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Design Foundations
2017/18 Grant Funding Programme

Innovate UK

1. Context – Innovate UK & our design programme

2. What are Design Foundations grants for?

3. Progamme details

4. Who will we fund?

5. What's in/out of scope?

6. Applications & Assessment

7. Success metrics & programme aspirations

Innovate UK

- The UK's innovation agency, sponsored by Dept. BEIS

- We work with people, companies and partner organisations to find and drive innovations that will grow the UK economy.

- We drive growth by working with companies to de-risk, enable and support innovation

- We do this via **fund** and **connect** mechanisms

Innovate UK

up to
£13.1bn

return to the economy

7,600

organisations
supported

£ up to
£7.30

of GVA for every
£1 invested

helped to
create
**55,000
jobs**

> 7 jobs created for every business invested in

Innovate UK

- We work across four sectors:

    1. Health and Life Sciences

    2. Infrastructure Systems

    3. Manufacturing and Materials

    4. Emerging and Enabling Technologies

- We run 10 core funding competitions per year: two per sector plus two open-scope.

- Plus other stuff (e.g. Design Foundations!)

Design at Innovate UK

Innovate UK

Design in innovation
Strategy 2015-2019

- Design is a strategic priority for Innovate UK https://www.gov.uk/government/publications/design-in-innovation-strategy-2015-to-2020

- Technology can enable innovation, but success ultimately depends on people

- Design is a cross-sector, enabling capability

- Too many UK businesses don't invest in valuable early-stage design activity

- Boosting design activity *and capability* in UK businesses represents a significant opportunity for the UK economy.

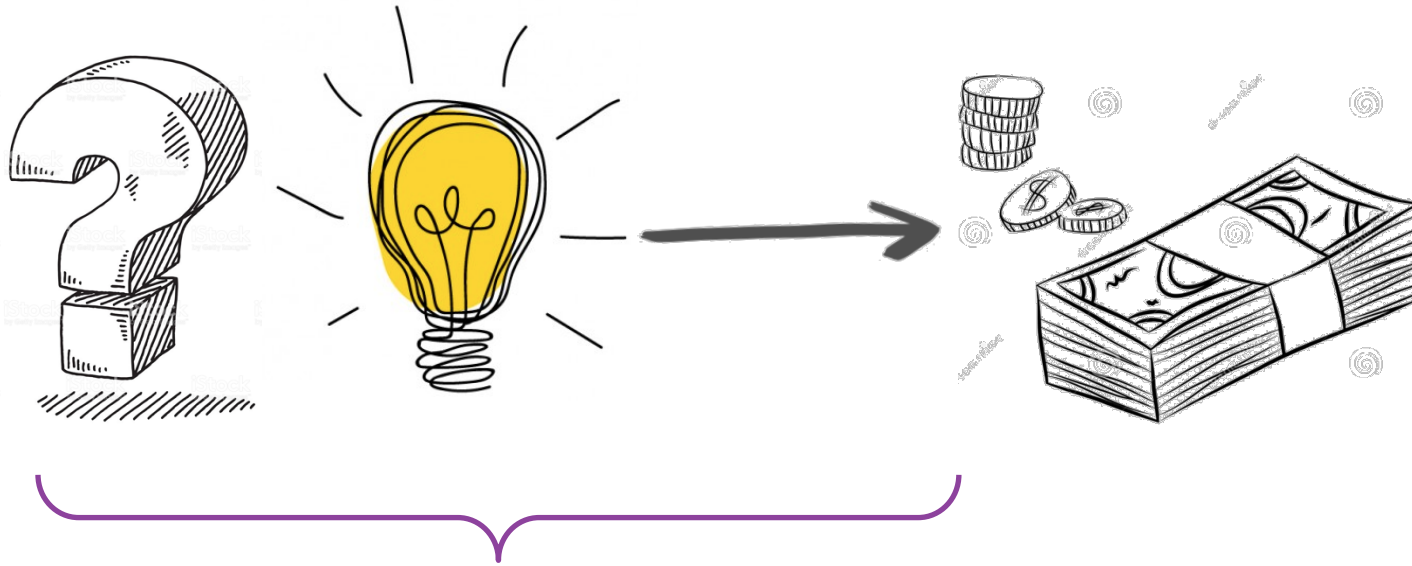- Design Foundations is our first major investment under this strategy.

Innovation:
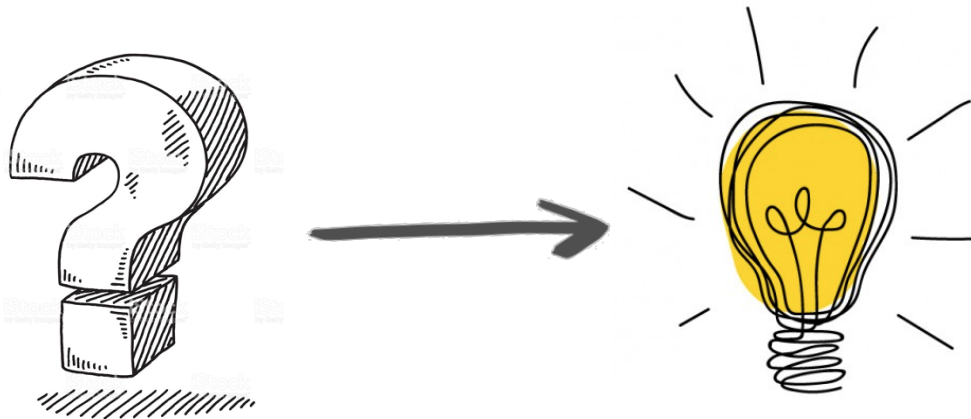
"The successful exploitation of new ideas"
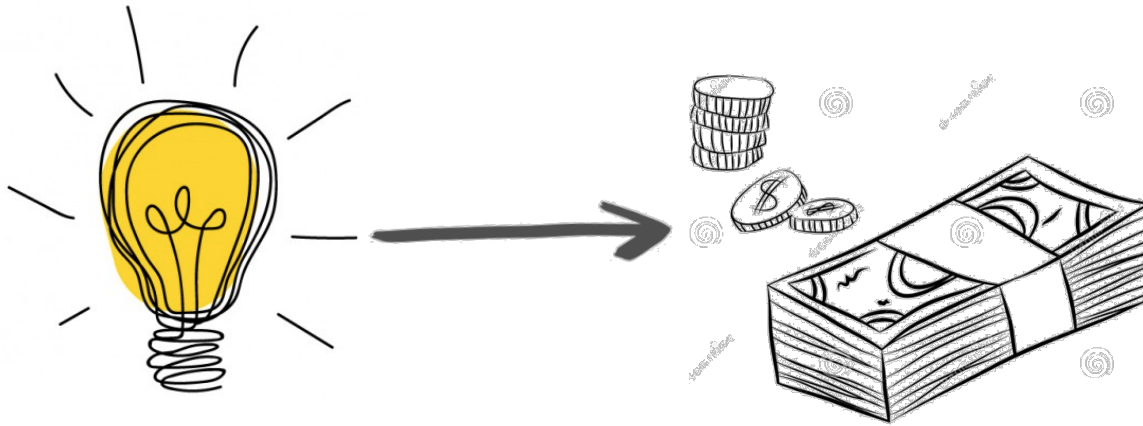
Innovation: *"The successful exploitation of new ideas"*

How do you generate better ideas?…

…Early-stage design thinking

Design Foundations grants will help UK businesses generate better product, service or business model ideas by working with designers and applying human-centered methodologies

Building the foundations for better innovation

A grant could help your business…

1. ## Identify and tackle the right problems

    *   By developing contextual understanding of human behaviour and motivations, complex stakeholder eco-systems and future market drivers.

2. ## Explore more (and better) ideas with lower risk

    *   By identifying viable routes to market including cross-sector opportunities
    *   By generating more ideas for desirable products, services and business models
    *   By quickly simulating and testing new propositions with minimal investment

3. ## Get clarity & buy-in

    *   By communicating the benefits of a novel technology to investors and customers
    *   By uniting teams behind a clear, compelling vision/roadmap

4. ## Boost innovation capability

    *   By experiencing the design process first-hand, embedding learning, adopting new processes and becoming better buyers and users of design.

2017 Design Foundations programme

- £3m grant funding for early-stage design interventions

  - Open to UK registered businesses of all sizes

  - 3 competitive funding rounds: January, May, August

- Supporting projects of up to £100,000 total value

  - Up to 70% can be allocated to sub-contract design services

  - 50-70% funding rate depending on size of businesses

- Broad scope

  - Design of physical or digital products, services or business models

  - Any sector, but we will look for a portfolio of projects covering our four priority areas to align with further funding opportunities.

Funding rates

	Staff	Annual turnover or…	…Balance sheet total	Funding rate
Micro/Small	≤ 49	≤ €10 million or	≤ €10 million	**70%**
Medium	50-249	≤ €50 million or	≤ €43 million	**60%**
Large	≥ 250	> €50 million or	> €43 million	**50%**

The applicant's contribution (30-50%) must consist of real, auditable costs incurred in the project. This may include the salary of individuals working on the project, in accordance with the project cost guidelines here:
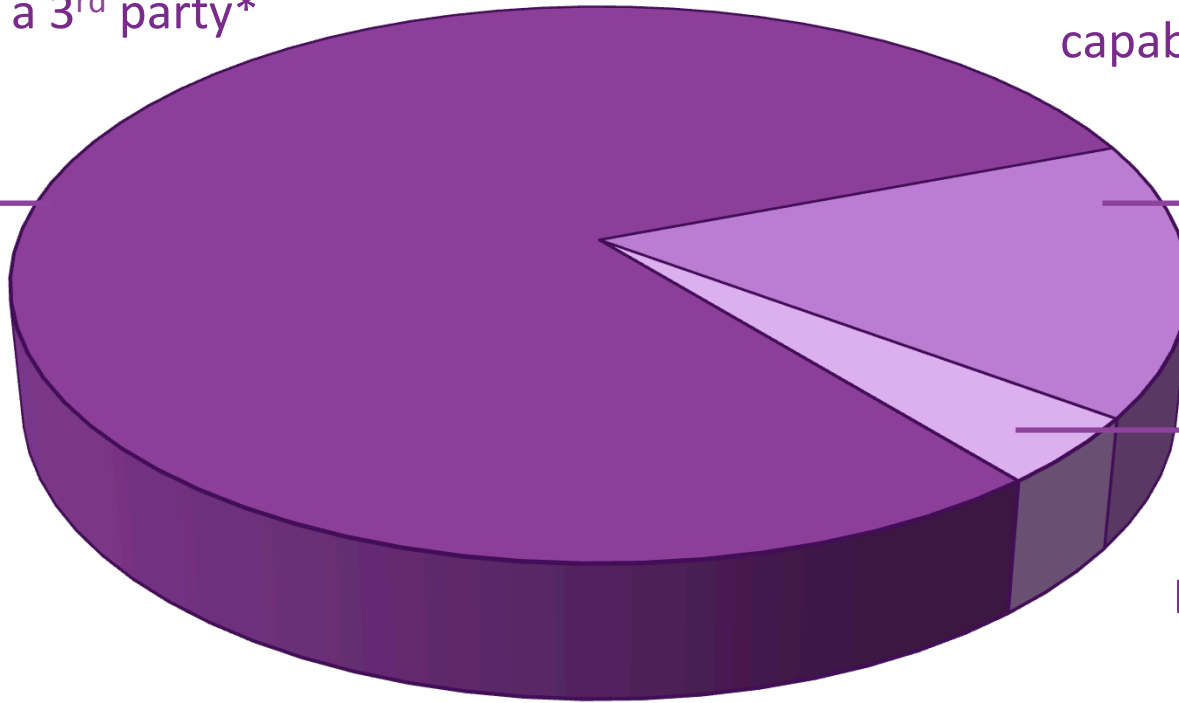
www.gov.uk/government/publications/innovate-uk-completing-your-application-project-costs-guidance

Who do we expect to fund?

Non-design business sub-contracting design activity to a 3rd party*

Non-design business with in-house design capability

Design business

* Sub-contractors don't necessarily have to be "design consultants".
They could be businesses in the games, craft, performing arts sectors etc.

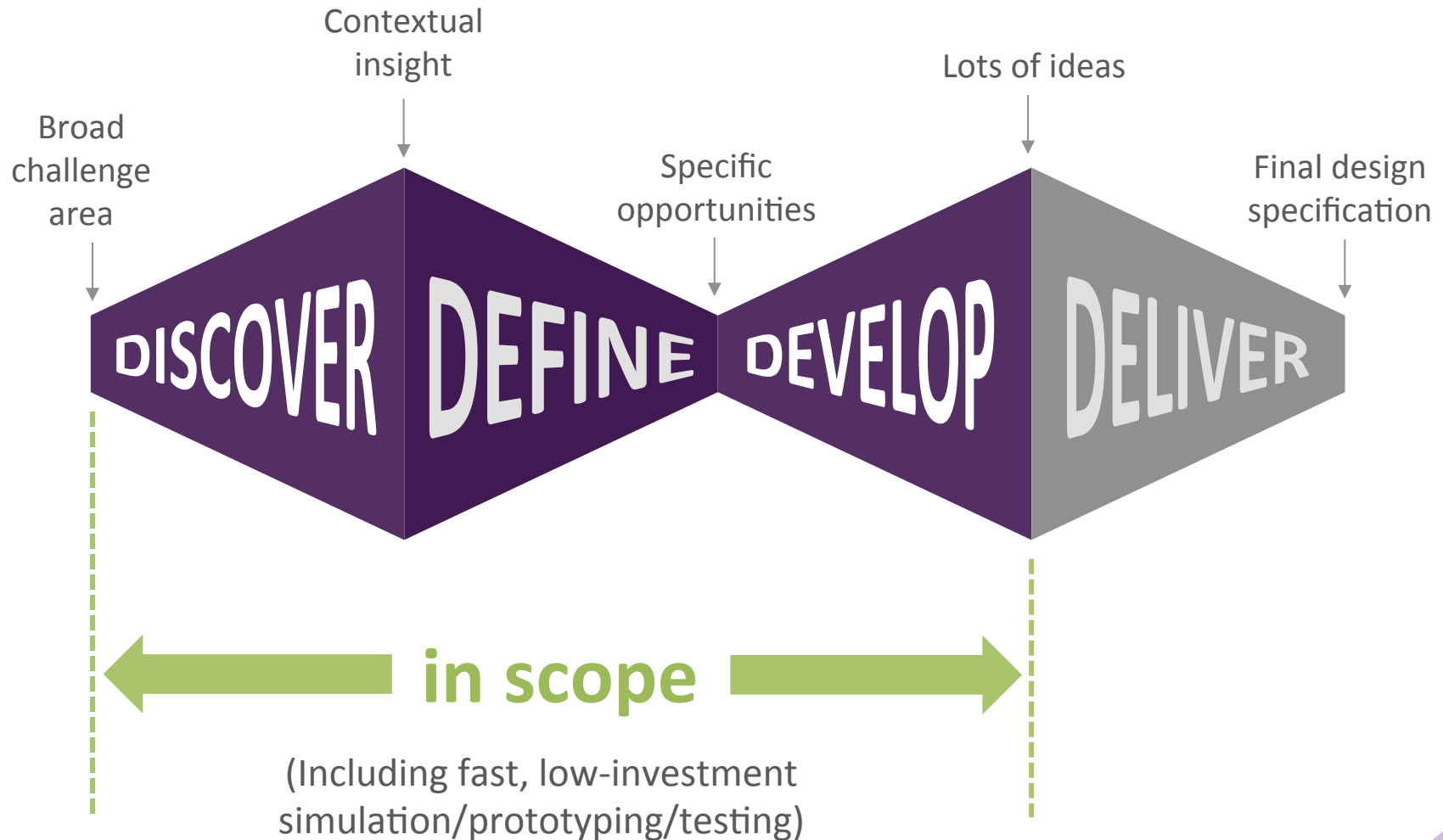# A collaborations to grow innovation capability

Business Applicant

Companies who could benefit from design thinking and expertise

Design Capability

Design companies and other businesses who can provide this capability

Scope

Contextual insight

Broad challenge area

Lots of ideas

Specific opportunities

Final design specification

DISCOVER DEFINE DEVELOP DELIVER

in scope

(Including fast, low-investment simulation/prototyping/testing)

Scope

DISCOVER DEFINE DEVELOP

Outcomes include:

- ▶ Propositions/ideas

- ▶ Roadmaps/plans/canvas

- ▶ Investment pitch

- ▶ Improved capability

- ▶ New processes/structures

Out of scope:

- **Late-stage** design e.g. high-investment prototypes, refinement, styling, specifications

- Design that is primarily **technical** in nature and not concerned with customer/user experiences

- Creation of **solely visual** identity elements and guidelines without considering broader interaction experiences.

Applications & Assessment

- Online application form with 5 Qs (plus project finance form):
    1. Scope check
    2. Activities
    3. Outputs

        Related to the design process itself <u>and</u> to capability building.

    4. Design capability (expertise, experience and capacity)
    5. Need for funding

- Three-stage assessment process:
    1. Scope gateway (Innovate UK)
    2. Scoring by 5 independent assessors (with design expertise)
    3. Funding portfolio review (Innovate UK)

- Project monitoring at kick-off, mid-point and end.

Applications & Assessment

- We will be looking for:
  - quality & ambition
  - willingness to start from first principles
  - economic impact (alignment with priority areas)
  - business impact
  - capability to deliver
  - viable plans & next steps

- Don't risk your reputation by spreading yourself too thin!
  - If you over-commit and it's not clear that you have the capacity to deliver to a high standard on multiple projects, you risk jeopardising otherwise strong applications.

Success Metrics

- Ultimately we are looking to evidence improved business performance and economic benefit from excellent early-stage design thinking.

- Performance metrics of funded businesses will be tracked, e.g.
  - Success in securing further funding/investment
    - Do we see a better quality of applications in our other competitions?
  - Progress of project outcomes towards commercialisation
  - Innovation capability/efficiency
  - IP
  - Growth
  - Market share
  - Revenue / exports

Programme Aspirations

For UK businesses

- Greater awareness and understanding of design

- Improved design capability (planning, procurement, management and delivery)

- Improved business performance though better design & innovation

For the UK design sector

- Growing demand for early-stage design services

For Innovate UK

- A diverse portfolio of successful, design-led projects to track

- Increased quality and robustness of ideas flowing into our core funding competitions (better "hit rate" with our investments)

Key initial dates / events

- 9 January   Competition opens
- 17 January   Launch event in London / networking / collaboration
- 28/29 January   IET innovation Conference
- February   Innovate 'local' event – Cambridge
- February 22   Round 1 closes

- Further primer/brokerage events tbc to introduce companies

- Further regional events around the country coinciding with the three rounds of funding until September 2017.
  - Round 2 April/May
  - Round 3 August/September

Stay connected

- Scope   www.gov.uk
- Events   ktn-uk.co.uk/events
- Updates   ktn-uk.co.uk/interests/design
- Twitter   #designfoundations
            @KTN_Creative
- Email   designfoundations@ktn-uk.org

Web: ktn-uk.co.uk/interests/design

Twitter: #designfoundations

Email: designfoundations@ktn-uk.org

Thank You

Innovate UK

Appendix A : Typical activities & outputs

Process Stage	Design Activity
0. Start	**0.1** Plan project management frameworks for the design project.
1. Discover Gather contextual insight to inform innovation strategy	**1.1** Identify organisational aims relevant to the design project. **1.2** Identify technological and operational capabilities available to the design project. **1.3** Carry out preliminary stakeholder behaviour research to inform design strategy. **1.4** Use scenario based analysis techniques to document current interactions and anticipate future situations and behaviours.
2. Define Synthesise insight & set goals	**2.1** Synthesise insight to identify and define specific innovation challenges and opportunities. **2.2** Discover and prioritise detailed interaction experience targets.
3. Develop Create and communicate multiple ideas & propositions	**3.1** Create propositions that connect market opportunity, investor goals and available capabilities. **3.2** Create novel ideas for future interactions and experiences inspired by learning and goal setting activities.
4. Deliver (part 1) Prototype, test and iteratively refine ideas	**4.1** Plan simulation methods appropriate to interaction behaviour testing needs. **4.2** Execute simulations using a range of appropriate techniques. **4.3** Refine design solutions based on on-going simulation feedback.
5. Deliver (part 2) Ensure that design intent is maintained to delivery.	**5.1** Produce clear, precise, actionable design specifications for implementation by others. **5.2** Collaborate effectively with other disciplines to ensure successful implementation of design intent.