



norden

KREANORD
NORDIC CREATIVE ECONOMY

GROWTH, CREATIVITY AND INNOVATION IN THE NORDIC COUNTRIES

18 NORDIC CASES ON
THE CREATION OF VALUES
THROUGH COMPETENCES
WITHIN CREATIVITY
AND BUSINESS
UNDERSTANDING

Contents

3	Preface
4	Introduction
6	Ways to growth in the creation of values in businesses
12	ANNE BLACK: The art of selling handicrafts
14	GUÐRUN & GUÐRUN: Slow knitting, sustainable growth
16	SKULPTURFABRIKKEN: When design and industry generate growth
18	VESTURPORT: Theatre production with a business model and financial backing
20	STORM STUDIOS: The art of creating a new market
22	CAOZ: The art of creating a new market
24	FULLSTEAM: Growth through an extended business model
26	GOGOYOKO: Creating business through fair play
28	SIMPRENTIS: The oil game
30	MOODS OF NORWAY: The Devil Wears ... tractor?
32	H&M: Haute couture for the people
34	RESTAURANT KOKS: iRestaurant with gourmet food and new technology
36	TREEHOTEL: (Tree)Top design!
38	ÅMOT OPERAGARD: Music and champagne at Operagården
40	SALLI SYSTEMS: A sitting success
42	DANISH CROWN: The value generating power of "The Golden Room"
44	KONE: Design thinking as a billion business
46	POLYCOM: Business development benefits from creative competences
48	Postscript
49	Useful links and contacts

Preface

CULTURAL AND CREATIVE BUSINESSES are important driving forces in growth, innovation, and job creation in the Nordic Countries. However, much more could be done to develop the potentials of the cultural and creative businesses of Scandinavia and, at the same time, enhance their global position and competitiveness. Moreover, exploiting the ability of the cultural and creative businesses to generate increased value in the business world generally is a great untapped potential.

KreaNord – an initiative of the Nordic Council of Ministers – has initiated the establishment of a co-operative network across all the Nordic countries. The Center for Culture and Experience Economy (CKO) carries this cooperative network, whose aim is to publish a Nordic case collection. The following authorities have contributed to the case collection: Nýsköpunarmiðstöð Íslands (Innovation Center Iceland), Vinnuframi (Fund for promotion of trade and industry), PKT säätio (SME Foundation), Innovasjon Norge (Innovation Norway) and Tillväxtverket (Swedish Agency for Economic and Regional Growth). CKO wants to express its thanks for their productive and constructive cooperation. The result may be studied on the next pages and at www.kreanord.org.



In this case collection, we present examples from the Nordic Countries of cultural and creative undertakings that have established commercial enterprises with attractive market positions, based on cultural and creative competences. In addition, there are also examples from the business world in general of firms that have already recognized the potentials in cooperating with creative actors in value generating and business development. The businesses in the case collection were selected with a view to inspiring other Nordic enterprises to find innovative and creative ways to growth. Therefore, our thanks are also extended to the businesses included in the case collection who have been available in connection with research and with the production of text material.

So, readers: Enjoy!

Nordic Council of Ministers, KreaNord



Introduction

CULTURAL AND CREATIVE competences are increasingly used as important driving forces when the business world creates growth and innovation. There is a long list of ‘best practices’ in the field, but it may be difficult for companies unfamiliar with this area to understand and to learn from those examples.

In order to make clear the growth potentials to cultural and creative businesses as well as to the business world in general, the good examples must be brought into the light. Therefore we have collected 18 cases from the Nordic Region, describing how businesses became successful, what goals and results they have achieved, and what we can learn from their experiences and strategies.

The initiative for the case collection came from KreaNord, a shared Nordic initiative under the Nordic Council of Ministers. The purpose of KreaNord is the improvement of the conditions of cultural and creative industries in the Nordic Countries. Read more about KreaNord at the back of the case collection or at www.kreanord.org.



The object of the case collection is the presentation of creative and innovative paths trodden by Nordic businesses in connection with their development of business models, concepts or new products. We hope these cases and experiences may serve as inspiration for other firms searching for the path to growth.

The case collection is made up of firms of different sizes, from different trades and sectors, and with different challenges. Common to all the cases is that they take as their point of departure the challenges of the businesses where the combination of cultural-cum-creative and business-related competences has generated growth. So inspiration is on offer for both traditional companies and for cultural and creative businesses.



Ways to growth in the creation of values in business

THE CASE COLLECTION presents examples of ways in which 18 businesses in their separate ways have given life to business growth. This section introduces the case collection by providing a general overview of different cases with relation to the business development methods and the concrete development strategies of the businesses.

The 18 cases exemplify businesses that have created their own platforms and business models, and hence have increased their value generating. These companies have succeeded in that by receiving input from other competence areas outside their own core area. A common feature among the 18 cases is that competences within creativity and business understanding have been combined. This will appear from the graph below: businesses at the top of the graph are all cultural and creative firms that were supplemented with business-related competences – an input which helped create a profitable business model for the cultural and creative businesses. Businesses in the lower part of the graph had an input of creative competences, which helped generate added value to these companies.



INCREASED VALUE GENERATING IN BUSINESSES

COMMERCIAL INPUT

Anne Black (handicrafts)
Gudrun & Gudrun (fashion)
Skulpturfabriken (design)
Vesturport (theatre production)
Storm Studios (film and animation)
CAOZ (animation)
Fullsteam (music)
Gogoyoko (music services)
Simprentis (computer games / instruction)
Moods of Norway (fashion)
H&M (fashion)
Restaurant Koks (gastronomy)
Treehotel (tourism)
Åmot Operagard (tourism / production)
Salli Systems (furniture production)
Danish Crown (food production)
KONE (elevators and escalators)
Polycom (telecommunication)

CREATIVE INPUT



The above grading of the 18 case businesses primarily shows that enterprises from the cultural-creative section have generated business growth and increased value by combining their creative core areas with business-related competences. And, vice versa, the cases from the business world in general show that they have generated business growth and increased value by supplementing their business areas with creative competences. Thus, the case collection illustrates more than one aspect of the firms' business development:

- For one thing, there was a competence lift in cultural-creative firms which, via a competence input of business savvy, had acquired commercial platforms and business models
- The inclusion of business-related competences and a focus on business know-how helped some cultural and creative firms attract external funding
- Several cases also show that the adoption of a variety of creative and business-related competences produced differentiation and attractive market positions in the development of cultural and creative businesses
- In the rest of the businesses, a creative competence lift has created organisation growth and developed new products



- The combination of several different competences meant that businesses achieved additional growth, innovation, increase in value, export, and job creation through so-called event-economic methods

Below, the roads taken by the firms in order to create business development are described.

CULTURAL AND CREATIVE BUSINESSES WITH COMMERCIAL INPUT

In connection with the establishment of and development in cultural and creative businesses, the firms in the case collection have experienced a increase in value via an input of competences of a business-related nature. That was the case in the following firms:

Anne Black and Skulpturfabriken (handicrafts and design), Guðrun & Guðrun (fashion), Storm Studios, Simprentis and CAOZ (computer games and animation), Vesturport (theatre institution) plus Fullsteam and Gogoyoko (music services).

In their business development, these firms integrated competences from other areas, e.g. economy, funding, business understanding, technical know-how, and knowledge of their specific industry. Here comes a short survey of what they did to be successful:

WAYS TO DEVELOPMENT: PARTNERSHIP BETWEEN BUSINESS PEOPLE AND CREATIVE ACTORS

Anne Black, craftswoman, only became a real commercial success when an economist / businessman became a partner and worked out a strategy for the enterprise.

The business model of Guðrun & Guðrun, the fashion firm, also relies on the constellation of two partners with, respectively, creative and business-related competences.

UPSCALING AND OUTSOURCING THROUGH MARKET ORIENTATION

Anne Black and Guðrun & Guðrun both upscaled their production owing to market demand. New profitable production possibilities abroad were carefully chosen, with an eye to the preservation of the authenticity, originality, exclusiveness and uniqueness of the product. Outsourcing of the production is part of the business model.

EXTENSION OF THE CUSTOMERS PORTFOLIO THROUGH STRATEGIC COLLABORATION

Simprentis, course providers, extended their market potential by thinking up new products for related customers within their professional areas. Simprentis ensure their product development by making agreements where the customers receive tailor-made products and pay for their development.

STRATEGIC COLLABORATION ACROSS THE DELIVERY CHAIN

Cooperation with the local cement industry gave Skulpturfabriken – interiors and design – access to a larger production facility and to an advanced cement laboratory, which made experiments with materials and new products feasible.

The cement industry became aware of new possibilities in manufactured products. Storm Studios, the animation studio, have also worked across the delivery chain in co-produced film projects together with larger film companies. Which means that Storm Studios do not bear the entire economic risk singlehandedly.

CREATING A NEW MARKET THROUGH USER-INITIATED INNOVATION AND CUSTOMER INVOLVEMENT

The market for visual effects in film production was but little. Therefore Storm Studios taught / persuaded their customers to use more creative elements in their film productions. This was

done by arranging seminars and by documenting economic and creative benefits, which spelled reduced production costs for the film companies. Simprentis's new costumers (oil companies) participate in the product development, so their demands and needs regarding training materials in the oil industry are met. Gogoyoko, the music service, also focussed on the needs of potential users. Strategy-oriented collaboration with investors and profession-wise competent entrepreneurs became the foundation stones in Gogoyoko's business model.

EXTENSION OF THE BUSINESS MODEL

Fullsteam, the music company, constructed a model that delivers a total service to Finnish bands. The business is not just an ordinary record company: it also owns venues and practice studios and is also into distribution, festivals, merchandise and management.

THINKING FUNDING FROM DAY ONE

Right from the establishment of the animation studio CAOZI, focus was on good business management and on the design of a development strategy that would consider both the creative side and the financial side of the firm. This focus did not require much alteration of the business model in order to allow strategic collaboration with investors and investment funds, which had been carefully selected for their understanding of the creative and the professional aspects of this line of business alike.

The theatre group Vesturport also focussed on the economy right from the start, and therefore cooperated with larger and more established theatres, who took part in funding Vesturport's production. Besides, Vesturport have established cooperation with selected Icelandic companies in the form of sponsorships, which has resulted in several international theatre productions.

REASONS WHY IT WORKED:

- Creativity and business knowledge complement each other in generating value
- Cultural and creative products encompass history, authenticity and exclusivity, qualities which were cherished and preserved during the business development
- Upscaling of cultural and creative products is possible as long as the authenticity of the product as well as its history and core values are preserved
- Documentation of economic and creative benefits may convince customers and partners
- With financial behind them and with a sound business model, firms may focus on the artistic and creative content – their core competence, that is
- Creative thinking, business management and funding incorporated in the business model right from the start create a solid foundation and make cooperation with investors easier
- Investors with an eye for creativity and the product / line of business in question are very important
- A display of business savvy, marketing potential and a quality product are all essential for making strategical agreements with partners

GOOD ADVICE AND REFLECTIONS BEFORE YOU GO AHEAD:

- Be market oriented and check if the market can absorb more products
- Do customers only buy your product for its rarity?
- Don't compromise with the quality or the authenticity of the product in a possible upscaling
- Does it make sense to expand the business model and offer related services or products?
- Is it possible to persuade a very slim market to purchase a reasonable quantity of the product?

- Be certain of your goal: do you want to attract external investors or procure necessary funding in another way?
- Check it out: are there investors with an understanding of your area?
- Look at all the potential in your business and at your own competences: consider other ways you can make your business model attractive – both to yourself and to investors

CULTURAL AND CREATIVE BUSINESSES WITH INPUT FROM DIVERSE SKILL SETS

Another group of cultural and creative firms in this case collection received inputs from a variety of competence areas. These firms are: Moods of Norway and H&M (fashion), KOKS (gastronomy) and Treehotel and Åmot Operagaard (tourism).

In the creation of value in those businesses, external creative competences from e.g. advertising, architecture, design and digital contents production were in play.

WAYS TO DEVELOPMENT:

CELEBRITY BRANDING

H&M's cooperation with well-known designers and other celebrities became an asset in the company's marketing.

INPUT FROM OTHER CREATIVE ACTORS CREATE MORE EXCLUSIVE PRODUCTS

In H&M's case, the collaboration with creative actors led to the development of entirely new products, marketed as more exclusive than the rest of the product range. In addition, this attracted new customer segments. Treehotel and Åmot Operagaard also extended their concepts in cooperation with e.g. architects, designers, landscape architects, interior designers, scenographers, opera choreographers and producers, and chefs.



EXPERIENCE-RICH COMMUNICATION THROUGH DIGITAL AND SOCIAL MEDIA

As a means of telling the good story of restaurant KOK's use of local raw materials, the printed menu was replaced by an iPad, apps and social media, where the customers may share the good news and the good food experience.

STORYTELLING, CONCEPTS, AND WORLDS THAT ARE DIFFERENT

Treehotel and Åmot Operagaard, the tourist businesses, and Moods of Norway, the fashion company, have all created a business concepts and a universe not seen before. The point of departure in all three cases was to give the customer a unique experience, the launching pad being traditions, the immediate environment, and nature. Storytelling about the near, the unique, and about traditions helps define a lifestyle and an identity in which their customers may reflect themselves.

REASONS WHY IT WORKED:

- The collaboration with famous faces about product development boosted both product and brand in the marketing. A 'stamp' by famous creative personalities may strengthen both brand image and product value

- Breaking everyday business thinking with new inspiration from outside triggered business development and innovation in these firms
- Diverse creative competences supplement each other in generating value
- The businesses believed 100 per cent in a unique and different concept, where tradition, immediate environment, and storytelling are co-producers of the customer experience
- The firms spearheaded the employment of new digital media to add value to the product

GOOD ADVICE AND REFLECTIONS BEFORE YOU GO AHEAD:

- Decide whether it makes sense for your business to enter into a dialogue with experts and creative actors in connection with your product development
- Does it seem credible and authentic to create a unique universe and tell stories about your product?
- Check whether your market is interested in life-style products, storytelling and new universes
- Consider whether the use of digital and social media will boost the value of your product or merely function as a distracting element

BUSINESSES FROM THE GREATER BUSINESS COMMUNITY WITH CREATIVE INPUT

Business enterprises in general may create innovation and obtain an increase of value by seeking external inspiration and importing creative competences from outside. In the present case collection this is exemplified by the following companies: Salli Systems (furniture and design) and KONE, Polycrom, and Danish Crown as producers of, respectively, elevators, telecommunication equipment, and foods.

As industrial producers of telecommunication equipment, Polycrom made use of creative competences from the art world in connection with innovation processes in the organisation. KONE, as

producer of elevators, created a more innovative and creative business by involving designers. Danish Crown allied themselves with recognized gourmet chefs and found new uses for their products. Salli Systems, the furniture producers, developed the design of their office chairs on the basis of professional sparring and collaboration with physiology experts and researchers.

WAYS TO GROWTH:

CREATIVE COMPETENCE LIFT

In a new initiative, KONE has established an internal design team, expected to lift the creative competence level in the whole company as part of the business development.

INNOVATION PROCESSES IN COLLABORATION WITH AN ARTIST

Together with an artist, Polycom created an organisational change which resulted in new business concepts.

INPUTS FROM EXPERTS AND CREATIVE INDIVIDUALS LEAD TO MORE EXCLUSIVE PRODUCTS

For Danish Crown, collaboration with gourmet chefs led to the development of totally new products, positioned on the market as more exclusive

than the company's other product range. This also meant the attraction of new customer segments. Salli Systems experienced that the coupling of design and know-how from the research world created an attractive product. The inputs from researchers and users gave momentum to the product development.

INCLUSION OF CREATIVE PROCESSES FROM OTHER SECTORS

At KONE, where the car industry was invited in to speak about their experiences with working more creatively, know-how from another sector helped to create growth.

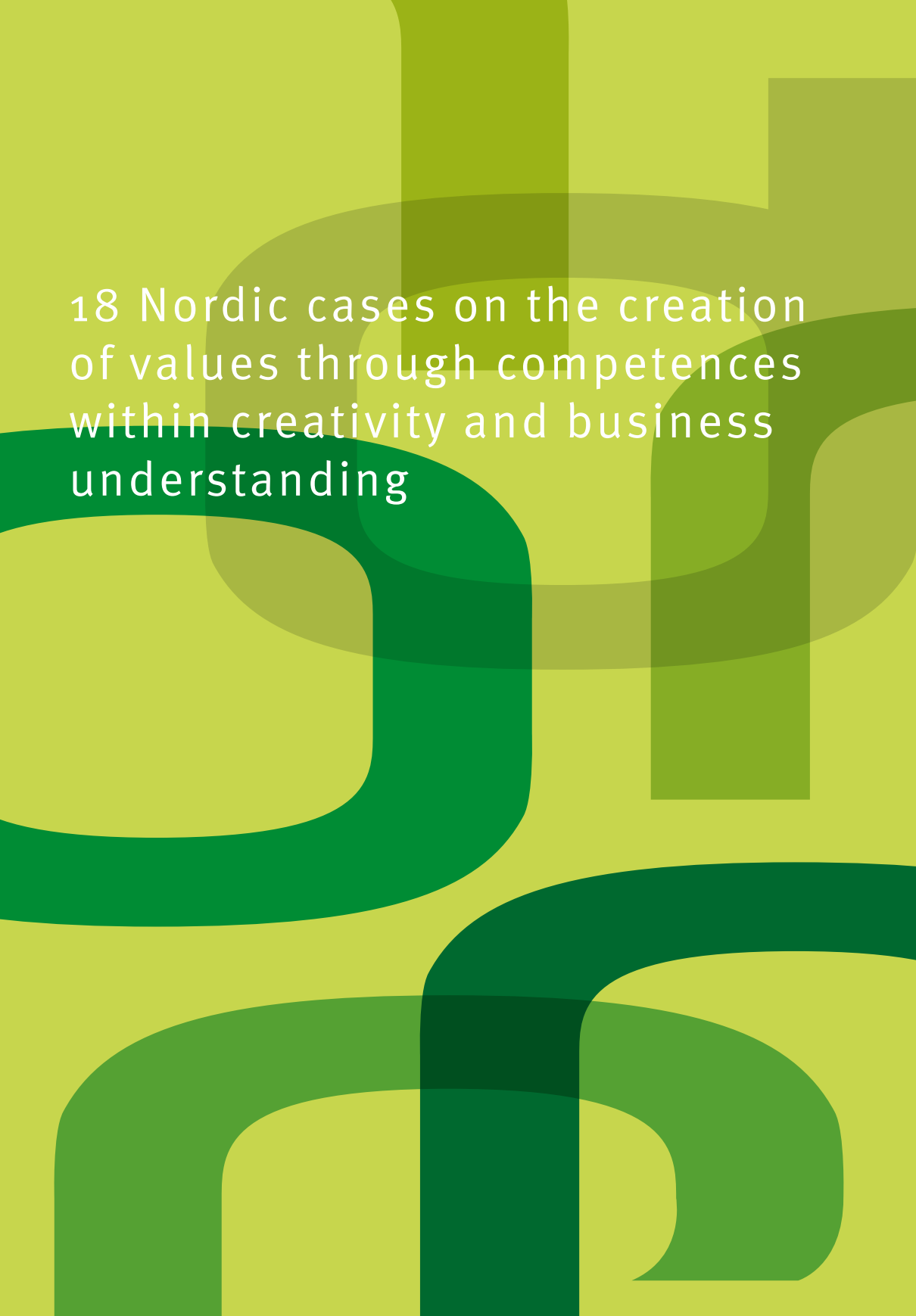
REASONS WHY IT WORKED:

- Breaking everyday business-think with new inspiration from outside led to product development and innovation in these businesses
- 100 per cent management backing for creative initiatives is essential
- The business as a whole is involved in the process and is informed about the whys and wherefores of the initiative.

GOOD ADVICE BEFORE YOU GO AHEAD:

- Check out what type of creative actors may add value to your business
- Decide whether it makes sense for your business to enter into a dialogue with experts and creative actors in connection with business development
- Define the overall goals for the development process of the firm
- Harmonise the expectations of the management and the other participants
- Prepare the business for the process
- Consider how long time the creative contributors should be attached to the firm, and whether they should possibly be permanently employed



The background is a vibrant, abstract composition of overlapping organic shapes in various shades of green and yellow. The colors range from a bright, sunny yellow to a deep, forest green. The shapes are fluid and interconnected, creating a sense of movement and depth. The text is centered in the upper half of the image, set against a lighter yellow-green background where the overlapping shapes are less dense.

18 Nordic cases on the creation
of values through competences
within creativity and business
understanding

The art of selling handicrafts

ANNE BLACK is a Danish ceramist and porcelain designer whose business has really taken off. During the previous eight years she and her partner, economist Jesper Moseholm, have built a growing business within Danish handicraft. The secret has been to find the right business model and to combine creativity with business development.

BACKGROUND

Anne Black graduated as a potter from the design school in 1996. From the beginning she was met with great interest in her porcelain designs, and

“If we can't deliver to the shops our company can't have success. Anne Black is different from other handicraft firms in organising ourselves in such a way that we are able to establish commercial activity related to a handicraft product. The key to our commercial success is the designer herself. Her creativity and the fact that she is a designer for whom this means everything clearly makes sense to the consumers.”

– Jesper Moseholm, owner and managing director in Anne Black

several acclaimed special shops sold her products. Anne Black quickly reached the level from which most independent craftsmen find it difficult to get on: She sold her handicrafts, and earned a bit, but not at all enough to earn a living, and she had to have a second job with a regular income. The turning point came when economist and management consultant (and partner) Jesper Moseholm saw new commercial potentials in Anne's unique porcelain designs. The idea was to think bigger and establish the foundation for a profitable business. Anne gave her partner the green light to give it a try.

THE CHALLENGE

For Anne Black the primary challenge has been to organise production efficiently. Handicrafts possess an immaterial value because they have been made by living hands – because they are not mass-produced. Therefore, creating handicrafts requires resources. And therefore, supply may not always meet demand. Thus, the key to an economically sound business model must be to increase productivity and reduce costs without lowering quality. Outsourcing turned out to be the answer.

THE PROCESS

When this diagnosis had been made, the next thing was to find the medicine: a production partner who could meet both capacity and quality demands. This partner was to be found in Vietnam – today Anne Black is the co-owner of a 60-staff porcelain industry she established and organised in cooperation with Danida, the Danish state's aid management organisation. Jesper Moseholm was responsible for the economic strategies, so that at the same time Anne Black could concentrate on the creative aspects of developing the company, which is still anchored in her unique and attractive designs.

This way the two partners have mutually benefited from each other's useful knowledge and competences within the different aspects of the development of the company. Synergy has been their strongest asset – and their success is unquestionable. The essential thing about this business model is that this is an artist who has started and still takes part in the development of the company via her creativity.



RESULTS

- With a production outsourced to Vietnam Anne Black can now deliver products to a large number of shops both in Denmark and abroad – that has generated growth
 - Today Anne Black produces about 300,000 pieces of porcelain a year
 - Her products are sold by more than 300 retailers
 - The company has 70 employees
- For the third time in a row Anne Black got Børsen's and Jyske Bank's stamp of a "Gazelle Company"

FACTS ABOUT ANNE BLACK LTD

Founded: 2005

Line of business: Handicrafts

Owners: Anne Black/Jesper Moseholm

Number of employees: 70

Website: www.anneblack.dk

Slow knitting, sustainable growth

GUÐRUN & GUÐRUN is a Faroese clothing company specialising in exclusive, fashionable knitwear manufactured in accordance with old Faroese knitting traditions. Combining a steady focus on quality with a clear, sustainable growth strategy has earned the company a position as a solid business during the last nine years – and a reputation as one of the trendiest brands in modern clothing.

BACKGROUND

When fashion designer Guðrun Ludvig and project maker Guðrun Rógvadóttir started cooperating in 1999, they had an ambition in common: to create an exclusive clothing brand based on proud Faroese handicraft traditions. The pillar was to be hand-knitted wool clothes with a modern and creative design, based, however, on traditional Faroese knitting methods.



The clothing industry liked Guðrun & Guðrun's designs, and the small company grew slowly but steadily. Guðrun Ludvig was responsible for designing the clothes and Guðrun Rógvadóttir took care of developing the business. The clothes were hand-knitted by local Faroese knitting women who could knit in their own homes following Guðrun & Guðrun's designs.

THE CHALLENGE

In spite of the initial success of the company, neither Guðrun Ludvig nor Guðrun Rógvadóttir could make a living yet from the profits. The challenge

“We could, of course, produce our knitwear faster and cheaper in China. We asked a Chinese agent how he found his labourers. He was quite proud when he answered that he drove his car into the poorest neighbourhood of the city, blew a whistle, and then everybody came creeping. Then we said, ‘Okay, goodbye’.”

– Guðrun Rógvadóttir, owner, Guðrun & Guðrun

was to create a reasonable business concept that would generate an increased turnover but at the same time would not compromise with the raison d'être of the company: Hand-knitted quality.

THE PROCESS

During the company's first years, Guðrun and Guðrun experienced a slow, but steadily growing demand for their clothes. This seriously accelerated in 2007, when both Guðrun Ludvig and Guðrun Rógvadóttir quitted their original jobs, having formed a sound business strategy. The cornerstones of this strategy were to really concentrate on the markets outside of the Faroe Islands, where the potential for exclusive clothing brands is so much bigger, and to find some investors who

could see the idea in sticking to hand-knitting traditions rather than turning to faster and cheaper mass production methods resulting in lower quality. The Faroese hand-knitting traditions were

“When our customers, mostly busy urban people, buy our knitwear, they also buy the idea of peace and harmony. When buying a jersey that you know has been produced spending much time and using many thoughts, you also buy the idea of having much time, like in the good old days, when you were sitting in front of the fire knitting your own clothes.”

– Guðrun Rógvadóttir, owner, Guðrun & Guðrun

exactly what distinguished Guðrun & Guðrun and gave the company its unique story, a feature also valued by the customers. This and the high quality enabled Guðrun & Guðrun to sell their products at higher prices than the competitors – several investors could see the profits in that.

Based on more capital from investors and a stronger international focus, Guðrun & Guðrun soon lived up to the company's own ambitions: to double its growth each year. However, the rapid growth resulted in a new challenge: There were not enough hand-knitters in the Faroe Islands to follow the demand. The solution was to develop cooperation with women in Jordan, where there are also strong knitting traditions. At the same time, Guðrun & Guðrun now contributes to sustainable production, new commercial possibilities and active business in a part of the world where women often find it difficult to get jobs.

RESULTS

- Due to the combination of innovative business strategy and strong focus on quality, Guðrun & Guðrun may now be found in some of the



world's most exclusive clothing shops, among others in London, New York and Tokyo

- Guðrun & Guðrun has increased the turnover from 500,000 Danish kroner in 2006 to 5.6 million DKK in 2011
- Guðrun & Guðrun has six full-time employees, 35 knitting women (between 28 and 70 of age) in the Faroe Islands and about 25 in Jordan
- Guðrun & Guðrun appears in fashion magazines all over the world – in 2010, Italian Vogue appointed the company as one of the world's most interesting brands
- In 2007 Guðrun & Guðrun experienced an explosive sales increase after Danish actress Sofie Gråbøl wore one of the company's sweaters in the TV series Forbrydelsen (The Killing)

FACTS ABOUT GUÐRUN & GUÐRUN

Founded: 1999

Line of business: Fashion

Owners: The two founders share 50 per cent, the remaining half is owned by investors

Number of employees: 6

www.gudrungudrun.com

When design and industry generate growth

SKULPTURFABRIKEN is a Swedish designer company that produces art, furniture, and furnishing items in concrete. Through a business strategy using storytelling, customers' experiences, place branding and cooperation with the local industry, Skulpturfabriken has created an attractive and growing business combining the creative qualities of handicraft with the possibilities of big-scale industry.

BACKGROUND

When artisan Stina Lindholm finished her art education in Stockholm, her ambition was to combine two artistic passions she had been cultivating during her study years: factories and concrete. On the Swedish island of Gotland she found both the creative environment and the easy access to limestone, the main ingredient in concrete, which she needed. In an old barn on northern Gotland she established the designer company Skulpturfabriken.



THE CHALLENGE

From the beginning Stina Lindholm's ambition was to give her customers an experience and to show the many less known possibilities when using concrete artistically and functionally. Only very few people regard this material as suitable for handicrafts. The challenges were to create the right stories about concrete and to research the possibilities of the material and at the same time make sure that the business model was profitable. The solution was to cooperate with the local concrete industry.

THE PROCESS

Processing and refining concrete has been a Gotlandic specialty since the 19th century – the island prides itself on a long tradition within this industry. This tradition became a cornerstone

“Both we and the concrete industry benefit from this cooperation. We can develop things and products we would not otherwise be able to develop. In return, the industry gets aware of the added value of refined materials: Originally, one ton of concrete costs 400 euro when purchased raw from the factory. When I have turned it into, say, a piece of furniture, the very same ton costs 5,000 euro.”

– Stina Lindholm, owner, Skulpturfabriken

in Skulpturfabriken's branding, an open workshop and a showroom tell the story of the proud concrete traditions of the island. This also has immediate image value for Skulpturfabriken's products.

But the synergy between Skulpturfabriken and the Gotlandic concrete industry was not merely one of image. In order to emphasise and continue Gotlandic concrete traditions, Stina Lindholm took



the initiative for a close cooperation with the local concrete industry aimed at finding new uses of concrete. Gradually, as Skulpturfabriken became more and more acknowledged, orders became bigger and more complex, and innovation was required both in terms of materials and production. This was where the cooperation between tiny Skulpturfabriken and big concrete industry came in useful: Stina Lindholm's creative input and unorthodox thinking as to materials and form inspired industry to develop new methods of refining the limestone and to think of new ways to use their products. In return, Stina Lindholm got the advantages of the research and production facilities of the concrete industry, all forming an advanced concrete laboratory where she was free to experiment with all kinds of concrete. Thus, she was better equipped to solve bigger and more complicated problems.

THE RESULTS

- The cooperation has been successful, not only for Skulpturfabriken but also for the local concrete industry and for Gotland as such
- Today Skulpturfabriken has five employees, an annual turnover of 5.5 million SEK and promising growth
- Between 15,000 and 20,000 people visit Skulpturfabriken's showroom and factory each year
- The Gotlandic concrete industry consolidated its position as leading in the field by developing new products and using their products in innovative ways through the cooperation with Stina Lindholm

FACTS ABOUT SKULPTURFABRIKEN

Founded: 1995

Line of business: Interior design/product design

Owner: Private limited liability company

Number of employees: 5

Website: www.skulpturfabriken.se

Theatre production with a business model and financial backing

VESTURPORT is an Icelandic theatre company that has been very successful in staging commercially driven and artistically demanding productions. By focusing on joint ventures, both internationally and commercially speaking, and a large degree of creative freedom, Vesturport has created something as rare as an economic success story within the world of theatre.

BACKGROUND

Vesturport was formed in 2002 by a group of 13 young artists who were driven by a common desire to create a new type of independent and experimental theatre in Iceland. Vesturport staged their initial small theatre productions in an old shed in Reykjavik. There were no limits and each individual member of Vesturport could stage whatever play he or she liked. Vesturport's acting method was different, experimental and very physical in nature, which soon led to its becoming a small

“None of our projects have been made with a commercial goal in mind. If that had been the case, we would have staged *Mama Mia* or the like. But because we have had our business model and financing in place, we have been able to stage our performances in our own way and still been successful – commercially speaking as well.”

– Dyri Jonsson, Producer, Vesturport.

success story. The audience filled the shed to the brim, and the artistic dreams and ambitions began to grow.

THE CHALLENGE

The challenge facing Vesturport was how to go about economic and organisational growth without compromising its free organisational form and artistic content. Vesturport found that the solution was to emphasise quality and to enter into joint ventures, both nationally and internationally, that could help the theatre grow without generating huge and risky investments.

HOW IT CAME ABOUT

Vesturport soon realised that they had to wave goodbye to their little shed. Instead of focusing on the physical framework surrounding the theatre they needed to focus on its artistic content. By relinquishing their permanent surroundings, Vesturport was able to enter into joint ventures with both The Reykjavik City Theatre and The National Theatre of Iceland, not to mention with a number of international theatres, such as The Young Vic in London, BAM in New York, Recklinghausen Ruhrfestspiele in Germany, the Het Muziek Theatre in Amsterdam and the LG Arts Centre in South Korea. These joint ventures with larger theatres financed Vesturport's productions, which in turn continued to grow in size, complexity and demand in terms of resources.





Through a number of strategic joint ventures with a select number of Icelandic businesses, Vesturport has been able to set their sights on the international market with their productions, something which otherwise would have been impossible as it would have been too expensive to tour abroad. These joint-ventures have contributed to the promotion of Iceland, and as such they constitute a win-win situation for both the businesses in question and the theatre company.

Vesturport's economic joint-ventures have provided the theatre company with the creative freedom to focus all its attention on achieving the exact, quality-based and uncompromising, performances it wished to stage. That they had the financial side of things in order and therefore could bet everything on quality, was precisely the reason why a series of alternative productions became commercial successes on the international scene - without the founders of Vesturport having to run huge economic risks themselves.

THE RESULT

- Taking the combination of detailed financial plans and a focus on high artistic quality as their point of departure, Vesturport has created a success story, economically and artistically speaking, in a branch of theatre that is otherwise unused to stories of economic success

- Since its humble beginnings in the shed in Reykjavik, Vesturport has staged its theatre performances throughout Europe, the US, Mexico, South America, China, Russia and Australia. Furthermore it has been artistically successful in drawing a new and younger audience compared to those that normally frequent the theatre
- The theatre company has worked with world renowned artists such as Nick Cave, who has supplied the music for several of Vesturport's performances
- Vesturport received The European Theatre Prize for New Theatrical Realities in 2011 as the first Nordic theatre company to do so ever
- Economically speaking, Vesturport constitutes a positive business story from Iceland, at a point in history where that is more the exception than the rule

FACTS ABOUT VESTURPORT

Founded: 2002

Line of business: Theatre production

Owners: Privately owned

Number of employees: 19

Website: www.vesturport.com

The art of creating a new market

STORM STUDIOS is one of Scandinavia's biggest visual effects (VFX) and animation studios, producing everything from concept development, VF on-set supervision, computer animation and VFX production in both feature films and commercials. By focusing on quality, flexibility and creativity in their business strategy and by teaching a moderately conservative Norwegian film industry how to embrace visual effects in their productions, economically the company has grown explosively in just a few years.

BACKGROUND

When AnimagicNet, one of the oldest animation companies in Northern Europe, was bought by Storm Group in 2005, the ambition of the new

“Our challenge really was to create our own market. There was no demand for VFX in Norway when we started. So we worked hard at raising Norwegian film industry to realize the advantages of our product: Increased creativity in the film production and a better bottom line for the film company. That was hard. But today everybody can see the advantages of including our creative products in films.”

– Kristin Hellebust, manager, Storm Studios

firm, now called Storm Studios, was to make visual effects and computer animation the film production method of the future. As a minor player in the market, the company had to think creatively in order to attract the attention of the Norwegian film industry.

THE CHALLENGE

Storm Studio faced many challenges: As a small, new company they had a lot of creative talent, but no money to develop the economically demanding

technological dimension of a successful computer animation company. Due to its small size, the Norwegian feature film market was an unstable source of income; thirdly, the Norwegian film industry was not used to advanced visual effects in their films. The solution was to teach the Norwegian film industry to ask for the creative competences of Storm Studios by co-operating strategically with the film industry.

THE PROCESS

In 2005, not many Norwegian film productions featured VFX. Therefore, Storm Studios had to create their own market. The company did so by focusing on pointing out to customers the creative and economic advantages of incorporating VFX into film production. This was done at numerous film industry seminars arranged by Storm Studios, where the company demonstrated how VFX could lower the production costs of a given film and how VFX may give more creative possibilities when conceptualizing storylines and writing manuscripts. Furthermore, Storm Studios launched targeted PR initiatives nationally, informing about the advantages of using VFX.

In order to secure the required flexibility, Storm Studios made sure that they had a permanent, committed staff and a corps of attached, talented freelancers. Thus, the company could easily scale up in busy periods without having to fire employees when there was a lull between projects. Furthermore, the company entered the film commercial market in order to be less dependent on the unpredictable Norwegian feature film industry. This created the economic basis of a continuous development of the company.

Storm Studios want to be at the cutting edge of economically demanding technology; therefore



the company initiated a series of co-operative initiatives with major film companies, both nationally and internationally in co-productions. This way, the company could develop without having to bear the economic burden alone. Lately, in 2010, Storm Studio has entered a strategic co-operative initiative with Nordisk Film, the leading Nordic producer of creative features within film, music and games, about establishing a new post-production company in Norway and Sweden, called Shortcuts. This further consolidated Storm Studios' position as one of the most creative and attractive VFX studios in the Nordic countries.

RESULTS

- By focusing on quality and cooperation and by working hard at teaching the market to demand the company's own products, Storm Studios have experienced strong economic and creative growth since the founding in 2005
- Storm Studios have expanded from being a small, 4-person firm in 2005 to today's 25 creative employees and a turnover of more than 40 million Norwegian kroner

- As a consequence of the cooperation with Nordisk Film, Studio Studios have been able to establish Europe's most advanced post production facilities in Oslo in 2011
- Because of Storm Studios' focus on teaching customers the advantages of using VFX, the use of VFX in Norwegian film production has exploded. Thus, the average VFX budget has risen from 20,000 NOK in 2005 to 500,000 NOK in 2011
- In 2008, Storm Studios won an Academy Award for Best Animated Short Film, namely "Peter and the Wolf", a co-production between Storm Studios and, among others, BreakThru Films

FACTS ABOUT STORM STUDIOS

Founded: 2005

Trade of business: VFX and film production

Owners: Limited liability company

Number of employees: 25

Website: www.stormstudios.no

When creativity, business and investment walk hand in hand

CAOZ is an Icelandic animation studio creating 3d computer animated films, commercials, visual effects and computer games. By combining central creative competences and cooperating strategically with investors and investment funds, the company that started as a small spin-out animation firm has now become a successful and award-winning multimedia company, whose first 3d computer animated feature film was sold to more than 50 countries before it was released.

BACKGROUND

CAOZ was founded in 2001 as a spin-out of the big Icelandic IT company OZ at a time when the global IT bubble was about to burst. Instead of just firing people in the creative division of OZ, the management decided to cut off the division and

let it establish a new, independent company. Eight persons from OZ broke loose and formed CAOZ, which was meant to meet the creative demands of OZ and, hopefully, other IT companies.

THE CHALLENGE

Just as it is the case for many other new creative companies, for CAOZ the challenge was to transform a huge creative potential into sound

“From the word go! CAOZ were run by employees having a creative background. That’s the key to everything we do. We are a company where intellectual capital is at least as important as traditional financial capital. The first investment funds we started to cooperate with came to us because they believed in our creative skills. And because we practised Good Corporate Governance, the cooperation with investment funds never affected our creativity or artistic freedom.”

– Hilmar Sigurðsson, CEO, CAOZ

business – in a market that was about to collapse. The solution was to find a balance between creative energies and an aggressive and expansive business strategy that would attract the necessary investors.

THE PROCESS

From the very beginning CAOZ focused on sound business management, which was very much intended. Only by managing all facets of the business would it be possible to attract the investors necessary to realise the creative ambitions of the company: computer generated and animated feature films. To make that come true, CAOZ’ management developed a clear strategy for both the creative and the economic part of the company. This strategy implied a slow development of the central activities of the company, from simple anima-





tions of visual effects and commercials to the first short animated films. And it worked! The company earned money when expanding business, and at the same time the creative competences were developed. The Lost Little Caterpillar, the company's first 30-minute computer generated animated film, won several international awards and turned out to be a real economic success.

After three years CAOZ took the final step and started cooperating with a few carefully selected investors, the so-called business angels. This cooperation allowed the company to focus exclusively on the creative dimension of being an animation studio making computer generated films. Additionally, this strategic step made a major venture capital fund interested in also investing in the company. Precisely because CAOZ had been focusing on Good Corporate Governance all the time, it turned out not to be a problem to cooperate with external investors – from the very beginning CAOZ was a sound company focusing on creative competences. This basic idea was protected, even with investment funds and business angels backing the company.

RESULTS

- Although the trade faces problems in general and although new projects inevitably result in high costs, CAOZ' business strategy has

enabled the company to grow organically and steadily over the years. Focusing on combining creative energy with a good sense of business, CAOZ is one of the leading animation studios of the Nordic countries

- CAOZ had 7 employees in 2004 – now they have 38 in 7 different countries
- In the autumn of 2011, CAOZ will release the first 3D computer animated feature film, Legends of Valhalla – THOR. Even before its release, the film has already covered the company's expenses via advance sales – the film has generated far higher financial and creative profits than expected
- Presently CAOZ is developing a THOR computer game – the synergy effect of the various media has really boosted the production phase of this game

FACTS ABOUT CAOZ

Founded: 2001

Line of business: Animation

*Owners: Limited liability company;
11 shareholders*

Number of employees: 32

*Website: www.caoz.com
www.legendsofvalhalla.com*

Growth through an expanded business model



FULLSTEAM is a Finnish music company leading in alternative music in Finland. By staking on creativity within the alternative music scene and an expansive business model ranging from a traditional music business and distribution to arranging concerts, festivals and management, Fullsteam has become a company that combines strong growth with high artistic quality.

BACKGROUND

Fullsteam was founded by Juha Kyyrö in 2002. At that time Juha played in a rock band and was responsible for arranging practical things. He soon found out, though, that he was better at the business things than the musical part. Therefore he devoted himself to the administration of releases and booking concerts. His talents were

soon spotted by friends in other bands who asked Juha to take care of them as well – thus, Fullsteam was born.

THE CHALLENGE

Juha Kyyrö's challenge was to transform his single person hobby company into a firm that could generate profits, a firm that he could make a living of, without lowering quality or neglecting the kind of music Juha himself burned for. Instead of expanding his portfolio to include more popular mainstream artists, his solution was to expand the number of services that Fullsteam could offer its core customers within the genres alternative rock, indie, punk and hardcore.

THE PROCESS

At the beginning, Fullsteam concentrated on arranging concerts and on new releases of friends and artists that Juha Kyyrö liked himself. But he was constantly aware of new potential develop-

“*What distinguishes Fullsteam from ordinary music companies is that we've succeeded in expanding our business model to cover many parts of the music business but still keeping a clear focus on our targets and maintaining the passion for music. This has resulted in us working more extensively with our artists, which has benefited both parties.*”

–Juha Kyyrö, owner, Fullsteam

ment possibilities. By concentrating on letting Fullsteam grow organically and by spending only money that the company had already earned, Juha could control the growth and at the same time minimise economic risks. That way, in time Fullsteam also came to own concert places and Scandinavia's largest centre for music exercise,



and the company got involved in distribution, festivals, merchandise and management in a construction now called, logically, The Fullsteam Family, all owned by Juha Kyyrö and all under the original umbrella: the alternative music industry.

By thus creating a whole music family, Fullsteam could offer its artists full service, from exercise rooms to concert halls. The company's combination of overall thinking and expansion into several music genres has secured Fullsteam a clear position on the Finnish market. This has generated growth, both economically and artistically.

RESULTS

- Fullsteam's business model has made The Fullsteam Family Finland's biggest music promoter today and one of the country's leading music companies. Combining an organic growth strategy with the wish to create a full-service music company for its artists has made Fullsteam grow economically and organisationally, nationally and internationally, and has resulted in artistic success

- Since the beginning in 2002, Fullsteam has experienced rapid growth each year – today the company has a turnover 140 times bigger than in the start
- Today the company has 16 employees
- In Finland, Fullsteam works with a number of the world's greatest music names, such as Prince, The Prodigy, Manu Chao, Rush, The National, and Sigur Rós
- For the sixth year in a row Fullsteam was chosen as Independent Label of the Year in Finland

FACTS ABOUT FULLSTEAM

Founded: 2002

Line of business: Music industry

Owners: privately owned

Number of employees: 16

Website: www.fullsteam.fi

Creating business through fair play

GOGOYOKO is an Icelandic social network and digital music store through which musicians can sell their music directly to their fans. Taking the specific needs of its creative customers as its point of departure, Gogoyoko has created a restrained, yet solid business success within a global music industry that is otherwise declining rapidly.

BACKGROUND

Gogoyoko was founded in 2007 by two Icelandic musicians and record-label owners, D. Magnusson and Petur Ulfur Einarsson. Both of them had many

“While Gogoyoko’s business model means that we spend a longer period of time becoming profitable, it also makes us a more sturdy company. Most of those working for Gogoyoko are themselves independent musicians, which gives us a huge incentive to make it work. Hence, for us, the economic success story is that a large number of small bands have earned extra money through our website. For a young band this can mean the difference between cutting a new album, touring Germany or packing it all in and giving up. These are the bands we want to support”.

— Alex MacNeil, CEO, Gogoyoko.

years of experience in creating and selling music in USA, England and Europe. However, having frequently experienced most of their profits being swallowed up by middle-men and record labels, Haukur’s and Petur’s ambition was to create a way in which musicians could earn money through their art.

THE CHALLENGE

Over the last couple of years the web has radically changed the way in which people listen to, con-

sume and buy music today. With rapidly declining CD and record sales, a booming market for illegal pirate copying and the dominance of a few global digital music stores such as iTunes, MySpace or Amazon MP3, it is increasingly difficult for upcoming and more independent musicians to earn a living through their music.

Haukur and Petur set about solving this problem using Gogoyoko. The challenge facing them was how to render the digital store profitable for the company itself, whilst meeting the quite specific requirements of both the musicians and their fans.

HOW IT CAME ABOUT

Haukur and Petur set about developing their web service in collaboration with a couple of private investors and web entrepreneurs. In doing so they maintained focus on a clearly defined strategy, namely that Gogoyoko would only entice fans and musicians to use the service if it was successful in tailoring the service to the users’ requirements in terms of design, usability and business concept. From the onset, the target group consisted of the so-called independent music industry, i.e. bands and record labels that hadn’t become a part of the multi-national music companies, and who therefore could be expected to gain the most by employing the service.

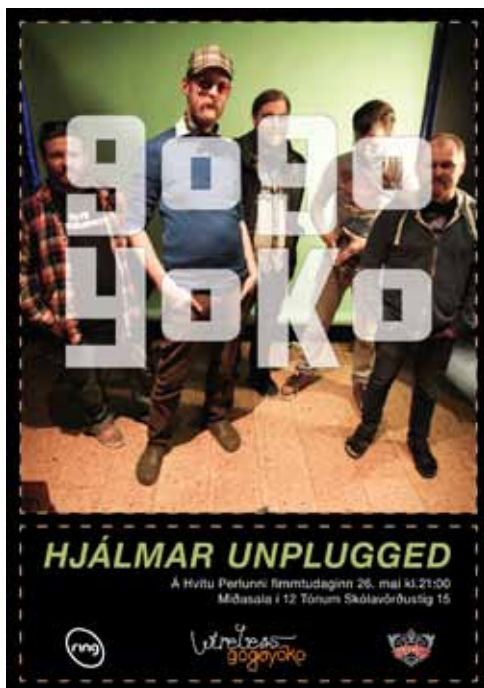
Haukur and Petur developed the concept and a prototype on their own with some help from various freelance programmers. Once the prototype proved promising, Gogoyoko gathered a team of programmers who constructed a beta version. The initial on-line version of Gogoyoko was released on the 1st of October 2009 and was an instant success amongst musicians and fans alike. On the one hand, it made it possible for fans to stream music free of charge and listen to



complete albums prior to purchase. On the other hand, Gogoyoko provided musicians with a direct and uncomplicated route to their customers along with total control of how and at what price their music was sold. Finally, Gogoyoko also provided an exceptionally competitive business model, whereby a mere 10% of the musicians' earnings went to Gogoyoko. The rest belonged to the musicians themselves. Gogoyoko named the principle "Fair play in music".

THE RESULT

- Gogoyoko's business model has provided the company with a slower, yet more durable economic growth than that it could have achieved by focusing on its own profits alone. By emphasising a fair distribution between artists and the company, Gogoyoko has been able to establish joint-ventures with a large number of musicians, from both Iceland and abroad, who recognise the value of selling their music through its digital music store. With its sustainable approach to business development and sales, Gogoyoko has demonstrated a way forward for a creative



music industry that quite clearly is undergoing rapid changes at present

- Based in Reykjavik and New York, the company currently has a staff of 12
- By emphasising the fair distribution of the website earnings, Gogoyoko has experienced stable, yet constant growth since the early beginnings in 2007
- Gogoyoko is always on the lookout for new ways to improve its product. At present its focus is on developing mobile phone apps, i.e. an interactive music magazine and a global music world-map with access to concerts all over the world

FACTS REGARDING GOGOYOKO

Founded: 2007

Line of business: Digital music store and social network

Owners: Privately owned

Number of employees: 12

Website: www.gogoyoko.com

The oil game

SIMPRENTIS is a Faroese organizer of courses arranging play- and game-based education aimed at one of the world's biggest industries: The international oil and gas industry. Within a few years the firm has developed from teaching Faroese school pupils to facilitating dynamic educational projects for thousands of oil people from all over the world. The method? To play with the oil billions!

THE BACKGROUND

In 2002 a number of international energy companies were granted the rights to search for oil and gas in Faroese waters. One of the conditions imposed by the Faroese authorities was that the oil companies must contribute to preparing Faroese society for the new industry. Several projects were initiated – among others, the Italian oil company Eni launched the idea of developing a game aimed at students at high school level. The objective was

“*The serious challenge was to convince companies that what works for children also works for adults. Adults are very sceptical about playing.*”

– Ólavur Ellefsen, managing director, Simprentis

to inform students about how a possible new oil industry might affect Faroese society. An advertising agency won the rights to create the business play – economist and computer scientist Ólavur Ellefsen was appointed the leader of the initiative.

In close cooperation with Faroese schools, Simprentis then developed the computer game OilSim, which simulates all phases of oil search. Using OilSim students not only learned about the oil industry, but also about chemistry, geology, economy, and social science, and they learned how to cooperate.

The game turned into a major success both in the Faroe Islands and, soon after, in neighbouring Scotland, Norway, Denmark and Iceland. After a few years, Eni and Ólavur Ellefsen's company, Simprentis, struck a deal. Based on his experience with this kind of game-based learning, Ólavur Ellefsen thought that the method might also be applied when training persons employed in the oil industry itself. Simprentis now tried to gain a foothold in that market.

THE CHALLENGE

The primary challenge for Simprentis has shown to be overcoming the conservatism of the oil industry, both in terms of training employees and of how to do business. Because can you really learn something by playing? Ólavur Ellefsen was often confronted with that question when he tried to convince oil companies that his problem solution-based simulation game should be used when training their staff.

THE PROCESS

The first company to show some interest was Norwegian Statoil, and OilSim was soon a popular educational tool with Statoil employees. Statoil was also persuaded to finance the further development of the game, and from that point things went fast, since OilSim was apparently a good investment. Oil companies could see how OilSim broke down barriers that had been problematic before, and the game opened for more efficient procedures, all because engineers, technicians, economists and geologists played together and were forced to see each other's fields of activity with new eyes.

The practical-innovative dimension is quite central in Simprentis' business strategy. Simprent-



is consolidates continuous product development by making strategic agreements, where customers pay Simprentis for developing new functions in the game – functions adapted for each customer's specific needs: The customer gets a tailored product and a lower price of courses where this special function is applied. Simprentis is paid to develop the game, gets the right to sell this function to other customers at full price and gets a product that permanently both meets the demands of the customers and the industry and is at the same time both financed and developed by the same demands.

RESULTS

- From a single person company teaching Faroese school children, Simprentis has now grown into a global deliverer of courses training highly specialised employees in the world's leading oil companies
- Today Simprentis has 15 employees on four continents

- Simprentis has offices in the world's major oil centres, such as Houston, Rio de Janeiro and Bergen
- Simprentis leads the market within advanced simulation games – due to its dynamic game simulation, Simprentis can facilitate the learning of thousands of people at the same time.
- For the time being, Simprentis is researching the possibility of developing the game to fit other know-how industries

FACTS ABOUT SIMPRENTIS

Founded: 2000

Line of business: Education and training in the oil and gas industry

Owners: Primary shareholders are Ólavur Ellefsen and Faroese institutional investors

Number of employees: 15

Website: www.simprentis.com

The Devil Wears ... tractor?

MOODS OF NORWAY is a Norwegian fashion company that has experienced explosive growth since it was founded in 2003. The method has been a clear business strategy and creative marketing – using tongue-in-cheek boldness and playing with Norwegian stereotypes made Moods of Norway more than just another clothing brand.

BACKGROUND

When the two designers Peder Børresen and Simen Staalnacke fostered the idea of creating an international clothing brand, they were only sure about what they did not want: They did not want to look like all the others. Instead of uniform, black clothes marketed by sulky models in Milan, the two designers wanted to create a funny and richly coloured clothing brand based in their small home town of Stryn in Northwestern Norway.

THE CHALLENGE

The general challenge for new fashion companies is to differentiate themselves having very little money to do that for. In international fashion, where identity, having a story to tell, lifestyle and owning a unique market position are the cornerstones of any successful brand, this is even more important. Therefore, the challenge facing Moods of Norway was to create a story about its brand

that was so strong and unique that the clothes would so to speak market themselves.

THE PROCESS

Both Peder Børresen and Simen Staalnacke have good marketing educations. But Moods of Norway was not created using classic marketing concepts such as market surveys, brand researches, customer segmentation or by using what others in the line of business had done before them. Instead the duo chose to take their starting point in their hometown, Stryn. Using humour, creativity and

“We never carried out any analyses or branch surveys or researched what our competitors did. We simply observed that not very many used elements like creativity and humour when marketing. It's quite simple with us: We've got a slogan, “Happy clothes for happy people”, and I guess that's just our basic concept when we develop things.”

– Jan Egil Flo, co-founder and retail manager, Moods of Norway

unconventional and eccentric ideas, the products of Moods of Norway were to give a feeling of clear, happy identity and lifestyle. This way, the company's unique position as a brand would be secured not only in Norway, but globally.

By playing creatively with Norwegian stereotypes in the clothes, Moods of Norway rapidly created a certain public interest in the brand. Using tractors, fishing boats, and specific Northwestern Norwegian traditions directly in their designs and small details like e.g. “made in”-labels that stated that this cardigan was “made in Europe by really, really pretty blonde girls”, Moods of Norway became an easily recognisable brand very fast. The clothes were accompanied by humorous, but real stories about Norway, Stryn, and the





designers' own grandparents. The designers used themselves to promote the brand, modelling their appearance on a boy band concept with all that it takes, golden limousines, golden chains and pink fishing boats.

Moods of Norway quickly got massive media coverage because of the company's very different and very media friendly way of telling stories. At the same time, the company aimed at massive growth with an international focus and established cooperative initiatives with several international high profile sales agents. By explicitly insisting on their Norwegian-ness and by sticking to a humorous approach when telling about themselves, Moods of Norway has created a unique identity as a global brand making "happy clothes for happy people".

RESULTS

- Through creative story telling, Moods of Norway succeeded in creating a multi-million company in a few years in the otherwise so tough fashion business

- Since 2007, Moods of Norway has experienced a 300 per cent turnover growth rate
- In 2010, the company had a turnover of 208 Norwegian kroner and a profit of 75 million NOK.
- Today the company has 10 brand stores in Norway and a flag store in Beverly Hills in the US. Furthermore, the products of Moods of Norway may be found in 170 shops in 10 countries around the world and in 250 shops in Norway

FACTS ABOUT MOODS OF NORWAY

Founded: 2003

Line of business: Fashion

Owners: Three founders own 85%, other employees own 15%

Number of employees: 150 employees, equalling 100 full-time jobs

www.moodsofnorway.com

Haute couture for the people

H&M is one of the world's biggest clothing chains within "main street" retail. By launching cooperation with well-known haute couture-designers, the corporation has strengthened its brand compared with its competitors and made exclusive design even more accessible to the customers.

BACKGROUND

Since the first shop opened in Vesterås in Central Sweden in 1947, H&M has grown into a global trademark with more than 2,300 shops in 41 countries. The corporation is a global leader in the so-called "main street" retail market – reasonably priced clothes for ordinary people.



“We regard designer cooperation as a process that strengthens our brand. Our basic business concept is to offer fashion and quality at fair prices, and here our customers can buy designer clothes at H&M prices. At the same time this kind of cooperation enables the guest designer to focus much more on the creative process. It's a win-win situation for everybody.”

– Margareta van den Bosch, chief designer, H&M, to Huffington Post, August 4, 2011.

THE CHALLENGE

H&M's reasonably priced fashion clothes for men, women and children have resulted in a strong growth throughout the company's lifetime. Therefore, H&M has always been a model to competitors, and the company's business model has been copied more and more often. Therefore, at the beginning of the 21st century, the company wanted to think new: H&M wanted to expand its customer group, emphasise the differences between H&M and its immediate competitors, strengthen its global brand and at the same time keep its successful business model. The solution was to invite some of the world's best known fashion creators to act as exclusive guest designers for the company.

THE PROCESS

The autumn collection of 2004 heralded H&M's cooperation with world famous German fashion designer Karl Lagerfeld. Lagerfeld, who normally designed haute couture collections for fashion houses like Chanel and Fendi, created about 30 pieces for H&M. The news of the cooperation between the trendsetting fashion designer and the Swedish retail brand made its way to both high end fashion magazines and more traditional media globally. The exclusive collection, Karl Lagerfeld for H&M, was put up for auction at selected H&M shops on November 12, 2004, under the watchful eyes of both customers and the media. And the collection was a success: only two days after having hit the shops H&M announced that almost everything was sold out.

Since then H&M has cooperated with well-known guest designers such as Roberto Cavalli, Stella McCartney and Jimmy Choo. Global pop



icons like Madonna and Kylie Minogue have also designed guest collections.

Every collection is the result of close cooperation between the guest designer and H&M's regular designer team of more than 140 designers. But even though the project is cooperative, the guest

“Cooperating with these top designers strengthens our brand and proves that good design isn't a question about price.”

– Håkan Andersson, press spokesman, H&M.

designer has free hands in the designing process and makes the final decision when it comes to design, materials, silhouette, etc. Eventually, the design is produced at H&M's own production facilities.

By concentrating this kind of cooperation on small, exclusive collections, H&M ensures the strong interest of both customers and the media. For example, there is much guessing as to who the next guest designers will be, and the limited size of the collections makes the most attractive pieces even more attractive to eager customers. Lately H&M has started cooperating with Italian top designer Donatella Versace about collections for both ladies and gentlemen as well as about selected home furnishing items – and with the global football and fashion icon David Beckham about distributing his men's underwear line from 2012.

RESULTS

- H&M's growth is still explosive in spite of the global financial crisis. Combining guest designers with the company's own in-house designer team has strengthened the synergy between high end fashion and moderate prices
- In 2010 H&M had a turnover of 126 billion Swedish kroner and a net profit of 18 billion SEK.
- Launching the annual cooperation initiatives has become an event looked forward to by customers and the media alike
- Thus, thousands of Japanese H&M fans slept in the street for several nights outside H&M's flag ship store in Tokyo before the opening of the special collection featuring the innovative Japanese design brand Comme de Garçons
- Because of these initiatives, a new target group can now afford to buy designer clothes
- H&M's position as a global brand has been strengthened significantly

FACTS ABOUT H&M

Founded: 1947

Line of business: Fashion

Owners: Limited liability company

Number of employees: 87,000

Website: www.hm.com

iRestaurant with gourmet food and new technology

HOTEL FØROYAR is the largest hotel on the Faroe Islands. With head chef Leif Sørensen at the helm, the Hotel's gourmet restaurant, Restaurant KOKS, has become the best restaurant on the Faroe Islands. It has acquired this status by emphasising the creative use of local primary produce and presenting the meal in an innovative and eventful manner that draws upon the latest technology.

BACKGROUND

Hotel Føroyar is a 4-star hotel situated in an exceptional setting with the most magnificent view you can imagine looking out over Thorshavn. Through the hotel's huge panorama windows its guests can look out on the waves of the North Atlantic and the wild nature of the Faroe Islands.

Head Chef Leif Sørensen was brought in to run the hotel's restaurant, Restaurant KOKS, in connection with the extensive renovations carried out in the hotel in 2010. Up to then, Leif Sørensen had been running the esteemed Restaurant Gourmet in Thorshavn. In keeping with best New Nordic Cuisine practice, the idea was to continue the gourmet chef's innovative focus on the best of

Faroese primary produce, under the motto: Eat what you see outside.

THE CHALLENGE

For the most part, the essence of innovative and boundary pushing gourmet restaurants is formed by their use of excellent primary produce and particularly the narrative in which it is placed. Stories and narratives transform the meal into an emotional and intellectual experience that the guests can take with them when they leave.

Thus the challenge that faced Leif Sørensen and Restaurant KOKS was how they could present their extensive knowledge of the many distinctive primary products native to the Faroe Islands being

“An ordinary Menu is nothing more than a menu. With the iPad you are in contact with the world at large and you have a tool that can help you in a number of ways. For example if our guests are unfamiliar with a particular fish we can always show them a photo of it. Furthermore, the iPads' social media provide us with a large amount of free publicity. For the most part it consists of positive advertising, but we have experienced the opposite. You have to be able to take that in your stride. Technology is constantly changing and as a restaurant we need to keep up with these developments”.

– Leif Sørensen, Head Chef, Restaurant KOKS

served at the restaurant without the menu becoming an extensive novel. Not to mention a novel that had to be altered and reprinted several times a week in keeping with the constantly changing seasonal dishes. They soon discovered that the solution to their problem was to employ the latest technology.



HOW IT CAME ABOUT

Leif Sørensen and Restaurant KOKS decided to move away from what is normally considered the most classic ingredient of any restaurant visit, namely the Menu. Instead, they invested in iPads. Then, Leif Sørensen linked up with a couple of local computer programmers with a view to developing a new, interactive iPad based Menu. While the restaurant supplied most of the ideas on how its future Menu was to be presented using the latest technology, many new ideas emerged during the course of their discussions with the programmers.

Not only can you read about the various dishes on your iPad Menu at Restaurant KOKS, you can also see short film clips about their origins and how they are produced. The wine-list is interactive – guests can even explore where they can buy the wine they are presently drinking when they return to their country of origin. It is also possible to read the Menu in the language of your choice. The iPad Menus also have small computer games installed for the restaurant's younger guests (so that they can play while their adults finish eating). Similarly, the iPads are also coupled up to the Internet so that single diners can surf the web, read web newspapers or watch a film during their meal.

Finally, guests to the restaurant can also take photos of their meal with the iPad, upload them to their social media profiles (e.g. on Facebook), and relate their experience in real-time. This in turn provides Restaurant KOKS with honest and free advertising, whereby its guests vouch for whatever they want to write.

THE RESULT

- With its creative food and innovative presentation, Restaurant KOKS has positioned itself as one of Denmark's leading restaurants.



- By using iPads the restaurant has significantly reduced both the expenses and environmental impact incurred through its former paper wastage, Menu binding and printing of Menus and wine-lists.
- iPad use has also reduced the weekly workload involved in up-dating menus, i.e. from an estimated 5 hours to ½ an hour. The restaurant is presently working on developing a similar iPhone app.
- In 2011 Hotel Føroyar and Restaurant KOKS were nominated amongst the best Danish “Bed&Dine combinations” by the prestigious publication Den Danske Spiseguide.

FACTS REGARDING RESTAURANT KOKS

Founded: 2010

Line of business: Restaurant

Owners: Privately owned

Number of employees: 14

Website: www.KOKS.fo

(Tree)Top design!

IN THE REMOTE forests of Northern Sweden you'll find Brittas Pensionat and the extraordinary Treehotel. In a close and innovative cooperation with some of Scandinavia's most progressive architects and designers, the couple Kent and Britta Lindvall-Johnsson have created a very different tree top hotel experience.

BACKGROUND

Kent and Britta Lindvall-Johnsson have been running the small Brittas Pensionat since 2004. Situated in the very north of Sweden, an hour's car drive from Luleå and 45 minutes from the Arctic Circle, its old-fashioned charm has always been attractive for people who love nature and want to relax very far away from the stress and noise of humdrum life.

THE CHALLENGE

The general challenge for the tourist business today is to offer visitors something more than just a place to sleep. For years Brittas Pensionat offered fascinating fishing trips, dog sledding rides, and kayaking aimed at visitors who wanted to experience the magnificent Northern Swedish nature. But in order to optimize their visitors' feeling of

the deep forests of Northern Sweden, Kent and Britta dreamt of building a hotel in the treetops.

THE PROCESS

The hotel owners contacted five architects and asked them to join the dream: making "Treetop Hotel" come true. An intense dialogue resulted in this: All rooms were to be unique hanging there in the treetops, and all of them would combine design and comfort with the magnificent nature just outside the windows.

The architects had free hands to design one room each. The results were most original and very different: One of the rooms is suspended between the trees six metres above the ground, a second room is a mirror-like cube, a third has the shape of a nest, the only access a rope ladder. What they

“When you cooperate with creative people, you cannot always be sure that their ideas fit in with reality. Therefore it required creativity from us to come up with solutions that approach the architect's visions as much as possible, in our case e.g. finding the ideal builder. A large building firm would never have accepted this task, so we were forced to find small flexible contractors able to deliver the required quality. That requires creativity and has not been easy. But then again, we never expected it to be easy.”

— Andreas Desai, Marketing/Communications Director, Treehotel

all have in common is being placed several metres above the ground in the rushing treetops. In order to actually build so special rooms, Treehotel cooperated with carefully selected specialists capable of designing the unique solutions required in this case.

The preliminary plans were ready in February 2010, in April financing had been taken care of,





and building started in May. In July 2010 the first four rooms were taken into use after a great opening ceremony.

RESULTS

- Because of a clear design and the close cooperation with selected architects and designers, Treehotel has become a famous destination for visitors from all over the world in less than a year
- The story of the distinctive hotel at the Arctic Circle where you can sleep in the treetops went round the world. Both BBC and CNN reported from the opening ceremony, before the hotel had even welcomed its first guest
- In its first year, Treehotel experienced a result far better than expected, and the percentage of occupied beds is still rising
- Another two special designed rooms will open in 2012. According to plan, there will be 24 different tree rooms in 2016
- As a result of the hotel's fame, architects from all over the world spontaneously send in suggestions for new tree rooms – the best ones are picked out for building
- In 2011, the highly acclaimed American travel magazine Condé Nast Traveller included Treehotel in its famous hotlist of the world's best new hotels

FACTS ABOUT TREEHOTEL

Founded: 2010

Line of business: Experience travels, tourism

Owners: 90 per cent Kent and Britta Lindvall, 10 per cent other investors

Number of employees: 8

Website: www.treehotel.se

Music and champagne at the Operafarm

ÅMOT OPERAGARD is a Norwegian opera and culture initiative situated at an old farm in Åmot in Western Norway. By focusing on modern farm tourism, local gastronomy and high quality opera experiences, Åmot Operagard has developed from a small family farm into an international, innovative and award-winning opera scene, using a clear strategy based on “the total farm experience”.

THE BACKGROUND

When Steinar Sørli and his partner Yngve Brakstad took over Steinar’s family’s farm in the village of Åmot in the Sunnfjord hamlet in 1997, he had no plans to run the farm like the family had been doing it since 1852. Instead, it was the couple’s ambition to transform the place from a traditional farm to a touristic farm where their mutual passion, opera, was to be the hub.

THE CHALLENGE

As sudden heirs to a beautiful, but old-fashioned farm in a small Norwegian village, Steinar and Yngve had to be creative. The challenge was to transform the old farm to an attractive opera farm that would offer its visitors unique experiences worth travelling for.

THE PROCESS

Even though the couple had identified their mutual dream of creating a high-quality opera scene, it was also clear that opera concerts and opera productions alone would not pay the bills. Therefore Steinar and Yngve decided to offer a “total cultural package”, consisting of gourmet experiences, sleeping in beautiful surroundings, and cultural experiences such as theatre plays, modern dance, art exhibitions, wine tastings and champagne courses.

By restoring the farm carefully and respecting the history of the place, Steinar, who is a nature advisor, and Yngve, an architect, cooperated with landscape architects and interior designers to create the perfect settings for the total opera experience. The strategy was to turn the entire farm into a scene. The arriving guests were welcomed by Steinar and Yngve personally, offering unique experiences everywhere – having drinks wearing high heels in the farmyard, champagne cooling in

“It is our ambition to make a living out of the farm, not to create a large-scale corporation. We don’t have 25 rooms to let, but the three we’ve got have to be unique. Our motto, our vision, is to reach for the stars, and the media love us because we’re a good story, we’re exclusive, and we are pioneers in our line of business. All that has given us press coverage worth millions.”

– Steinar Sørli, owner, Åmot Operagard

the troughs and intimate concerts in the barn at Norway’s smallest opera scene. The opera concerts were arranged by Steinar and Yngve together with invited scenographers, directors and soloists from Norway’s most respected opera scenes, who were given very free hands to create unique productions at the small barn. In order to maximise the guests’ experience, Steinar and Yngve made arrangements with local food producers and the chef Christel Eide, who served gourmet dinners with menus adapted to the individual opera productions.

In order to make ends meet economically the couple cooperated with the local grocer – this also resulted in valuable commercial sparring. For the grocer, this cooperation has generated a five million Norwegian kroner turnover increase, and for Steinar and Yngve the cooperation has resulted in



Photo: Dagrun Reikvam

new competences and important strategic business partners in the local community.

RESULTS

- By focusing on "the total farm experience" and high-quality cultural experiences and by using the farm as a resource and the close cooperation with the local community, Åmot Operagard has created a unique position for itself on the European opera map. Åmot Operagard has become a place people go to in order to experience the unique offers of the farm. It has become an important tourist destination in Norway, priding itself of a flourishing economy and high artistic value
- Åmot Operagard has quadrupled its income since the start in 2006 – in 2009, it sold tickets for 1.3 million Norwegian kroner, not counting income from the restaurant and from advisory activities
- The firm has received several prizes and awards, among others the prestigious Olavrose, given for outstanding experiences based in the Nordic cultural heritage

- In 2010 CNN appointed Åmot Operagard as one of Scandinavia's most exciting travel destinations
- Lately Steinar and Yngve started using branding experts and designers to refine and sharpen the strategic profile of Operagarden, just as the couple also established a consulting firm offering advice on farm tourism and farm business based on cultural experiences

FACTS ABOUT ÅMOT OPERAGARD

Founded: 2006

Line of business: Opera, restaurant, farm tourism, consulting firm

Owners: Owned and run by Yngve Brakstad and Steinar Sørli

Number of employees: One plus the two half-time working owners

Website: www.operagarden.no

A sitting success

SALLY SYSTEMS is a Finnish furniture design company and the world's leading producer of so-called "saddle chairs" – ergonomic chairs you sit on as if in a horse saddle. Through personal commitment, a clear strategy and close cooperation with doctors, scientists and physiotherapists, Salli Systems has grown out of an old saddle and has become a major company with sales agents all over the world.

BACKGROUND

Veli-Jussi Jalkanen had spent his entire life on a horseback. And yet his back pain only started when he started spending most of his day sitting in an office. In 1990 Veli-Jussi Jalkanen therefore consulted a back expert, who advised him to sit the way he used to sit on a horseback: with a

straight back but without a chair back and the legs placed at the sides rather than in the front.

Veli-Jussi Jalkanen followed that advice. First he constructed his own saddle chair by bringing an old saddle to work. But even though this actually worked miracles for his back, the chair in itself was too uncomfortable to sit on a full working day. For some reason, though, nobody in Finland

“We are the only furniture producer that researches systematically into all bodily structures and situations related to sitting comfort. Only scientifically based research on the body is thorough enough if we want to design furniture that prevents harming the users.”

– Veli-Jussi Jalkanen, director, Salli Systems

had thought of designing real saddle chairs in spite of the advice of back experts. So Veli-Jussi Jalkanen took a loan in the bank to start designing the first prototype of the Saddle Chair.

THE CHALLENGE

For Salli Systems the primary challenge was to design an innovative and very different chair which not only improves the user's sitting comfort considerably, but which can also be sold. Therefore the company asked itself the basic question: How does a human being sit optimally?

THE PROCESS

To answer this question, Veli-Jussi Jalkanen started an intense development initiative based on both physiological research and user feedback. The result was the first Salli saddle chair: no back, movable seat, high position above the floor and a sitting angle of 135 degrees. In spite of the awkward looks, the chair was surprisingly comfortable, and both customers and the furniture trade



embraced the Salli chair. The first hundred chairs were quickly sold.

In the meantime Veli-Jussi Jalkanen improved and refined his chair. The decisive improvement was the design of the split cushion. It started following recommendations from gynaecologists and physiotherapists who believed that a sitting surface split into two would be much healthier for the body. However, no detailed research supported this belief. Therefore, Salli Systems had to initiate anatomical studies in cooperation with scientists from the university of Kuopio. The result was the special split saddle chair which the company was the first to design and which Salli Systems took out a patent on in 2001. The split chair revolutionised the saddle chair market and forms the basis of the company's design today.

The success has taught the company that it will be wise to go on cooperating strategically with researchers and universities – today Salli Systems is a part of an international research programme doing research in all fields related to the comfort of sitting, from spine and blood circulation to breathing process and internal organs. Apart from forming the basis of the design development of the company, research is also the cornerstone of the marketing of Salli Systems: Instead of fancy pr tricks, the company shows scientific research results making it clear why buying a Salli chair is the smartest investment a customer can make.

RESULTS

- From a simple start, Salli Systems is now Finland's largest furniture producer
- Today the company has 25 employees
- Salli Systems exports its products to 40 countries in Scandinavia, Europe, Russia, Asia,



South Africa and South America, and its products are produced under licence in the United States, Brazil and China

- Salli Systems is among the ten most profitable companies in Eastern Finland, it has no debt and grows significantly every year
- The company's turnover has increased from almost 600,000 euro in 1998 to more than 3.5 million euros in 2010

FACTS ABOUT SALLI SYSTEMS

Founded: 1990

Line of business: Furniture

Owner: Privately owned

Number of employees: 25

Website: www.salli.com

The value generating power of “The Golden Room”

DANISH CROWN is an international food producer specialising in producing pork and beef, focusing on experiences and cooperating with the Danish gourmet business to develop foods of high quality and high value for both the customers and the corporation.

BACKGROUND

Danish Crown is the world’s second largest pig slaughtering business, a major player in the European beef market and Europe’s largest meat processing corporation. With a turnover of more than 45 billion Danish kroner, the company is one of the three largest meat exporters in the world and the world’s largest exporter of pork. Based primarily in Denmark, Danish Crown is meeting many of the challenges facing any globally orientated export company in Northern and Western Europe these years.

THE CHALLENGE

As one of the world’s largest players in the global meat market, Danish Crown is forced to compete even less on only prices when taking on international competitors. The challenge was to develop



a business positioning and differentiating Danish Crown compared with its competitors and at the same time to generate profits for both company and customers. In the Danish market one of the solutions was to start a close cooperation with creative Danish chefs in order to create unique experiences and develop new products for the customers.

THE PROCESS

Together with a number of chefs from Danish top restaurants, Danish Crown has developed the concept “Guldrummet” (“The Golden Room”), which is physically a special room at Danish Crown’s terminal in the city of Kolding in Jutland. Here exclusive, high-quality cuts such as pork jaws, sweetbreads and hanger steaks are stored – these products are not common at all in the



“For a large producer like Danish Crown it is imperative that we can offer our customers extraordinary high-quality products. That requires heavy investments both in terms of time and money, and it is a strategic decision that must be taken at the management level. But it pays off, both as to image, customer loyalty and staff satisfaction.”

– Anne Bak Nielsen, Marketing and Innovation Coordinator,
Danish Crown.



Danish kitchens but may be found on the menus of the finest inns and restaurants in the country. The Golden Room is a playing ground for the best chefs in Denmark who are given the chance to work with all kinds of exclusive products – they are offered very flexible service and may order any quantity they need (in some cases they even call at night to order meat!).

The chefs give Danish Crown permanent feedback, a process which inspires Danish Crown to develop new cuts and new uses and a unique insight into the trends of cooking. Furthermore, Danish Crown also cooperates with three absolute elite chefs in Denmark in “Stjernekokken”, “The Star Chef”, which is a concept presenting the crème de la crème of Danish pork cuts sold in selected supermarkets. A special sauce goes with each of these cuts, along with suggestions for menus presented by the chefs.

RESULTS

- The Golden Room and The Star Chef have strengthened the bonds between Danish Crown and the Danish cuisine even more. Both parts benefit: The chefs get high-quality products and service, and Danish Crown is strengthened in many ways, from product development and product uses to marketing, branding and sale
- As a result of these projects, Danish Crown has seen a strengthening of its image among end consumers and retailers
- The awareness of Danish Crown’s products has grown because of this focus on new experiences
- The initiative has boosted the staff, as they feel that they deliver even better products

FACTS ABOUT DANISH CROWN

Founded: 1887

Line of business: Food production

Owners: Limited liability company

Number of employees: 23,305

Website: www.danishcrown.dk

Design thinking as a billion business

KONE is one of the world's leading producers of lifts and escalators. By focusing on incorporating a creative way of thinking design into its production, KONE has achieved its position as one of the world's most innovative and creative producers of lifts and escalators.

BACKGROUND

KONE is a more than 100-year-old Finnish producer of lifts that achieved a robust position in the global lift market during the 20th century. In 2005, however, the company was about to fall seriously behind its competitors. Buying and merging with other firms had moved the company away from its core competences. Inspired by the car industry, the new management therefore decided to headhunt architect and designer Anne Stenros

to create a whole new designer department in KONE. The strategy not only aimed at streamlining the lift designs of the company, but also at giving the company a whole new and creative way of thinking.

THE CHALLENGE

KONE and Anne Stenros faced many challenges. Previously KONE had only produced lifts and had used external consultants to design them – now KONE would also take care of the entire designing process. This required rethinking the company and its procedures and a change of focus: from solely technology, economy and production to

“Design looks and moves forward. Looking and moving forward is what all companies, no matter what they produce, can get out of cooperating with creative people. Creative people are sensitive to the future, to development, and to what will happen next. That is all a part of the DNA of creative people. There is no company that would not benefit from having such things incorporated into its business strategy.”

– Anne Stenros, chief designer, KONE

design, lifestyle and end consumers. But changing a large, international production company like this would not be easy.

THE PROCESS

When Anne Stenros joined KONE there were no traditions of thinking design in the company. Therefore, in order to show management and employees the value of creative input, Anne Stenros arranged a number of workshops in cooperation with global production companies from other lines of business, like e.g. the car industry and high technology industry, in which design was a central





element. Thus, Anne Stenros could demonstrate the possibilities of making design an important competence with KONE.

Thereafter, Anne Stenros gathered a team of designers who were to transform KONE from a simple lift producer into a modern production company featuring creativity as central in all stages of production, from design and R&D to business development and strategy. Having architects, industrial designers, usability experts, CAD drawers, light designers and many more in the team, and cooperating with external trend analysts, future researchers, fashion experts and urbanity researchers all gave KONE a heavy creative boost.

This approach to lift design and production was new and quite unique in KONE and resulted in two things in particular: first, KONE quickly made itself a position as one of the most innovative and creative lift companies in the world that could take on tasks the more conservative competitors could not handle; second, KONE's focus on design automatically led to a forward way of thinking – according to Anne Stenros, this is exactly what characterises designers and other creative people: the permanent search for new possibilities, new business ideas, new paradigms and new lines to cross.

RESULTS

- By incorporating a creative way of thinking design into all spheres of the company, KONE is now a modern, design orientated company that defeats its nearest competitors on important parameters like growth and profit margin
- Today KONE has an annual turnover of more than 5 billion euros and about 34,000 employees all over the world
- Since 2006, KONE's profit has increased by more than 100 per cent and its turnover by more than 30 per cent
- In 2005 KONE had no designer team. Today KONE has a designer team matching a medium sized designer company
- KONE has been portrayed in countless design, architecture and lifestyle magazines, which has all further consolidated the company as a modern, design orientated corporation

FACTS ABOUT KONE

Founded: 1910

Line of business: Lifts and escalators

Owners: Limited liability company

Number of employees: 32,500

Website: www.kone.com

Business development benefits from creative competences

POLYCOM is a global concern leading in the market for unified communication solutions such as video conferences, IP telephony and HD telepresence. In order to secure the position of the company and its focus on technological and creative innovation, Polycom's Danish division used untraditional methods, borrowing from creative and artistic circles in society.

BACKGROUND

Polycom delivers high tech communication solutions for multinational companies in need of efficient communication across national borders. In 2007 Sten Dyrmosé was appointed managing director of Polycom's Danish division. His job was

“We had tried the traditional ways and engineering tools. We knew that we were looking for something new in our portfolio – something indefinable. It is incredible what a strong creative focus once a week for three months may bring.”

– Sten Dyrmosé, managing director, Polycom Denmark

to see to it that Polycom (Denmark) Aps stayed a company that would also in the future be able to deliver innovative wireless communication solutions globally.

THE CHALLENGE

As a global leader in the field of advanced communication solutions, Polycom was already a creative and cutting-edge technological company. Managing director Sten Dyrmosé's challenge consisted in expanding creativity so that innovation was not only something the engineers in the R&D division were responsible for, but a feature characterising the whole company from top to bottom. Therefore, the solution was further innovative thinking in Polycom by inviting professional creative outsiders to help.

THE PROCESS

Sten Dyrmosé invited artist and “chaos pilot” Kirstin Birkeland inside the company as a “disturbing element” who could trigger and control an innovation process and let the creative energies loose in Polycom. The intention was to spark off innovation processes with the employees in order to create new business possibilities, ideas and concepts for the company. The tangible objective was to design two or three business concepts within Polycom's knowhow and core fields that might be incorporated in the strategy of the management.

Backed by the management, Kirstin Birkeland launched the innovation process “Project Einstein”. In the middle of the large factory hall an “Einstein room” was established – here Kirstin Birkeland hung up some of her own paintings.





The paintings were an interpretation of Otto Scharmer's Theory U, the theoretical foundation of the project. For the innovation project, twelve volunteers were picked among a wide range of employees from all divisions in the company. The diversity of the team was intended to create unifying, comprehensive processes – at the same time, the members of the team worked as “ambassadors” for the whole process in their respective divisions. Together with Kirstin Birkeland, these twelve persons were to meet once a week for three months to think creatively about new and alternative concepts for Polycom's future. This involved meditation, art, physical exercises, association drills and other techniques aiming at thinking differently.

During the whole process, all hundred employees, the management and partners were also involved via e.g. Friday meditation. Because of the central position of the “Einstein room”, just opposite the open canteen, the whole staff could follow the creative process. In that way, the business development was not experienced as something the management simply dictated – it was a change deeply rooted in the entire organisation.



THE RESULTS

- When the whole project was over after three months, the team itself presented the results of its work at a common event for the company and its partners
- A number of new ideas and business concepts were developed during Project Einstein – some have been realised, while others are being developed
- In Polycom there is a general agreement that the company as a whole has become more creative and approaches tasks in a new and much more open way
- Innovation and readiness to change are now competences permeating the entire company
- There is an increased focus and understanding among the staff of the customers' demands
- Furthermore, four new creative rooms were established where staff, customers, end consumers and partners can focus in common on individual solutions

FACTS ABOUT POLYCOM (DK) APS

Founded: 1892

Line of business: Telecommunication, on-side wireless solutions

Owners: Owned by Polycom Inc.

Number of employees: 100

Website: www.polycom.com

Postscript

KreaNord is an extensive Nordic initiative, aimed at improving the framework conditions of the region's cultural and creative industries. KreaNord was established in 2008 under the auspices of the Nordic Council of Ministers and functions as a Nordic platform for exchange and policy development.

An important part of the initiative undertaken by the Prime Ministers of the Nordic countries, called 'Opportunities in the Nordic Countries – a response to the challenges of globalisation', is to raise the profile of the Nordic countries as a region in order to make a greater impact on the world stage. Creative industries constitute a growing part of the overall global economy. Therefore it is important for the Nordic region to ensure a leading position within this area.

A successful Nordic endeavour presupposes a partnership between the cultural and business sectors. KreaNord fulfils the competence requirements that this cross-sectoral nature demands by

representing the national bodies that are responsible for corresponding endeavours in the Nordic countries. Thereby KreaNord is in a position to represent national viewpoints and ensure national anchoring and implementation of the measures from the Nordic collaboration in this realm, and meets the demand for a joint Nordic development and policy program within the creative industries.

KreaNord acts as a multidisciplinary focus for experiences, knowledge and development visions that cover both the business and cultural sectors. KreaNord contributes to an enhanced co-ordination between the Nordic countries, draws up policy recommendations and initiates joint-Nordic development and profiling activities.

KreaNord took the initiative for the creation of a Nordic case collection in order to throw light upon the good examples - that is, cases which may inspire Nordic business enterprises to strengthen their position on the market and generate growth.



Useful links and contacts



Center for Kultur- og Oplevelsesøkonomi

Center for Culture and Experience Economy (CKO)
www.cko.dk



**Nýsköpunarmiðstöð
Íslands**

Innovation Center Iceland
(Nýsköpunarmiðstöð Íslands)
www.nmi.is



Fund for promotion of trade and industry
(Vinnuframagrunnurin)
www.vfg.fo



PKT SÄÄTIÖ

SME Foundation (PKT säätiö)
www.pkt.fi



**INNOVASJON
NORGE**

Innovation Norway (Innovasjon Norge)
www.innovasjonnorge.no



**Swedish Agency for Economic and
Regional Growth (Tillväxtverket)**
www.tillvaxtverket.se

For questions and comments contact CKO
at info@cko.dk or by phone: +45 46 74 02 90

KreaNord
www.kreanord.org

Growth, Creativity and Innovation in the Nordic Countries

18 Nordic cases on creation of values through competences within creativity and business understanding

Author: Kristoffer Holm Pedersen

Translation: Bundgaard Translations

© Nordic Council of Ministers, Copenhagen 2012

ISBN 978-92-893-2307-9

ANP 2012:703

Layout: Mads Frederik Grafisk Design

Copies: 530

Print: Kopieringshuset Electra AB, Malmö

The case collection was compiled by CKO together with Innovation Center Iceland, Fund for promotion of trade and industry, SME Foundation, Innovation Norway and Swedish Agency for Economic and Regional Growth

Nordic co-operation

Nordic co-operation is one of the world's most extensive forms of regional collaboration, involving Denmark, Finland, Iceland, Norway, Sweden, and Faroe Islands, Greenland, and Åland.

Nordic co-operation has firm traditions in politics, the economy, and culture. It plays an important role in European and international collaboration, and aims at creating a strong Nordic community in a strong Europe.

Nordic co-operation seeks to safeguard Nordic and regional interests and principles in the global community. Common Nordic values help the region solidify its position as one of the world's most innovative and competitive.

Nordic Council of Ministers

www.norden.org



norden

Nordic Council of Ministers

KREANORD
NORDIC CREATIVE ECONOMY

Meet the Nordic creative industries at www.kreanord.org

ISBN 978-92-893-2307-9

ANP 2012:703