

Creation of a design revolution

Having largely relied on imports of foreign design and technology for many decades, China is now waking up to the need to develop its own creative abilities. As this process develops, there are many and diverse opportunities for British companies, as Angela Wang and Lotta Silfverberg report.

China must have produced more instantly recognisable style icons than any other of the world's ancient cultures. Who is not familiar with the shapes of Ming and Qing vases, the clawing dragon design, traditional buildings with their upturned eaves, and Peking Opera masks, not to mention the ubiquitous red palace lantern with its gold top and fringe? Some Chinese designs, such as the traditional teapot shape, are so much a part of British culture that most people would not know they originated in China. These iconic designs came out of China's long-gone imperial past. From the past 50 years of Chinese history, however there are only a few well-known designs, for example Chairman Mao's little red book, the Bird's Nest stadium and today's Shanghai skyline (and the stadium was largely designed overseas).

Recently, China has woken up to the need to develop its dormant creativity. This is both a matter of national pride and a recognition that, as China moves up the economic ladder, it will lose the advantages of being a low-cost manufacturer and need to replace the part they have played in bringing about economic growth with value-added creative services – moving from 'made in China' to 'designed in China'.

If China is to develop the world's leading brands as is the government's intention, it needs world-leading design for these brands. Chinese designers need time to develop; they need teaching and exposure to the best of global design. In this area, the UK is taking a leading role. Over the past decade campaigns such as Britain in China and Leading Edge have shown British design at its best in China.

In August last year during the Olympic Games, 17 UK design houses took part in a design mission to China, covering industrial design, graphic design, interior and retail design, corporate marketing and branding. The 200-strong seminar audience in Beijing came from leading Chinese enterprises looking to expand their business and establish their brands in international markets.

China's leaders and planners have shown their willingness to adopt unconventional, forward looking design, and are putting

their money where their mouth is. A number of new and unusual structures in Beijing, from the Bird's Nest stadium and Water Cube at the Olympics park to the apparently gravity-defying CCTV headquarters, send a strong signal to people in China and the rest of the world about the government's determination that China is willing to invest in modern design.

Opportunities

The term 'creative industries' now covers a wide variety of disciplines, including architecture and the design of interiors, furniture, textiles and ceramics. Film, TV, video and DVD, music and other performing arts, publishing and advertising are creative industries, as are clothing and accessories, and leisure-related activities: broadcast and media technologies, museums, galleries, theme parks and visitor attractions.

Beijing, Shanghai and Shenzhen are emerging as centres for design, publishing, TV, films, animation and computer games. A number of regional cities (Hangzhou, Wuxi, Qingdao, Chongqing, Chengdu, and Xi'an) have also endorsed the creative sector as a key sector for development. Business opportunities exist in industrial and household design, graphic design and packaging, interior design, music and digi-



tal media, publishing, advertising and branding.

Some of the UK's leading creative companies are already in China, many, however, are not. UK companies should be looking to increase Chinese awareness of UK creative services and products, and to consider entering the market with local partners or by establishing their own presence in the market.

Design

The move from 'made in China' to 'designed in China' offers opportunities for British design consultants to work with Chinese businesses in order to help them compete internationally.

Shenzhen has set out to establish itself as the 'design capital' of China and boasts around 20,000 professional designers. The city's close proximity to Hong Kong and the advantage of being located in China's export manufacturing region provides it with unique advantages.

Over the past 10 years there has been an exponential growth in education for designers, with around 200 Chinese universities running design-related courses. To improve the quality of their courses, many universities have formed partnerships with international design schools.



Architecture

In the run up to last year's Olympic Games in Beijing, the capital's skyline was transformed by the addition of dramatic modern buildings. A number of British architects contributed, such as Norman Foster, designer of Terminal 3 at Beijing Airport. Leading British engineering design and consulting firm Arup has recently won the 40th annual MacRobert Award, the UK's biggest prize for engineering innovation, in recognition of its visionary Beijing Aquatic Centre, also known as the Water Cube.

Benoy is involved in many projects in China, including hotel towers and office developments. Zaha Hadid Architects is working on the Guangzhou Opera House. And Heatherwick Studio has designed the UK pavilion that is being built for the Shanghai World Expo 2010.

Advertising and marketing

China is the largest advertising market in the world after the US, and the country's advertisement sector generated Yn190 bn (£19bn) of revenue in 2008. Although the growth in ad spend may have slowed sharply this year, the size of the Chinese market is still great compared with other markets. China's estimated 250 million 'middle-class' spenders are increasingly brand conscious.

WPP research agency Millward Brown Optimor has recently conducted research that shows that the reputation of Chinese brands, especially banks, is growing. Six Chinese brands are among this year's world top 100 list. China Mobile appears at number seven on the list. While the Chinese search engine Baidu did not make the top 100 list, it is currently the 19th largest technology company in the world according to Millward Brown.

Some UK-headquartered advertising agencies such as Ogilvy & Mather, WPP and Saatchi and Saatchi have already built sizeable businesses in China, along with their rivals from around the world. IPA recently ran its first business visit to China (reported in last month's issue). M&C Saatchi has recently launched a digital communications company in Beijing.

Publishing

Pearson, Macmillan, Cambridge University Press and Oxford University Press are among the publishers involved in the Chinese market. The style magazine Wallpaper recently opened offices in Beijing and Shanghai to produce a "made in China" issue of the magazine. International fashion magazines from Vogue and Elle to Harper's Bazaar all have their China editions, whose sales are flourishing while most other editions around the world see little growth.

Artists lead the way

Meanwhile, Chinese fine artists have been creating waves in the UK for over a decade now. There is an increasing awareness of

what contemporary China has to offer in terms of creativity. The V&A's China Design Now exhibition last year introduced Chinese fashions, architecture and designs for everyday living, while the Saatchi Gallery put on an exhibition displaying new Chinese art.

The challenge now for China is to take its creative sector onto the world stage, and the challenge for the UK is to take up the many business opportunities that are emerging.

Angela Wang and Lotta Silfverberg are responsible for the creative sector at CBBC. To find out more, please contact. Angela Wang (China), angela.wang@cbbc.org; Lotta Silfverberg (UK), lotta.silfverberg@cbbc.org; . With additional information from the UKTI China creative industries team.

Creative Industries Event in London

CBBC is organising a Wuxi Creative Industries Investment Promotion Seminar, to be held in London on September 3. The event will highlight the business opportunities in Wuxi, one of the fastest growing cities in China, and give you a chance to meet with potential partners, from policy-makers to creative entrepreneurs, from media industry to industrial design. For details, please contact Alexandra Heywood; alex.heywood@cbbc.org

Creative Industry Opportunities in China

Design

British design expertise: opportunities to work with China's largest and best enterprises

Designers: set up offices in China and cooperate with Chinese design companies in order to sell their services to multinationals and the domestic Chinese market

Interior design firms: target Grade A commercial properties, star-rated hotels and resorts, and retail outlets

Branding and marketing consultancies: work with multinational firms in China and Chinese leading enterprises

Music

Music companies and other organisations: opportunities to enter China's digital music market

British bands: stage live performances at Chinese music festivals and other venues

Advertising

Advertising creativity and post-production companies: work with well-established advertising agencies

Advertising agencies: work with China's leading brands

TV and film

TV and film distributors: sell content

Producers: co-productions with Chinese film producers, TV stations and approved internet TV providers

Animation companies: work with Chinese counterparts to develop original characters and scripts, production and international distribution; and post-production work for animation movies

Animation houses: partner with Chinese animation producers looking to export

Publishing

Publishing houses: export books and e-books to China; copyright trade and co-production; set up links with online retailing channels

Training and consulting services: training in editorial skills, publishing management and marketing

Visitor attractions

Tourism consultants, designers and experts: work with Chinese cultural heritage sites, museums, and developers of visitor attractions

This article is contributed by the UKTI China creative industries team. Opportunities are not limited to the above; UKTI is happy to work with any creative industry companies on any other opportunities emerging in China.

For more information, please contact UK Trade Investment creative industries sector lead in China karen.cheng@fco.gov.uk

For more information on how UKTI supports creative industries, please see: www.uktradeinvest.gov.uk/ukti/creative

Trade shows for the creative sector

UKTI will take groups of British companies to the following creative sector trade shows in China, with UKTI and CBBC providing support to those taking part.

26-28 Aug 2009 Beijing International Radio, TV & Film www.chnpec.com.cn

1-4 Sept 2009 Beijing International Book Fair www.bibf.net

4-6 Sept 2009 The 2nd China (Shunde) International Industrial Design Expo www.siide2009.com

28 Oct 2009 Chongqing Industrial Design (focus on Auto Design) Event

25-29 Nov 2009 Beijing Cultural and Creative Industry Expo. www.iccie.cn

March 2010 China (Guangzhou) International Furniture Fair www.ciff-gz.com

Quality control is the key to success in China, says Tecatech's Andy James Lee

Clear opportunities for everyone to see

Case study: Tecatech

Tecatech is a British design and innovation company specialising in market-targeted product design for the US and Europe, with a factory in Guangdong

When I first went recruiting for design engineers in China five years ago, I was surprised to find that all the staff of the employment agency professed to be trained in Pro-Engineer software, and offered me their services. I later learned that this was not so surprising, since China's leadership has made technical development a priority for many decades, resulting in the highly trained technical workforce in China today. However a ready supply of low cost engineers does not equate to good products, and this is where Western designers and engineers like us have a role.

Westerners trying to manufacture in China often find that quality, attention to detail and understanding the needs of the customer are real problems. The quality control system in China does not rely on common sense, nor on the personal standards of individuals. The difference between doing a job and doing a good job is something that has to be defined in a very rigid way. Our success in China is largely due to our focus on quality control, which needs to be integrated within the entire organisation and systematically checked, and corrective measures taken as a matter of course. If your process is already set up to deal with problems you are in a better position than if you just hope there won't be any. We control quality in all areas of our business by actually being here and getting involved at every stage. There is no substitute for personal involvement.

With teams in China and the UK we have learned to combine the best of both worlds. Our UK staff collaborate closely with the Chinese factory. Feedback, management and quality need to be addressed differently in China, applying the collective approach or the individual working style at different stages of the project. Great care has to be taken to respect the different emotions and tastes of the East and West. Our prototyping and finishing service



Designing a new mobile phone: Tecatech workshop participants

works because of our local knowledge and control system in China, together with the understanding of detail, form and finish of a British design company. Along with this we take a very strict line on IPR.

It takes a long time to build up relationships and trust in this part of the world, but nearly everything else moves very quickly. When I visited some of the local design companies here around 2004, they were typically operating from small offices with teams of four or five people, and the quali-

ty and approach to design were pretty poor. But in just a few years things have changed completely. Things really are changing here at an unimaginable rate and the opportunities are clear for everyone to see. I think it is important to see China as a huge opportunity instead of a threat, and the best way to learn about those opportunities is to come here and see for yourself.

Andy James Lee is director of Tecatech, email at info@tecatech.com.

Working with Chinese designers

Tecatech ran parallel creative workshops last year attended by UK and Chinese designers, with a brief to design a new mobile phone. They report that the Chinese design group needed much more encouragement and structure to enable them to express their ideas. It was even necessary to provide support staff to reassure and guide them through the process. There was always a strong preference to work as a group, and personal ownership was not taken easily. But the end results

were just as developed and creative as in the UK. Engaging directly with the user and viewing the design task from the customers' point of view really helped to encourage more innovative thinking. The fact that design is regarded as a subdivision of engineering in China was still apparent: the functional features seemed more important than the style, the hard technical requirements came first and a sense of value and status was often added by using expensive materials.

A long-term strategy in China has paid off, writes Kevin Lewis

Patience and cultural understanding

Case study: Lewis Design Consultancy

Lewis Design Consultancy (established in Manchester in 1958) supplies design and consultancy services to the fashion and home furnishing industries worldwide. In 1993 I visited China on a trade mission organised by the Manchester Chamber of Commerce and supported by the China-Britain Business Council. I remember standing on the balcony of my hotel in Shanghai looking out at the vast developing urban sprawl and thinking, "One day we will have a design business here."

From the outset we knew that China was going to be our biggest challenge ever. Back in 1993 the Chinese textile industry operated as an on-demand factory for Western customers. There was little emphasis on design, as the key driver was always price. I knew that this would change, and that as these manufacturers moved up the value chain they would need to think longer term, buying in quality and Western design expertise. We continued to visit China, focusing mainly on the higher-end retail customers, and those manufacturers who were trying to export to Europe and

the USA, and therefore needed our advice on markets and styles.

We adopted a long-term strategy, and patience was the key as we educated our Chinese clients on the value of design - there was much resistance to our products and services in these early days. In the West surface pattern designs could be sold or licensed for good fees, but in China, where the overall cost base was so low, it was difficult to convince manufacturers of the value of investing in design at Western prices. Our sales in China were weak, but we still felt that in the long term we would achieve a return.

In 2006 we decided to upgrade our efforts in China by forming a joint venture company with our then agent, Annabelle Chen, who had many contacts in the Chinese textile industry. Our twin-track strategy was simple: we would continue to provide high-quality consultancy services from the UK to those companies who could afford it, and would also develop the domestic market by setting up a design studio in China. This was a bold move, and many in the business saw our decision as foolhardy, given the anticipated problems in training staff and controlling copyright. After much training, and under the constant supervision of our Western management team, a purpose-built design studio in Guangzhou was eventually up and running by June 2008. Sales offices were also established in Hong Kong and Shanghai.

This venture has proved a great success and we are now in pole position to supply Chinese companies with designs at the right price and from a local base, giving a high-quality service that our competitors cannot match from their Western offices. The experience of working with keen and hard-working graduates from the best Chinese universities has been rewarding, and we feel that for many Chinese graduates there is still a kudos in working for a Western company.

I think it is vital to success in China to have a really good understanding of their history and culture. Only by taking an overview can you realise the true potential of this vast market. I stress this because

many in the West pay lip service to this prerequisite for success, but few really heed it. The recent global downturn has proved that Western consumer markets cannot expand forever, and that the global economic imbalance can only be corrected by increased Chinese domestic consumption.

Having closely monitored Chinese consumer spending, we firmly believe that over the next few years China will become an increasingly sophisticated consumer society, and will demand well designed products. This validates the next stage of our business plan, which is to help Chinese companies design and make products for the domestic market. With the expanding middle class demanding better quality and brands, we are now in a position to act as brand consultants. We have already helped one Chinese manufacturer build its own brand for the domestic market. In August this year we will be promoting two of our own brands at Intertext Shanghai, at a stand run in association with the China Home Textile Association and with grant support from UKTI. We hope one day to see these brands rolled out across the Chinese retail landscape.

Our China journey has been difficult - there have been times when exasperation and frustration has taken over, especially in the area of communication, but I always believed that the most difficult path would bring the most success. The biggest lesson has to be to think long-term and be patient. We are only where we are now because of the strategic decision to expand our Asian markets back in 1994 at the expense of our core business.

There has been an increased tendency recently for Western companies who have seen declines in their core markets to jump on the China bandwagon. We believe that this approach is flawed. Our experience has proved that anyone entering this market will need to have vision, patience and a Chinese partner that they can depend on.

There is a saying in China: "Friends first, business later." Our China experience confirmed this and we have developed some close personal relationships that I know will last a lifetime. This has transformed our business and changed the lives of the people in our UK and China organisations. In June a key member of our team, Jemma Hughes, left the UK for a permanent posting in Shanghai where she will oversee our China sales. I can see more UK staff making this move as we respond to increased demand in China. We are optimistic about our future in China.

It seems a long time since the original idea on that hotel balcony but as an entrepreneur all you can do is keep believing in your ideas, even when you experience setbacks. If the ideas are good enough they will become reality.

Kevin Lewis is managing director of Lewis Design Consultancy



Kevin Lewis in the Guangzhou design studio