Measuring the Value of Design for Business Performance.

Joan Gregor

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As business conditions become increasingly more competitive, sound business decisions based on design-related metrics become even more important in determining business success. It is a challenge for design managers and companies to develop these metrics.

Measuring Design is a highly complex subject especially when considering the intangibles or "soft" metrics that affect measuring design or creativity. Through their extensive research on Metrics, The Design Academy has developed and cited some tools and methodologies to help companies navigate this process.

In a series of articles Joan Gregor, CEO, Intersection-Inc, explores:

- What are Metrics and why are they important to business?
- What are the advantages and disadvantages of measuring design?
- How do you define the role of design and position it within your company for maximum value?
- How can companies validate value with a Design Metrics program?

Measuring The Value Of Design For Business Performance

There is a genuine need for designers and management to be the drivers that integrate and translate strategic objectives into measurements that drive change and create value. Design metrics is a highly relevant topic especially as more businesses leverage design to solve complex business challenges and shift culture though design thinking tools and methodologies. Businesses are driven by measurements and they focus on what is measured. Thus the challenge becomes how do companies put metrics in place that induce the appropriate changes. Although it has changed over time many of the significant measurements aim to: provide a competitive advantage, dissolve barriers by creating a language shared by involved parties, reduce risk, improve innovation hit rate and illustrate contributions to an organization's success.

The Case for Measuring Design

There are many good reasons for companies to create design metrics:
- Engage key businesses and leaders in the design conversation.
- Illustrate design's contribution, and thus strategic value, to the business.
- Help design leverage resources
    - Can help legitimize priorities making it easier to access funding from other programs.
    - Can help businesses make the right choices on resources
- Motivate staff
    - By recognizing effort

- Strengthen design team
- Provide a challenge
- Identify key issues and cost effective actions to address the design team in a non-confrontational, productive format.

And the Challenges…

The biggest challenges for measuring design is that there is no industry wide definition nor industry wide measurements. Another is that there are many intangibles to design that are considered soft metrics, such as social and human capital. These are not measured with standard transaction based accounting and there is no universally accepted system of classification. There have been efforts to specifically measure some intangibles such as brand equity and customer loyalty which is a good start.

Finally, design, as a process, permeates many disciplines making its true value hard to isolate and quantify. Where can companies learn best practices? How do we measure what is not defined?

Defining Design

Over the years the profession of design has evolved into a rich discipline far beyond styling. It contributes to areas of research, interaction, ergonomics, and innovation to name a few.

This chart is an example of the scope of design and its complexities in defining. Design is both a process and delivers outcomes. It can be a part of R&D or Marketing or it can be a function within an innovation team's budget, thereby hiding its true value. Because Design has such a broad definition and scope, design can be mis-defined by other functional groups within a company and used to incorrectly measure its performance. An example is an external customer evaluation survey which could impact design, but may be measuring the wrong attributes.

Another issue companies face is that without an industry standard of definition it is challenging to compare measurements which has impacted the development of best practices in this ar
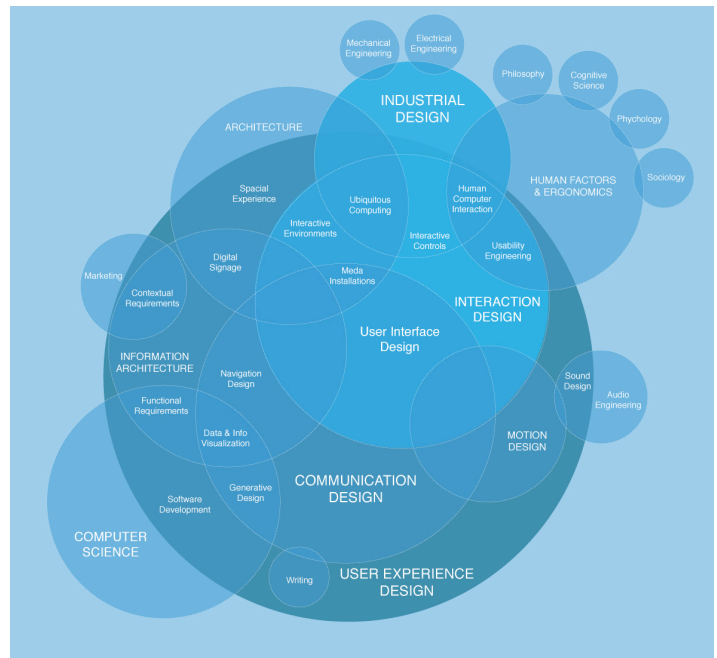

Designed by Bryan Powell based on the Disciplines of User Experience by Dan Saffer (2008)

A First Step in Positioning Design for Maximum Value

Design has value that is often not visible until after a product gets to market. A first step of initiating a design metrics program and illustrating that value earlier is to define the role design within the organization. This will help determine its hidden value drivers, improve clarification of its role and expectations, and engage management and the other disciplines to understand the value, as well as resources. The benefits are that it can lead to commitment required and improve communication internally and externally with customers and shareholders.

There are several exercises that can be used to generate a conversation. Is design considered styling in the company, is it a process, or is it innovation and used as a strategic differentiator? What role does it play in the product development process, in R&D and its interactions with marketing? A visual mapping of the design disciplines in relation to intangible / tangible qualities can assist in determining the appropriate resources and illustrate where design may be playing a hidden value in the product development process. These ideas are illustrated in Bruce Tether's Think Piece on the Role of Design in Business Performance.

figure 1: Classification of Design Disciplines (Tether, 2006)
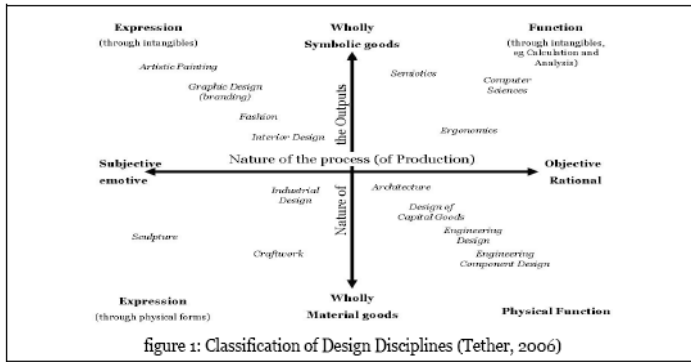
The positioning of design is another consideration, particularly when it comes to innovation as their boundaries are often blurred. The design process can identify opportunities to apply innovation. It is a link between users' needs, technology, and marketable products and services. Identifying the elements of design and those of your company's innovation model can detect design's value in the innovation process.

Developing design metrics can be a daunting task. Design has long been difficult to measure with no industry wide definition. Additionally, the scope of design can be hidden within other disciplines, including innovation. Defining the role of design is a key first step to create a common language for what will be measured. Additional considerations are clarification of design's role, the engagement of management, the inclusion of both tangible and intangible qualities and documenting design's hidden value.

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