of the Slovenian Pavilion at La Biennale di Venezia 2016 international exhibition of architecture.
- Due to the overlapping of the two biennials, the Director moves the BIO to odd-numbered years.
- The executive curator of exhibitions is assigned new tasks and co-ordinates providers at different locations.

2015

- The increasing demand for MAO collections requires the digitisation, systematic updating, and presentation of materials, and the provision of open access for researchers and other users.
- Filling the gaps in MAO collections by actively acquiring key missing materials.
- The preparation and acceptance of donations of important archives of key architects and designers: Svetozar Križaj, Savin Sever, Saša J. Mächtig, Janez Kališnik, Edvard Ravnikar and others.
- By 2015, MAO had digitally inventoried 34,270 items and presented 5,224 items at 24 exhibitions and in 45 publications.
- MAO's 2010–2015 exhibition programme attracted 53,000 visitors.
- Retroactive regulation of copyrights.

2016

- The increase in the number and importance of activities requires a systematic approach and a person responsible for public relations.
- The permanent employment of a public relations organiser.
- A communication plan is drawn up for the *Future Architecture* platform.

2016

- Entry on the international scene as the producer of the Slovenian Pavilion at La Biennale di Venezia international exhibition of architecture.
- Focus on international communication activities and connecting with other international projects.
- Engagement of an international public relations agency.

2016

- MAO is selected to organise the biennial congress of the International Confederation of Architectural Museums (ICAM).
- The engagement of employees in guest management and professional events of the 7-day congress.
- The presentation of Slovenian architecture to 150 directors and curators from world architectural museums using the mobile congress format in Ljubljana, Maribor, and Bled.
- The promotion of processed MAO collections to international museums.

2016

- The increasing number of visitors and events calls for the Museum to provide a comprehensive offering.
- The opening of the MAO Café with the Kaval Group, which was chosen via a public tender.
- The implementation of a signage system in the Museum and the surrounding area.
- Plan for improving the library's accessibility and its relocation to the ground floor.
- Refreshment of the equipment and product range offered at the Museum shop.

↑40%

With the European projects *Future Architecture* and the *Centre for Creativity*, the funds for the Museum are increased by 40%.

BEGINNING OF KCDM 2.0

2017

- Based on the approved application and the signed contract, MAO launches the *Centre for Creativity* (CzK) Platform.
- Hiring a programme business manager and new project managers and co-ordinators.
- A new design of the CzK brand and visual communications.
- The reorganisation of the museum premises to accommodate new activities.
- Launch of new programmes and reporting.

2017

- 25 new organisations express interest in membership in the *Future Architecture* platform on an annual basis, including renowned global players in architecture. (MoMA San Francisco, Royal Academy of Arts, Bauhaus Weimar, Museum of Finnish Architecture).
- MAO annually distributes €280,000 in grants for programmes involving young talents.
- Plan for controlled membership growth that MAO uses to strengthen the platform's reach.
- The establishment of the concept of associate membership.

2017

- Following the successful re-application of *Future Architecture*, which has secured European Commission funding until 2021, MAO must launch a new cycle of the platform's programme.
- MAO's Director establishes a new management structure for the platform.
- MAO co-ordinates the programme and financial support for 19 member organisations from 16 European countries.
- By setting up a rotational financial support plan, MAO is able to ensure membership growth for the platform.
- The engagement of an international public relations agency in the platform.
- The implementation of a tendering procedure for new members.

2017

- The increasingly complex MAO programme management processes require new skills and competencies.
- The inclusion of new employees in education relating to the cultural and creative sectors, particularly mutual learning and the exchange of best practices.
- MAO joins the KCDM 2.0 project, which helps the Director and the employees focus on the Museum's users and service quality.

2018

- The managing authority's lengthy procedures for approving calls for subsidies of the *Centre for Creativity* require focusing project activities on education and networking.
- Upon the establishment of the CzK Platform partnership network, 17 partners join.
- Opening of the CzK project office featuring a classroom and a gallery in Maribor.
- Launch of the *Skills Exchange* (*Delitev veščin*) and *Pop-up Start* programmes.
- 19,000 participants and 150 companies attend 160 educational events.

MAO wants to improve business processes, strategic management, and communication, and enhance its product and service offerings. The goal is to acquire knowledge to improve the management of the Museum and the *Centre for Creativity* project.

No. of employees involved in KCDM training at this level
Total no. of hours spent by employees at this level for training

2 236h

Strategic level



10 480h

Tactical level



12 252h

Operational level



24

No. employees on training

968h

No. of training hours

€22,320

Investment in education

INTERNATIONAL DM EVENTS

- Attendance at the Global Design Forum, London, 2018
- Attendance at the Service Design Network Global Conference, Dublin, 2018
- Design Week and Salone Internazionale del Mobile, Milano, 2018

THE KCDM EDUCATION AND TRAINING PROGRAMME

- Attendance at the KCDM Kick-off Conference
- Education in the field of design management skills 1
- 6-month Grow Design Leadership Programme 3, 4, 5, 6, 7, 8, 9, 13, 14, 23, 25, 27

INTER-PARTNER EXCHANGES AND NETWORKING

- Grow Alumni – exchange of experience and networking
- Demonstration of the design management process in KCDM partner companies (JUB, Steklarna Hrastnik, Intra lighting, Ad-Hoc)

IN-HOUSE TRAINING

- Consulting and mentoring on brand and design strategy 12, 24, 27, 31
- Consulting and mentoring on the identification of users and UX 32

OTHER

- Attendance at national professional conferences, forums, and meetings
- Training in professional skills linked to design management 19, 20, 26, 28, 34
- Other 35

Legend of education topics

- | | | | |
|----------------------------|--|-----------------------------------|----------------------------|
| 1 DM staircase model | 10 Role of design and future of brands | 17 Presentation skills | 27 Design strategy |
| 2 Introducing design | 11 Corporate communication | 18 Negotiation skills | 28 Early innovation phase |
| 3 Design leadership | 12 Brand strategy | 19 Copywriting | 29 Design research |
| 4 Design management | 13 Design language | 20 Business communication | 30 Design research methods |
| 5 Design disciplines | 14 Service design | 21 Project management in practice | 31 User experience |
| 6 Design brief | 15 Architecture and ergonomics | 23 Design presentations | 32 Brand touchpoints |
| 7 Design process | 16 Intellectual property rights and authors rights | 24 Determining brand value | 33 Design value |
| 8 Design methods and tools | | 25 Design resources | 34 Digitalisation and AI |
| 9 Design quality | | 26 Design thinking | 35 Other |

2018

MAO participates in an exhibition on architecture in Yugoslavia in MoMA New York with the largest borrowing of items in its history.

2018

- As the collections keep growing with new acquisitions, the backlog in inventory needs to be eliminated by 2024 and a comprehensive collection management plan needs to be formulated to enable immediate processing.
- A documentary curator is hired.
- Review of the status and drafting of a plan for the online availability of collections by 2020 and a complete inventory of collections by 2024.
- The third reorganisation of the depots to gain additional capacities and to purchase additional equipment.

2018

- The demand for English MAO issues requires a systematic solution for the distribution of publications.
- A contract is signed with a publication distributor for the international market.

2018

- The planned opening of the *Towards a Concrete Utopia, Architecture in Yugoslavia* exhibition requires regular and ongoing collaboration with MoMA partners.
- The establishment of a group of curators to organise the extensive lending of original architectural drawings and items and the delivery of a K67 kiosk for the MoMA collection.
- The exhibition features 400 items and, with 62 items, MAO is the largest lender of works.

K2

2ND KNOWLEDGE GAP

The ability to co-create

Organisations employ the design planner function. In the design process, companies co-operate with designers; design is increasingly connected to the organisation and ranks higher in the strategy; however, planning is still run by individual development or marketing offices and is isolated from other business operations.

[← P. 42]

2019

- The Museum's increasingly diverse programme requires the centralised co-ordination of activities and the occupancy of its premises.
- A Head of Programmes and a Head of Technical Implementation for the programme are appointed.
- Optimisation of the processes involved in co-ordinating and implementing programme activities.

2019

- The insufficient and unstable funding for the Museum's programmes demonstrates the need for greater integration of the European programmes *Future Architecture* and *Centre for Creativity* into MAO's regular programme.
- The Director links the *Future Architecture* international young talent competition with the exhibition on the reuse of buildings called *We're Renovating!!!* and makes use of the project to have the Museum's courtyard renovated.
- The renovated courtyard attracts new visitors to the Museum and the MAO Café.

2019

- New MAO brands require a re-definition of the marketing and PR processes, a new communication strategy, and regulation of brand relationships.
- The terms of reference for redesigning the MAO website and related brands are drawn up.
- Reinforcement of staffing in marketing and public relations.

2019

- The need to raise employee awareness about the importance of the new programmes and projects implemented by the Museum.
- The regular holding and substantive upgrading of co-ordination meetings and internal presentations.
- Support for employees in the form of training for new skills.

2019

Biennial of Design BIO 26 receives the prestigious *Brumen Grand Award for Excellent Slovenian Design* and 2 *Brumen Awards* for visual identity and infographics.



Video case study



CONCLUSION OF KCDM 2.0 AND THE PUBLICATION OF THIS BOOK

KCDM has helped us to face systemic challenges and provided a new focus in the preparation of the new strategic plan for the Museum. In the following five years, we will finally process and put to use the Museum collections, we will develop programme activities as a comprehensive experience, and increase the number of visitors.

Matevž Čelik

Director of MAO

Making Moves Forward

Matevž Čelik

Matevž Čelik (Slovenia), director of Museum of Architecture and Design (MAO).

This is not a book of wisdom, but a cookbook containing tried and tested recipes written by managers who set ambitious goals for their businesses and managed to achieve them. A quote by Einstein comes to mind: “*The only source of knowledge is experience.*” Of course, his words refer to science, but this is undoubtedly also true in entrepreneurship and other practical applications. By sharing experience and transferring it to new practices, knowledge is created. The KCDM is a fantastic model for the generation of design management knowledge, which strives for and delivers tangible results in businesses.

In contrast with today, the context in which companies used to operate and develop only a few decades ago changed at a sluggish pace. Company processes used to be so static that some products and services would remain unchanged for as many as twenty years. Well, not any more. Today, the world is dramatically different and the business environment is constantly and rapidly adapting to a variety of factors. Changes happen so quickly that we as managers can no longer follow even the best of our predecessors’ practices in resolving our business problems. The context in which our predecessors used to operate has completely changed, rendering their practices no longer relevant. We can still learn from each other, however.

Today’s challenges are systemic. Maybe it used to be possible to respond to a business challenge by refreshing the brand, designing a new product or modernising the existing product line, thereby increasing added value. This is no longer sufficient. The companies and organisations that joined the KCDM know that understanding who we are, what we do, and for whom we do it is one of the pillars of our sustainable development. In short, this means having an objective and comprehensive understanding of yourself and of your activity.

In an environment where communities of designers and entrepreneurs are living in parallel worlds, the KCDM has tasked itself with building new, strong connections between them through presentations of design and design management, and by providing and organising training sessions. This ambitious project is not merely surrounded

by a myriad of words that are currently in vogue, it is a buzzword in and of itself. But this is precisely one of the drivers, which we should not ignore. “*There’s a lot of buzzwords in the business world these days - design thinking, innovation, ... - and at the heart of every one of these concepts is the ability for people to make small moves forward, learn, iterate,*” said renowned CNN commentator Mel Robbins.

Leaders must now try to find and test brand-new ways of tackling challenges and achieving solutions that are simultaneously comprehensive and flexible. To advance, we need to be constantly improving how the company operates. And this requires a strategic approach. But we must not forget the importance of working every day, at every level and with every employee performing their tasks in order to satisfy those for whom we produce and work.

For a long time, we all thought that design knowledge was simply about designing products, but by joining the KCDM, we were able to see first-hand how design principles can contribute to the better organisation of employees and processes. The KCDM encouraged companies to design a comprehensive environment in which the strategies and everyday decisions of executives will work towards constant improvements and innovation.

Awareness of the importance of design for competitiveness and prosperity in Europe is increasing. Here at MAO, we are building awareness about the effects of design-based innovation and support efforts to make design a part of government

programmes aimed at innovation development. Design is the genetic material of our Museum and has always been at the centre of our attention. As such, over the past five years, we have expanded the functions of MAO as a state institution for architecture and design. MAO has also become a platform for promising designers and an accelerator for creative entrepreneurs. The KCDM has “infected” us with design thinking principles, which are intended for all employees who will help put into practice the Museum’s future strategy. We will continue taking the steps we have learned, and we are confident that we will continue taking them together with our partners from the KCDM. ●

The significance of KCDM and this book is broader, since it indicates that design can also be used to solve complex social, environmental, and other systemic challenges of our time.

— *Matevž Čelik*

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This is How 37 Organisations Put Design Management Into Focus

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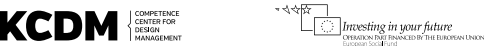
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Design is a creative activity whose aim is to establish the multifaceted qualities of objects, processes, and their systems in whole life cycles. Therefore, design is the central factor of innovative **humanisation of technologies** and the crucial factor of cultural and economic exchange.

Design is in everything we have created, so we can hardly describe it. If five keywords are chosen from the ICSID (International Council of Societies of Industrial Design) definition above, these will say it all.

— THE EDITORS