How is Impact Measured?

Evidence From Data – Design Sector Profiling

Cliff Gibson: 25 November 2015

Problem - evidence required but quantitative underpinning data unsuitable

WRS | Wellington Regional Strategy

Strategic

- Unable monitor 'sectors' and technologies using ANZSIC, limiting:-
  - o Comparative sector contributions to regional growth
  - o Targeting interventions
  - o Monitoring interventions
  - o Targeting Investment
    - – Economic development
    - – Growth investment firm level
- Directing of public R&D funding is non strategic

Firm level

- Firms have limited access to capital finance for development and market development

- Limited access to investment capital

- No obvious pipeline for businesses from start-up to global scale exports

- Poor market intelligence (global markets) hampering investment decisions / access to capital

Solution approach

Sector profiling to inform:

Decisions on what sectors and firms to work with (based on quantified market potential)

determining where to direct R&D investments (*Callaghan Innovation*)

identifying specific future skills needs & sector capabilities

targeting offshore trade visits with local firms

linking significant scale investment opportunities ($4-$45m) to the national and international investment community

Monitoring sector growth accurately down to "product" level

Where are we at with measurement?

Design referred to here is drawn from Creative Arts Digital Industries Study a joint venture project with Callaghan Innovation

- Creative Arts
- Digital Media Industries

Based on UK Taxonomy populated with metrics for 7 countries e.g.

- Total Market
- Available Market
- Exports
- Number of companies
- Employment heads

Data is an initial set to test the process with ongoing assistance from Massey University

What do we mean by a taxonomy ?

Can use the same taxonomy to measure other places

Geographies

- New Zealand
- New Zealand Split into Regions
- Other Countries
- Other Countries split into Regions
- Look below the taxonomy to firm level data

All using the same taxonomy and metrics

What do we mean by Measure *Creative Arts & Digital Media (NZ)*

Here is part of the populated taxonomy

Focus on Design (Non Digital)

Level 2 within the Taxonomy

Level 2 Has Levels 3, 4, 5 within it

	A	B
1	Row Labels	Sum of Total $m
2	⊟ New Zealand	18,213
3	⊟ Creative Arts	9,068
4	Advertising	214
5	Architecture	1,930
6	Arts & Antique Markets	816
7	Crafts	431
8	Design (Non Digital)	1,304
9	Designer Fashion	368
10	Museums & Attractions	1,582
11	Music & Visual Performing Arts (Non Digital)	1,025
12	Publishing (Non Digital)	609
13	Television & Radio (Non Digital	789
14	⊟ Digital Media Industries	9,145
15	Aggregation and Distribution of Content	2,563
16	Buyers or Service Commissioners	556
17	Content Creation and IP Ownership	928
18	Finance	915
19	Internet Broadcasting	689
20	Other Services	782
21	Production Services and Facilities	2,712
22	Grand Total	18,213

Design (Level 2) broken into 3 parts (Level 3)
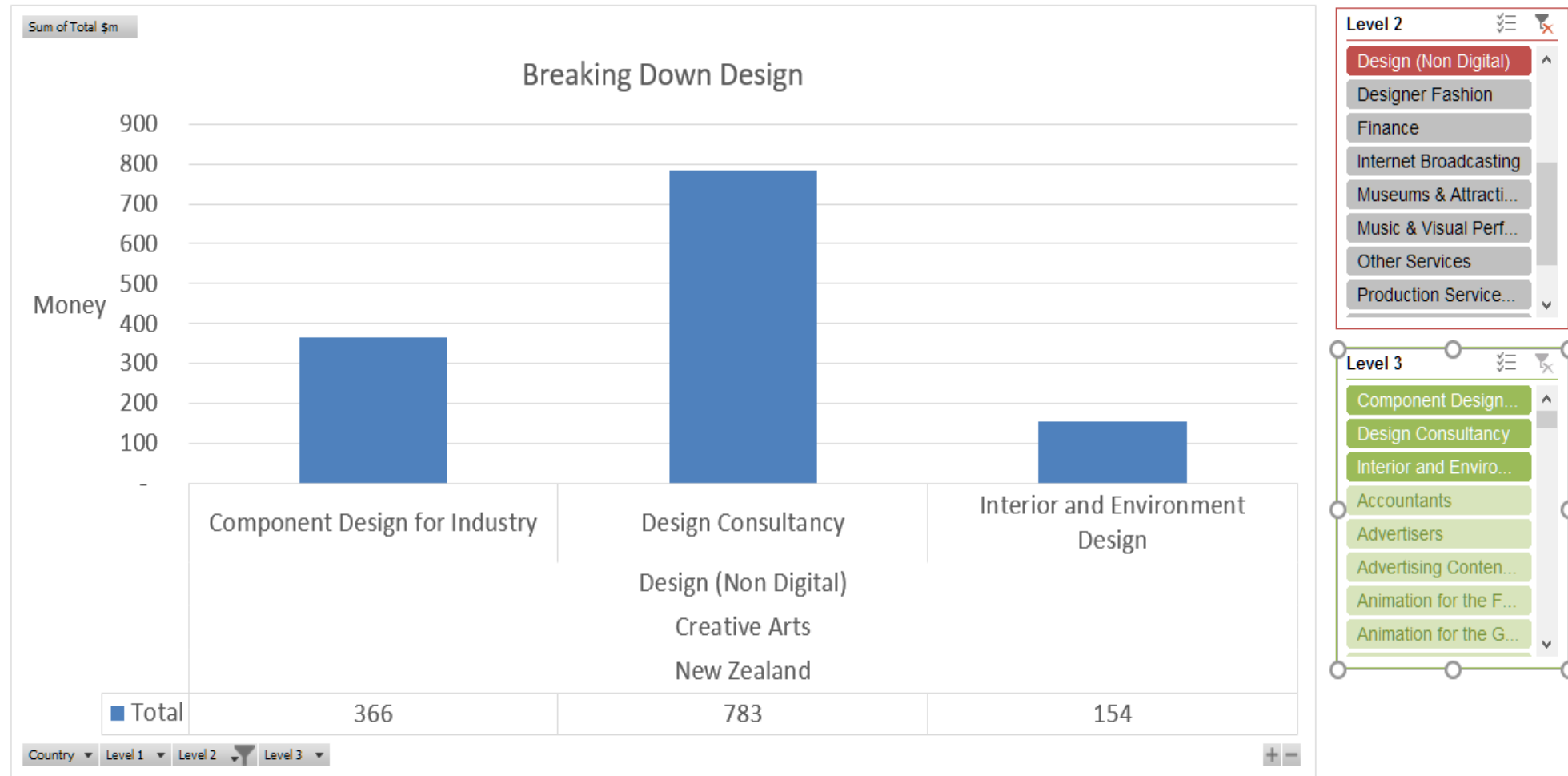
Opportunities identified *typically*

Strategic

- New definitions of 'sectors ' developed based on agreed industry classifications
- Accurate comparisons of:-
  - Sector strengths
  - Growth opportunities
  - Global metrics
- Collaboration with kMatrix and Callaghan provides access to global investment channels
- Callaghan implementing strategic approach to investment. WREDA to align
- Interest from government agencies, Investment Community and other regions

Firm level

- R&D funding to be more targeted at technologies and firms

- Establish program that links business support and investment services .

- Sophisticated sector and firm level market profiling with key metrics

Relevant to the Design Sector

Current project:-

- High level sizing of the Design Sector

Next Steps

- Refine the taxonomy with sector subject specialists to…………..
- Refine data to ensure relevance and usability

Establish a quantifiable basis for a sector strategy