



## DESIGN INNOVATION – MAKING VALUE, NOT JUST THINGS

Australia has been known as a country of inventors but, with global measures of competitiveness showing it going backwards, it's time for it to become known as a design country, design-led innovation expert Professor Sam Bucolo has told the Good Design Forum at this year's **Good Design Festival** which is part of the annual VIVID Festival.

The strength of the local dollar, declining terms of trade and record low productivity meant Australia was no longer a low-cost environment for business, Prof Bucolo told the "Design as Strategy" forum, but a lot of businesses were still catching up with this shift.

Australian businesses tended to innovate incrementally, and with an eye on the domestic market, but now they needed to look at innovation from a different perspective, he said, introducing a panel of three businesses in mining, food and building products that have done just that.

"In a low-cost environment, we turn to technological innovation ... but, in a high-cost environment, investment in non-technological innovation – intangibles such as good customer experiences – is just as important, if not more important," said Prof Bucolo, co-Director of the Design Innovation Research Centre at UTS Business School. This is where design thinking came in, he said.

International research had shown that while Australia managers were good at "lean" innovation, or efficiency-driven innovation, they fell short on the people part of the innovation equation – instilling an innovation mindset. "If management doesn't encourage creativity in the workplace, if we don't allow creativity to flourish throughout organisations, all the good design that goes on will fail," he said.

In design thinking, design was not a noun but a verb, he said. "It's a process. It's a shift from making things to making value."

This was evident in the small businesses that he and Dr Peter King of CSIRO had examined for a report to the federal government on design-led innovation. The soon-to-be-released report looked at why some small businesses had been better able to navigate the changing business environment than others.

The research found that these companies had a set of attributes in common. They realised that "you can't talk about making or delivering a widget and not attach service to that", Prof Bucolo said. "They were clear about what their 'why' was, and that focus drove them."

They "became" their market, getting to know their customers intimately. "They became the disruptor – they didn't wait on their competitors ... they actively disrupted themselves, they went out and said 'Let's look at an alternative future'," he said.

They designed a business model that integrated all that, and they "owned" the change experience – investing time, people and financial resources.

By way of example, Prof Bucolo invited three businesses he has worked with on design-led innovation to share their stories.



### **Opening Doors**

Nigel Spork, Managing Director of **Centor**, a company founded more than 60 years ago by his grandfather, told the forum how the business had journeyed from financial distress in 1997 to become a global leader in window and door systems.

Centor came up with the technology that allowed bifold doors to be used externally for the first time – opening up Australian homes. But just over three years ago it decided it had to reinvent itself. Some 181 projects it was working on were cancelled to free 23 full-time staff to “design a new future”, Spork said.

“The result was not just a new door, but a new category of door,” he said. The Integrated Door, as it is known, includes features such as insect screens and window coverings as part of the design, rather than having them separate and visible even when not in use.

Every element was designed from scratch, with the project producing 16 patent applications. The Integrated Door last year won a UK Grand Designs award and manufacture has just commenced in the United States and the UK.



### **Mining Change**

John Russell founded **Russell Mineral Equipment** (RME) in the mid-1980s and today it is the world's leading designer and manufacturer of relining systems for grinding mills, where mined rock is tumbled and ground into useable minerals.

Every hour spent relining a grinding mill was an hour when the mill was not productive, at an "opportunity cost" of tens of thousands of dollars an hour – even hundreds of thousands of dollars at some rich mineral deposits, Russell said. RME's innovations helped mine operators reduce that down time.

For many years RME was a "simple equipment manufacturer", Russell said. Today his mantra is "customer-inspired design" and his aim is to be a long-term partner with mining companies. "Sometimes we see a problem the customer doesn't see and we offer a solution," he said. "But what we are aiming at in the long run is to have long-term relationships where together we find and solve issues that neither of us has seen."



### Spicing it Up

You have probably seen **Gourmet Garden's** herbs in a tube at your local supermarket, but about five years ago the company realised it would have to do something different to get beyond the 15 per cent market penetration it had achieved.

The design-led innovation process that followed resulted in “not just a new product or pack design but a whole ‘system’ for busy cooks” – as well as a world-first technology.

“We asked ourselves, how do we develop Australian grown herbs and spices that are washed, roughly chopped and that can last for several weeks?” Chief Executive Nick White said.

This led to the development of a new food technology: lightly dried herbs and spices. These herbs and spices last in the fridge for up to four weeks and refresh to their natural state when used in cooking. Their innovative packaging – snap-together pots, or pouches with individual name “tabs” that nestle in their own fridge caddy – won the **Good Design Award® Best in Category** in the Good Design Awards, which were also part of this year's Good Design Festival.



### **Capability Gap**

The Chair of Good Design Australia, Maureen Thurston, who led the Good Design Forum, said stories like these showed how business leaders could use design as a tool for top-line growth. “Such insights and personal stories of success as well as failure offer valuable lessons to any executive looking for a new way to shape their advantage in a challenging competitive market,” said Thurston, who is Principal, Design Thinking, at Deloitte Touche Tohmatsu and an Adjunct Professor with UTS Business School.

Good Design Australia is uniquely positioned to support and advance the country’s conversation on design and its contribution to innovation, she said, and the annual Design as Strategy Forum provided business leaders with a platform to share their experience.

Prof Bucolo told the forum that, with traditional forms of manufacturing struggling, Australia had to address a management capability gap so that other businesses, too, had the tools to reinvent themselves.

“We need to make sure we are working towards helping companies transform themselves ... making that shift from product to business models,” he said. “Only then will we have a very resilient economy and a very resilient Australia.”

***Article by Lesley Parker, UTS Business School***

### **LINKS**

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