Design as a competitive advantage in startup fundraising

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THE VALUE OF DESIGN

**DMI DESIGN-CENTRIC INDEX**

**D_INDEX**

US$ 39.9k

**+228%**

**S&P INDEX**

US$ 17.6k

**Design-centric businesses**

- Apple
- Coca-Cola
- Ford
- Herman Miller
- IBM
- Intuit
- Newell-Rubbermaid
- Nike
- Procter & Gamble
- Starbucks
- Starwood
- Steelcase
- Target
- Walt Disney
- Whirlpool

THE DESIGN MATURITY LADDER

Stage 1: No Design
Design plays no role in product/service development

Stage 2: Design as styling
Design is only relevant in terms of style

Stage 3: Design as process
Design is integral to the development process

Stage 4: Design as strategy
Design is a key strategic means of encouraging innovation

WHAT IS A DESIGN-LED START-UP?
HOW MIGHT WE UNDERSTAND THE VALUE OF DESIGN TO A START-UP?

- Publicly traded?
- Sales?
- Revenue?
- Comparative businesses?
- Innovative business model?
- Comparative multiple case study
- Interview based
- Focused initially on design award winners
- Expanded to interviews with:
  - Entrepreneurs & business managers
  - Institutional & private investors
  - Designers
  - Design institutions
  - Government organisations
- Comparative Australian study to verify findings
WHY DENMARK & AUSTRALIA?
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(1) **DESIGN, DESIGN THINKING & DESIGNERS** CAN PROVIDE START-UPS WITH A COMPETITIVE ADVANTAGE IN FUNDRAISING
(2) INTEGRATING DESIGN THINKING & DESIGN PROCESS INTO START-UP STRATEGY PROVIDES THE MOST SIGNIFICANT COMPETITIVE ADVANTAGE
(3) **START-UPS THAT ARE OVERLY DESIGN-CENTRIC** ARE LIKELY TO BE AT A COMPETITIVE DIS-ADVANTAGE IN FUNDRAISING
(4) DESIGN-LED START-UP SUCCESS STORIES ARE NOT COMMON IN DENMARK & AUSTRALIA
(5) AUSTRALIAN PRODUCT-CENTRIC START-UPS FIND VENTURE CAPITAL DIFFICULT TO ACCESS
(1) MEASUREMENT OF DESIGN VALUE IN START-UPS BOTH QUALITATIVE & QUANTITATIVE

(2) EDUCATION OF ENTREPRENEURS, START-UP FOUNDERS, DESIGNERS, DESIGN THINKERS, PRIVATE & INSTITUTIONAL INVESTORS