ABRAHAM LINCOLN
This man was born when the world was a very different place.
And yet, 205 years later Abraham Lincoln has a critical insight for us today.

LINCOLN QUOTE
One of the cornerstones of his philosophy for change was:
“the best way to predict the future is to create it”.
Which is my call to action for us all.
If we are not doing this, then business strategies will fail, and design will have missed its greatest opportunity.

DESIGN LEADERSHIP
My contention is that a key resource for responding to this ‘call to action’ is something I call Design Leadership.

In essence this means using design as a business leadership tool to help shape our corporate and social worlds in order to secure a better quality, safer and more productive environment for everyone.

A COMMERCIAL IMPERATIVE
Which is why I call it a commercial and social imperative - something we can’t ignore.

Yet many organisations in a position to shape our current and future world are either ignorant of it or immune to its potential.

My belief in the role of design leadership is not based on hypothesis or conjecture, but rather on seeing it work in many countries, for companies, institutions and a wide range of projects, large and small.
GALWAY
Such as city master-planning in Galway

LONDON
...and London,

HEATHROW EXPRESS
And transportation, helping create the first high speed rail link between Heathrow Airport and London...

EUROTUNNEL
And Eurotunnel, the first physical link between England and France

CITY OF LONDON
And on projects with budgets of a few thousand euros designing a communications system for the City of London’s information centre

TERMINAL 5
to one costing 5 billion euros, a new terminal concept for Heathrow Airport

ENVISIONING
and helping organisations use design to envision and prepare for the future.

GLO/FIRST
And sometimes bringing a new product or service to market where it appeared there was little room for more.
LOGOS
And with many others, some well-known, many not so.

If working with these organisations has taught me anything about design leadership it is this...

STRATEGIC VALUE
Essentially it’s all about securing the strategic value of design, and by doing so unlocking its full potential.

WHAT DOES IT LOOK LIKE
But what does it look like, and how do you know when you have it?

DNA
This is the human dna spiral.

It is a good analogy for the effectiveness of design leadership in the sense that organisations will only secure its full strategic potential when it becomes part of their dna, unexceptional in its use, common place like financial management, quality assurance and other aspects of normal business.

DESIGN LEADERSHIP/DESIGN MANAGEMENT
Before going further let me clear up a possible point of confusion.

The term ‘design leadership’ is relatively new, whereas the term ‘design management’ has been around for a long time.

And it is reasonable to ask if there is a real difference between the two?
REACTIVE - PROACTIVE
In fact their differences are profound.

Design management is essentially reactive whereas design leadership is essentially proactive.

THE RIGHT QUESTION
The difference between reactive management and proactive leadership generally lies in asking the right questions.

INSTEAD OF ASKING
Peter Ellyard, Chairman of Futures Foundation in Australia and advisor to the United Nations, sums up the fundamental differences between the two by saying “instead of asking what the future will be like, ask what it should be like?” (overtones of Abraham Lincoln!)

MANAGERS RESPOND
He goes on to say that management is essentially about responding to a given business situation.

The basic skill required is facilitating a change process.

This is at the core of what design managers do.

Leadership, on the other hand, is about describing what the future will, or needs to be like, and then choosing the direction to get there.

This is at the core of what design leaders do.
DESIGN LEADERSHIP/DESIGN MANAGEMENT
These insights into general management and leadership apply equally well to design.

DESIGN LEADERSHIP IS ABOUT
In essence, design leadership is about defining corporate futures.

Its scope of influence demonstrates its critical value. It is key to:
- **It is key to realising** corporate strategy and creating differentiation in the marketplace, even leading the development of a market
- **It can enable world-class performance** that encourages inward and foreign investment
- **It is a financially** prudent activity because its impact can be measured
- **It provides long-term benefits** to society by making our environments safer and more enjoyable to use, and
- **It sustains** competitive advantage through product and service innovation
- **It provides the means** by which we can create sustainable futures through better use of raw materials, or the construction of zero energy buildings
- **It’s key to managing reputation** and so facilitates long term wealth creating opportunities

DESIGN MANAGEMENT IS ABOUT
Design management on the other hand is concerned with providing the means for realising those futures.

DESIGN MANAGEMENT
This is all about the complex task of managing design people, budgets, timetables, design work and design infrastructures like the briefing, reviewing, consultation and approval processes.
MUTUAL DEPENDENCY
Design leadership and management are inter-dependent.
You can’t have one without the other.
Without design leadership you don’t know where you are going.
Without design management you don’t know how to get there.

MICHAEL WOLFF 1
There are others who hold a similar view.
Michael Wolff, the UK government’s inclusive design champion, says
“design management is irrelevant without design leadership”

MICHAEL WOLFF 2
He goes further - “business without design leadership and vision will perish”.

MANY REASONS
There are many reasons to take this complex subject seriously.
I spent a year trying to summarise my thoughts about it in a book that was
published recently.

DON'T IGNORE
The most significant conclusion was ‘don’t ignore it’ because the benefits
it can bring are very significant.

DESIGN LEADERSHIP LIST
We don’t have time to discuss each of these benefits today so I have
chosen three to illustrate the relevance of Design Leadership in helping
shape the future.
The critical role it plays in realising corporate strategy, how it sustains
competitive advantage, and its role in managing reputation.

And I’ll give 2 examples of each, showing them working in practice.
1 CORPORATE STRATEGY
Starting with its role in realising corporate strategy.
Design provides a clear and practical link between the decisions of the Board Room and the day-to-day activities of the business.

It can turn statements of strategic intent into a product or service that is tangible, can be touched, experienced, understood and engaged with.

It is key to turning aspirations about the future into reality.

The rationale behind this claim can be demonstrated by a simple diagram.

1 STRATEGIC INTENT
It starts with a clear statement of the strategic intent, or aims of the organisation.

This is usually defined in terms of financial targets, the market position the business wants to occupy and the key differentiators that will set the business apart from its competitors.

Sometimes they are verbose statements in annual reports, sometimes simple sound bites: “A Coke within arms reach” or, for the manufacturer of small Japanese engines, “3 in every garage”.


2 VISION
A statement of strategic intent is a good start but of little value unless there is a supporting vision that forms the basis of realising it.

Visions are usually statements about aspiration, customer focus, the nature of the commercial imperative, or represent common goals for employees and other stakeholders.

A good vision describes the high ground implicit in the strategic intent and provides the platform for developing design and operational strategies to realise that intent.

3 VALUES
The next step is to determine the distinctive corporate and design values that will influence the way the vision is turned into reality.

It is critical for the design team to understand these if the solution is to fit with the culture of the business.

4 DESIGN DRIVERS
Once the values are clearly understood a number of design strategies, or drivers for change, can be developed.
They will be small in number but big in impact.

These strategies might be quite different in nature from each other, but all of them would be informed by the vision.

For example they may include radical product innovation; increased investment in R&D; a new recruitment programme that attracts the brightest minds; or a new way to raise market interest in the product or service when it is launched.
5 CUSTOMER INTERACTIONS
The opportunities for making these strategies a tangible reality are usually through the many ways people come into contact with the organisation.

6 DESIGN RESPONSES
Finally, those individual strategies are made real ‘on the ground’ by a series of design responses.

Every strategy will have a number of responses to deliver it, and they all link back to the vision and strategic intent of the organisation.

Without such alignment, shareholder value cannot be maximised from design investment, and no one can be sure that every design activity, and every euro spent on it, is contributing to the wider business ambitions.

BABINGTONS VAN
I have chosen two very different examples to illustrate this aspect of design leadership – a small simple business and a large complex one.

They both focus on creating a different future for themselves through the links between strategy and implementation.

The small one is Babington’s English Tea Rooms in the heart of Rome, and like many businesses in Europe, by 2010 theirs was in steep decline.

BABINGTONS AIMS
So they took the strategic decision to reposition the business and emphasize its English heritage to heighten awareness of the Tea Rooms, increase branded merchandise sales and create an attractive concept for future franchisees.
BABINGTONS TEAPOT
The focus was the heritage of English eccentricity – that in England, everything stops for tea.

Interior design, communications, point of sale material, packaging and merchandise, all communicated the vision, using images of bizarre Victorian inventions.

BABINGTONS RESULTS
Despite declining market conditions, sales in all parts of the business increased as a result of this work.

Total footfall increased by 40%, alongside the same increase in sales value, a 60% increase in gift shop sales, 10% increase in online merchandise sales.

HEATHROW EXPRESS
By way of contrast, my second example of making strategic intent tangible is the Heathrow Express, the train service between Heathrow Airport and London’s Paddington Station.

1 HEX STRATEGIC INTENT
In their case the Chief Executive expressed the aim for this new service in quite pedestrian terms - something customers wanted, at a price they could afford - rail lines, trains, tunnels, stations, staff and information systems all delivered for £350 million.

But by itself, this statement was not enough to direct the design and service response.
Eventually the essence of the proposed service was summed up in the vision statement ‘bringing Heathrow Airport to London in 15 minutes – easy to understand, trouble free to use’.

It doesn’t sound much but it was enough to give clear direction to the development team.

A number of concepts were consumer tested, each one representing a different business proposition.

For example, with a rail journey of only 15 minutes was the service quality going to be more like a fast tube-train with a ticket price of, say, £7, or was it to be a luxurious intercity service priced at, say, £20?

Or perhaps something quite different.

The response from potential users was clear – they wanted a service more like a plane than a train; based on quality first and cost second.

Values were developed that would help ensure the behaviour of everyone involved in the programme, and its delivery, would be in line with the vision.

Those values focused on three things:
Building a reputation for service quality,
Being simple, clear and coherent in operations and communications,
Being responsive and responsible in dealings with staff and customers.
4 HEX DRIVERS
From this, corresponding design strategies were developed, and together these would set a future benchmark for short high-speed rail travel.

5 HEX TOUCHPOINTS
Customer touch-points were mapped as a way of understanding where design might be used to create the service required by the vision and strategic aims.

6 HEX WOMAN
Heathrow Express is far from perfect, although it has been very successful delivering a service to 20,000 people every day, which is still in line with the original vision and strategic intent.

2 SUSTAINING ADVANTAGE
The second point I want to make about design leadership concerns **sustaining competitive advantage** by helping define futures and providing tools for getting there.

ROCA
Again I have two examples of this working in practice. The first is Roca and the challenge of what next?

ROCA PRODUCTS
Roca is a world leader in the production of ceramic bathroom products and hardware.
ROCA LIST
It is...profitable, family owned, hugely successful, Barcelona based, manufacturing in 30 countries, selling in 135, produces 43 million pieces every year and has 22 brands

ROCA FAMILY
Established in 1917 by a family with a belief they could be the best in whatever they set out to do.

ROCA GROWTH
In the 1920’s they were making cast iron radiators,
In 1930’s it was vitrified porcelain for the bathroom
By the 1950’s it was fawsets and other accessories
From 1970’s to 1990’s they expanded globally

DESIGNERS
Today they use some of the most famous designers in the world

SUCCESS STORY
Roca is a great success story and in a strong position to face the future...

CHANGING WORLD
If the world was not changing

BUT IT IS
But it is.
The global commercial environment has caused the company to re-consider its own future
WHAT NEXT
As a manufacturer of ceramic bathroom ware they are already the biggest in the world, so they are asking themselves ‘what next?’

This is a question they have asked many times – from the very beginning

SLIDE/VIDEO (CLICK TWICE)

SO FAR SUCCESS
So far, success depended on massive volumes, low reject rates, highly efficient operations and delivering peoples expectations

NOT UNIQUE
But none of this is unique, all of it can be copied

BIG CONCERN
The big concern was that some time soon their position in the market will be undermined by others doing exactly what they do, possibly better, certainly cheaper

CHINA
China has already declared its ambition to become the world’s producer and Turkey is not far behind.
STRATEGIC RESPONSE
Their response to this situation has been in two parts.

First, the imperative to build on its core strength of cost effective volume production.

Second, to create the opportunity to become the company at the leading edge of what bathrooms of the future will be like.

TO ACHIEVE
To achieve this they initiated a design driven internal transformation programme managing a cultural change from being:
- a producer of ‘things’ to becoming
- an innovator of ‘experiences’

VISION 2020
At its heart was an idea ‘to become the global leader in defining bathroom experiences’, and it was called Vision2020

BENEFITS
The commercial benefits of this change were clear …
It would help build a more secure future for the business by creating:
- dominant position based on leadership
- enhanced revenue streams
- greater differentiation through innovation

DRIVERS
This vision is being delivered through four key, interrelated, drivers for change:
MINDSETTING
Mindsetting, changing attitudes about what is possible and understanding what it means to shift from being a ‘producer’ to being an ‘innovator’.

PROCESS
Process development that supports innovation and sharing knowledge.

INNOVATION
Innovation in experience creation, product concepts, technical breakthroughs and business models.

RESEARCH
And research to better understand market differences and needs of ethnographic groups, and to secure technical knowledge and inspiration to inform future developments.

DRIVERS 2
These drivers affected every part of the organisation world-wide.

PROJECT MAP
A 5 year programme of 35 projects was developed, each aligned to one of the drivers as part of delivering their vision for the future.

PHYSICAL OUTPUTS
Although some physical outputs are beginning to appear, the more important point is the start of a cultural change within the organisation that will help it navigate and shape the future, and almost certainly be key to its survival.
**WATCH THIS**
This is work in progress so we have to ‘watch this space’ to see how successful it will be.

**THE FUTURE**
My second example of design leadership’s role in **sustaining competitive advantage** is different.

Some organisations go through a rigorous process of trying to understand the future in order that it might inform how their investment in design is made today.

BAA, until recently the largest privately owned airport company in the world is a case in point.

The work they did prior to investing in, designing and building their fifth terminal at Heathrow is a good example of what they called, ‘future proofing’.

**AIRPORTS OF THE FUTURE**
Designing and building an airport today is all about designing and building the future, something that needs to have an operational life of somewhere between 25 and 50 years.

In that time the world we live in will change, and they needed to be sure that Terminal 5 was designed in a way that would accommodate those changes should they occur.

So it was important to understand what future airports needed to be like. Which was why they initiated the Airports of the Future project.
SPEED OF LIFE
Its purpose was to assess, with the best information and experts available, what the world would be like in the year 2020 and beyond.

This information would then be used to guide the diverse investment across the business, including the design thinking of Terminal 5.

GANT CHART
They looked at the future from many perspectives that might affect the design of airports, including technology, climatic shifts, demographic and population spread, politics and religion, lifestyle, health and safety.

Specialists in these fields helped them understand what changes they were expecting to occur and then assessed the potential impact of those changes on the design of its airports.

OUTPUTS
The results from this work formed the foundation upon which the design of Terminal 5 was built.

It also included senior management briefings, a company wide awareness campaign, an intranet site through which anyone could access the findings, and directives that would inform the design of all future facilities.
HS2

The learning from projects with a compelling design vision, like Terminal 5 and the Olympic Park have been used to develop a design vision for the largest single infrastructure investment a UK government has ever made.

HS2 is a high speed rail network costing £35 billion over 25 years that will help establish new centres of wealth creation across the country.

And design leadership is playing a central role in steering and shaping that investment.

3 MANAGING REPUTATION

The last point I want to make about design leadership’s role in shaping the future is concerned with managing corporate reputation and its long-term wellbeing.

A fundamental challenge for design leaders is to ensure that design investment is used to deliver the most appropriate experience at every point of contact between company and all the people it comes into contact with.

IRREFUTABLE LINK

There are irrefutable links between design investment, the experience customers have of an organization and the subsequent potential for wealth creation.

CUSTOMER EXPERIENCE

Carefully focused design inputs can be used to create and manage those experiences.
ENHANCED REPUTATION
Good experiences with a company normally lead to an enhanced reputation in the minds of those involved.

Conversely, bad experiences tend to diminish reputations.

In shaping those experiences design has a powerful influence on how a company is perceived.

IMPROVED BUSINESS
This, in turn, has a direct impact on business performance and profitability.

Yet executives rarely acknowledge that the reputation of their organization is a function of the way they direct design budgets.

Understanding customer experiences, and how to shape and manage them, has become a critical concern in business and, as such, must be high on business development agendas.

GRINYER 1
However, Clive Grinyer of Barclays Bank says, when speaking about ‘end to end’ experiences, that very few companies have managers who are responsible for the customer journey.

It is design leaders who must to do this, but this means working across vertical corporate divisions whilst holding a single customer vision for the whole service.
LOCKWOOD
Tom Lockwood, the Design Management Institute’s past president holds a related view.

He maintains that one of the big issues for the future is to find ways of working together to create not only integration, but synergy, between design and business, in order to achieve relevancy for customers.

MAP 1
DAA, our largest airport business, has mapped out what a customer’s journey should look and feel like.

They have produced sophisticated diagrams of people on ‘outward bound’, ‘inward bound’, and ‘transferring’ journeys through their airports.

MAP 2
If you drill down behind each step on the diagram, you will find a description of the experience people have, or need to have in the future, at that point.

Understanding the difference between the two is a key issue for corporate management and the direction given through design is crucial to addressing these differences.

LEXUS
The Lexus motorcar company has explored in detail the experiences customers have when visiting their service centres and showrooms, and how design might help to improve the quality of those experiences.
HEAR JOIN

It is only when you get to this level of detail that design leaders can be confident they have sufficient information to direct design resources effectively for the business.

Ultimately, these diagrams show that end-to-end experiences can be created for everyone coming into contact with the organisation.

Without such focus, customer experiences will not be optimised and future success will be compromised.

Design leadership is key to creating those experiences on which corporate reputations thrive.

GRINYER 2

To underline the point, and again quoting Grinyer – customer focused, useable futures, will make the difference between success and failure, and business reputation depends on getting this right.

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REASONS
Which brings me, almost, to the end of what I wanted to say today.

I have tried to give you some reasons to take design leadership seriously, particularly with regard to helping invest for, and shape the future.

I touched on three.

REALISE STRATEGY
First, it is key to realising organisational strategy because it is a practical tool that links ambition with delivery – it is tangible.

SUSTAIN ADVANTAGE
Second, it can help sustain competitive advantage over the long term because of its capacity to envision futures as well as provide the tools for getting there.

BUILD REPUTATION
And third, it can build reputation, the foundation on which future success relies.

OTHER TOPICS
If time had allowed we could also have talked about the role design leadership plays in enabling world class performance, being a financially sound activity because its impact can be measured, and how it can create sustainability and long-term benefits to society.
IMPERATIVE
I said at the beginning that Design Leadership was a business and social imperative and that this was a call to action for us all.

I stand by this, with one caveat

FINAL THOUGHT
And it is this, my final thought to leave you with.

PUT ASIDE
Put aside the idea that design is just for designers…

TOO IMPORTANT
It is far too important for that!

END
Thank you for listening.

TITLE

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