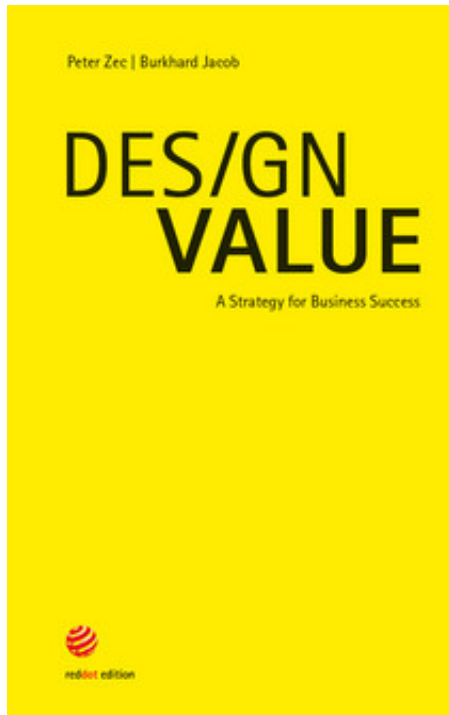




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Success with design is measurable groundbreaking method for calculating design value of companies developed

A completely new perspective for looking at design and business is now provided by the book Design value a strategy for business success. The two authors, design expert Professor Dr. Peter Zec and Burkhard Jacob, for the first time present a method that makes it possible to measure the value which companies generate through design. Thus design is no longer regarded as a pure cost factor by companies, but as an investment and driving force for economic growth and value creation.

Long-term monitoring carried out by the red dot institute for advanced design studies has shown that companies which invest in innovative and well-designed products in the long-term and use design as a strategic leadership instrument often achieve above-average profit and sales figures as well as clear advantages over competitors. Unfortunately it has previously not been possible to measure or quantify the value which has been generated by such companies by means of design, explains Peter Zec. Investments in design are often regarded as pure cost factors, even though the fact that good design adds value has long ceased to be a secret this is a starting point that is frustrating not only for designers. Companies, too, lack the measurability of chances and risks offered by design.

This gap in the assessment of design is what the two authors aim to close with the method described in their book Design Value. We have developed a formula which makes it possible for the first time to calculate the previously rather intangible design value and thus to identify, assess, and compare design as a value driver in companies, explains Zec.



Professor Dr. Peter Zec



Burkhard Jacob

The basis for this is the analysis of the results of the red dot design award, which made it possible to determine the design strength and design continuity of companies and to compare them with the company's performance, says Burkhard Jacob. The design value calculated in this way is to serve as a strategic instrument, with the help of which design managers and companies can align their own business decisions with measurable parameters and optimise their investments in design. Moreover, the design value serves as an indicator for the assessment of innovative potential and growth opportunities, thus directly contributing to the increase of the company value.

Good design is good business – what has previously only been regarded as a powerful slogan by former IBM president Thomas J. Watson Jr., can now be proved with figures thanks to the design value: success with design is measurable.

The publication

Peter Zec and Burkhard Jacob:

Design value – a strategy for business success

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About the design value

The design value is the monetary (present) value determined at a specific point in time. It is calculated using the design-relevant earnings before interest and tax (EBIT), the design strength, the design continuity, and a valuation of the design property of a company. The purpose of its determination lies above all in giving the industry a better understanding of the chances and risks design offers, because to date design has at best appeared as a cost factor in the balance sheet and not as part of the earnings.

The formula: design value = [design returns x (design strength + design continuity)] + design property

About the red dot institute for advanced design studies

The red dot institute for advanced design studies is a research and service institute that monitors design-oriented companies on the basis of the red dot design award and collects statistical data, edits them and documents the results in a variety of forms.

www.red-dot-institute.com