

DESIGN AT THE RIVIERA OF THE ANTARCTICA

Thomas Bley, University of Otago, New Zealand

Dunedin, the main port and coastal city of Otago, a region on the South island of New Zealand, is often referred to colloquially as the 'Riviera of the Antarctica'. This expression is promise and curse at the same time. It refers to a beautiful and scenic region in an unpredictable climatic setting, where it rarely gets really cold or hot. But one couldn't call it moderate either, as the weather can run through four seasons in a day. Dunedin and Otago had their heyday during a gold rush in the 1860s and it was the first port of call until the Panama canal opened and ships didn't had to sail around Cape Horn to reach the Pacific.

Otago is a sparsely populated region, which is known for its fruit orchards and since recently a very thriving and successful wine industry. Dunedin as the main city has about 120,000 inhabitants. With the oldest university in New Zealand and a polytechnic among other educational institutions about one quarter of its population consists of students. The other major factor is a strong engineering and manufacturing industry, which produces some globally competitive products for particular niche markets. Aside of that tourism plays a role as a growing service industry. To evaluate the particular situation in Otago, one has to look at the country's overall situation.

The New Zealand government has recently identified design as one area where it is expecting economic growth [1]. Finland is being looked at as an example. However, both countries of similar size are in a different position. While in Finland design has a long tradition, New Zealand with its predominantly small to medium size companies is still in the process of discovering the benefits of design. And, New Zealand is currently predominately relying on primary, dairy and meat products for export. As it attempts to move from an agrarian economy to a more technology driven economy, Ireland may be good example. With a free educational system and low corporate taxes, Ireland has converted from one of the poorest to one of the wealthiest countries in Europe. Italy is also worthwhile looking at, as its economy depends heavily on medium sized companies, which fit well under the umbrella of "Made in Italy", from fashion to furniture, from food to life style. Korea is a further example where the economy of a country has been transformed by design through a government initiative.

The New Zealand government has installed a 'Design Task Force' to evaluate and propose initiatives valuable to the particular situation of its industry and economy. In doing so this task force has articulated some basic insights about design and a roadmap on how possibly to implement those into an industry and economy, which hasn't made much use of the differentiation factor design has to offer. Or, in other words New Zealand has never been too much concerned about originality, but ingenuity. Kiwis, as New Zealanders are sometimes referred to, have a rather down to earth mentality. They tend to be very pragmatic and not necessarily too much concerned with reinventing the wheel. There is this famous (at least among Kiwis) No. 8 wire, which must have helped to solve all kind of problems and tasks with quite some simplicity, but efficiently. Now, all of the sudden, design is promoted as the solution for economic growth and sustainability.

Through the 'Design Task Force' an organization has been established: 'Better by Design.' [2] This organization is a key driver in all kind of activities, from conferences to workshops, from auditing to mentoring programmes. Although these programmes are designed with the best intention, they also present some not to be underestimated risks. One would be the potential

monopolising of design expertise at one organization, excluding or not sufficiently supporting the already existing design expertise in the country. Although most design firms in New Zealand are small companies or just consisting of individuals, they are nonetheless needed to achieve a wide spread implementation of design expertise. Another risk may lie in the promotion of design as something, which is out there and has to be brought in. This is following the common misconception of design as an 'added value', which is a term for anyone in business ringing the bell of 'extra cost.' As few people like to be told, on how to go about their business, this design initiative runs the danger of being counterproductive.

What is not clear is that design is an integral part of any development process. Design is actually the most important driver in creating innovative products, systems or services and in consequence responsible for the success and long term profitability of any company.

No matter what a company is doing - or how it is going about it - it is doing design. An analogy may help to clarify this issue: design is like cycling. Most everyone would claim to know how to cycle, but if it comes to winning the 'Tour de France', it becomes a more challenging and at the end more rewarding task. Hence, it is not about: 'a company needs design', but on how well a company is prepared to use the design process in combining creative resources with business strategies to its utmost advantage.

In their study of "How New Zealand's leading firms became world-class competitors" Colin Campbell-Hunt and colleagues have concluded "that the most important drivers for creation of capabilities lie within the firm: The agility and persistence required to adapt quickly during the radical transformations involved in leaving behind one set of coherences and creating another."

In their study "Managing as Designing" Richard Boland and Fred Collopy state that "[. . .] big business overlooks the managers and companies that do operate with a taste for creating value in society by the oldfashioned way of taking bold initiatives to design products and processes that create growth in the economy. This is especially true of smaller, entrepreneurial firms, which are the only reliable engine for growth in jobs and ideas on the world stage."

And, Tom Peters - US management guru - is a long time supporter of design in business: "Design mindfulness is a core competence, which becomes effective if (and only if) it becomes a culture of design. It's not just that design is important [. . .] It's that design can become a way of life, an avenue for competitive advantage, and perhaps – holy of holiest – sustainable competitive advantage."

In the conclusion of the above, New Zealand is in a good position to actually utilize design as a driver in competing on a global scale. Its companies have the ingenuity and size to be able and be flexible enough to create innovative products, systems and services. Through its image as a green, save and exotic place in the South Pacific New Zealand is able to attract world class people to live and work here.

Obstacles may be high corporate taxes and tuition based educational system, but those are political issues. PBRF (Performance Based Research Fund) [3] a system introduced by the Tertiary Education Commission as a tool to evaluate academic performance and to spread funding accordingly may also become an obstacle for design education in this country, as it is geared towards academic relevance and not necessarily towards the creation of cultural, social

and economic value. However, design as a discipline needs an education, which is strongly rooted in the profession and focused in its research on the needs of industry and society.

Coming back to the particular situation in Otago. The region did undertake a vision study in 2004 to find out: “Is Otago interested in more regional support for design?” In a survey of about 50 companies it was to figure out to what level companies do use or would have any use for design as part of their business. The outcome of this study was rather negative, as most companies did not have a clear understanding what design is, or what it could possibly do for them. Most companies see it as packaging or a possible marketing tool. John Gavin in his summary of the survey concluded that “The issue of isolation and low population is not one that can be changed [. . .] The kernel of the problem is changing the mindset of the aging small to medium business owners.” He further concluded that: “Rather than try to force a group to change, [. . .] to encourage new technology businesses, run by younger, more energetic entrepreneurs.”

Concluding my observations and analysis, I like to point out that we live on a planet in the shape of a sphere – no matter where we are we will always be in the center. All we have to do is change the longitude and latitude in our mind for further navigation. There is no such thing as remote (aside of the tool to operate a TV), as one will always be close to something and far away of something else at the same time. There will always be a disadvantage compensated by an advantage.

In order to illustrate the potential of Otago, I like to draw a comparison between the ‘Riviera of the Antarctica’ and a region known as ‘Silicon Valley’. One may think that I am out of my mind, since they don’t compare at all based on economic data, but they compare in quite a few other areas. Silicon Valley didn’t start out to be the high tech hub as it is today. Just thirty years ago it was a predominately fruit growing area between San Francisco and San Jose and, Napa Valley – near by – produces some of the best wines in California. The starting point for becoming Silicon Valley was a university (Stanford), technology driven and highly supportive of entrepreneurship and business. And, as often enough one thing leads to the next – from a garage to a corporation, from a concept to a business.

Not that I like to promote Otago to become like Silicon Valley, but it is a valuable exercise to look at the ingredients needed to grow.

First of all, one needs a well-educated workforce – New Zealand has one of the best secondary school systems in the world.

Secondly, one needs higher education institutions to create the labs and workshops to support innovation and entrepreneurship – the University of Otago with its ‘Center for Innovation’ has an opportunity to play a significant part.

Thirdly, one needs a cultural setting and life style – ok, Dunedin isn’t San Francisco, but it has quite a vibrant music scene, most famous for its ‘Dunedin Sound’ [4] and a recognized fashion industry [5].

Fourthly, one needs a natural environment and attractive climate – I have already mentioned the moderate, but unpredictable climate [6], however from the beaches to the mountains to the rugged deserts, Otago has quite a diversity of landscapes to offer.

Last, but not least, one needs design – not as an add on, something bought in from the outside, but as a mindset driving the process of creating world class products, systems and services. For example, looking at a product from Apple Computer it proudly states: “Designed in California, Made in [someplace else]”. In a global economy it isn't solely about where things are made, but where they are created and at the end of the day supervised and controlled.

All those (and possibly a few more) ingredients are essential in supporting an infrastructure for prosperous growth. At the recent conference ‘Better by Design’ in Auckland, most of the international participants have declared New Zealand as the next hub for design excellence as it is a highly attractive spot on this globe for creative people.

Notes and links:

- [1] - the other areas are biotechnology and information- and communication technology.
- [2] - <http://www.betterbydesign.org.nz>
- [3] - <http://www.tec.govt.nz/funding/research/pbrf/pbrf.htm>
- [4] - http://en.wikipedia.org/wiki/Dunedin_Sound
- [5] - <http://www.dfi.co.nz/home/>
- [6] - with a lack of landmasses on the Southern hemisphere the climate moves more swiftly than on the Northern hemisphere.

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