

By BRR Senior Writer, Mike Hodge - 05 July 2006

The Power of Ideas

BRIAN R RICHARDS LTD LEVEL 2, 6 LEEK STREET
NEWMARKET, AUCKLAND 1001, NEW ZEALAND

PHN +64 9 520 0014 | **EML** brand@brrltd.com
FAX +64 9 522 2709 | **WEB** www.brrltd.com

The Power of Ideas:

BRANDING CLEVERNESS - YOUR FUTURE WAY IN THE WORLD

Unable to match the muscle-power of relentlessly burgeoning economies like China and India, smaller global players like New Zealand increasingly need to rely on cleverness to make their way in the world.

The popular view of the branding business tends to revolve around the presentation end of the spectrum. However, for many New Zealand businesses in the hotly-contested search for global customers, the difference between sinking and swimming often comes down to the value of their intellectual property – their original ideas. Not necessarily breakthroughs which are entirely new to the world, because these are rare, but new applications of technology or service delivery which are swiftly and successfully developed and brought to market.

It would be nice to think that New Zealanders have a head start in the ideas department. Historically, there has certainly been a well-worn streak of innovation in cleverly overcoming the odds. But, while these challenges still pepper much of our rural life, the pioneering legacy has probably been blunted for many urbanites by the trappings of modern living and an education system that still tends to value rote learning ahead of original thought.

To be fair, we do have innovative companies taking on the world and succeeding. Some like Orca, Icebreaker, OBO and Fisher & Paykel Healthcare we have had the pleasure of working closely alongside. The problem is that there aren't enough of them. Not yet anyway. The same names keep cropping up at conferences and seminars championing innovation. We need new ideas-based companies and plenty of them if we want to retain a viable economy in years ahead. For its part, NZTE is right to use "New Zealand, new thinking" as its brand catch-cry.

With businesses becoming increasingly reliant on having a strong point of difference to their offering, it is encouraging to see the more clued up companies putting greater recruiting emphasis on the ability of potential employees to show they can generate ideas and fresh thinking. In their view and ours an MBA is useful but demonstrated creativity certainly counts as well.

Another refreshing influence in New Zealand is the increasing diversity of our cultures, partly as a result of immigration. This is undoubtedly helping the more enlightened of our companies to see new perspectives and opportunities. Here, the appreciation of the contribution different cultures can make to business is just dawning on us but offshore, examples of effective cross-pollination of ideas aren't hard to find. If you consider, for instance, the software boom in the US back in the 1980s, you can see that it was largely driven by clever graduates from India who applied new thinking to the mix.

Ideas constitute the critical starting point, however, that won't get the world beating a path to our respective doors. The old adage about success being 10% ideas and 90% hard work still has validity. Crafting a raw idea into a distinctive saleable product or service and creating a viable market for it usually takes considerable financial investment, self-belief and commitment. The reward for all this painstaking effort and jet lag is the satisfaction of cutting it with the world's best and gaining returns that would never be possible within the confines of a home market.

Having put considerable effort into developing your IP, the last thing you want is to have it slip through your fingers through negligence or lack of protection. When the kiwifruit industry failed to register the name 'kiwifruit' all those years ago, New Zealand and the kiwifruit industry lost a marketing opportunity worth millions. For the many New Zealand companies whose naming, product or service ideas walk straight out the door annually, the dollars may be fewer but the pain remains the same. Protection doesn't come cheap, especially for multi-market coverage, but the investment is generally well worth it.

Building strong ideas into distinctive products and services provides the opportunity to create added value and to counter the commodity selling mentality and the sheer grunt of producers such as China. This premium helps provide a viable return and offset factors such as distance from market and higher production and labour costs. With the latter being such a dominant cost factor, we are seeing more companies opting to manufacture offshore but they are resolute in retaining all their IP in Aotearoa.

It seems that, for many forward-looking companies, the idea of ownership (in the bricks and mortar sense) is being gradually replaced by the ownership of ideas. Ideas that provide essential vigour, sustenance and increasing equity to their brand and therefore the value of their businesses.