

FORUM | EXPO | WORKSHOPS | NETWORKING

SURVIVE & THRIVE

FUELLING THE BUSINESS OF CREATIVITY

THE UNIVERSITY OF AUCKLAND ~ BUSINESS SCHOOL

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KEYNOTE SPEECH

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ART REGIONAL TRUST AND THE BIG IDEA

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INTERRUPTION AND DISRUPTION ¹

We're at an unusual time where much of the future is here - beside us; behind us; The future is about interruption and disruption, not introduction. It's happening not waiting to happen. It's now! And you're the futureNOW, creative entrepreneurs usually are. That's why you're here today.

Let's see how the future's been creeping up on us.

- 2000 - Government's e-commerce summit. Who bought on line then? Who in the last week?
- 3G phones were launched in 2001. Who in had a mobile phone 10 years ago?
- Who bought a smart phone in 2007, who has one now?
- Who played computer games in 2000. Who plays them now?
- Who recycled in 2005? Who repurposes and upcycles now?
- Who had an iPad in 2010? Who has one now?

The future's like a universe of dots, which get bigger and bigger, faster and faster. More and more connected. Dots that can explode in intensity, or fuse with others. Usually we don't understand the impact of the dots. Understandable. And most impact is felt when 'future' dots are joined, which often takes time, and the invention of other aspects. The iPod's a classic example. As was the light bulb.

Here's a universe of futureNOW dots from the last 60 years: Starting with the '50s
[SLIDE]

¹ This speech was accompanied by an animation, each part of which is marked by [SLIDE].

'50s

Credit cards started with Diners Club

First Television live broadcast

Musical synthesiser

Microchip

High density polythene - aka plastic bottles

'60s

Boeing 747 jumbo jet - which really took off with package holidays

Disposable nappies

Videogame console

Jumping Sundays Albert Park/Woodstock & Summer of Love

Discount stores - Walmart, Target, KMart

Computer mouse

'70s

MRI 1977, look at brain without surgery

Karaoke machine

Spreadsheets

Discount stock brokerage Charles Schwab (1st mover on Internet) - your average person could buy and sell shares

Liposuction - which was to redefine the beauty industry

'80s

IBM desktop PC - revolutionary but now so last century

Prozac - socially acceptable mood altering drugs

Wind farms - scalable renewable energy

Berlin Wall down

Montreal Protocol to phase out CFC refrigerant

No Fault divorce in NZ - more kids raised in blended families?

MMP introduced ????

'90s

fMRI - watching the brain at work

world wide web and HTML

Google

Schemerhorn Building -First building to have a green retro fit: 6 yrs later LEED

practices adopted for energy efficient buildings

Amazon.com

GPS - getting lost is history

Craig's List - he worked at Charles Schwab ...

2000s - almost too many to name

iPod 2001

YouTube 2005

Tablet

Smartphone

e-Reader

AirBnB

Facebook

1 in 7 Americans live alone

ART AND TECHNOLOGY

Creative industries and technology have almost a photosynthesis relationship. A life giving relationship. What would leaves be without sunlight? What would

technology be without creative content? How could people consume creativity without technology, particle or wave based?

And, creative industries have also been empowered by social change, as diverse as the contraceptive pill, changes in divorce legislation, delayed child rearing. After all, discretionary income is highest amongst childless people.

To spot futureNOW dots we need to keep ourselves open to potential influences coming from all directions. Historically there's a particularly strong relationship between technology and creative production

[SLIDE] The industrial revolution saw the invention of three significant technologies. Two of which you'll be familiar with, the third maybe not. The steam engine, the railway engine and the paint tube, which was invented in 1841. The paint tube was revolutionary. It enabled en plein air, which led to Impressionism, which led to Post-impressionism, Expressionism, Fauvism, Cubism ... and eventually Modernism. It democratised the teaching of painting, out of the academy.

The steam engine and the railway engine led to mass manufacturing and the creation of the middle class who, with discretionary wealth, demanded creative experiences and goods, *aka* art and culture.

[SLIDE] Technology and creativity caused another revolution. The move from silent to talking movies. This took a mere two years and it's important to note, that like many current technologies such as the iPod, the actual ingredients had been around for some time. They just hadn't been put together in a particular way, and they hadn't reached a refined state of execution.

But it certainly disintermediated the then current business model, which was why it was rejected and suppressed by industry figures. But once the public heard them, they were hooked. 22,000 piano players who'd played before and during movies lost their jobs. Thousands more people gained jobs over time but every time there's a disruptive technology there will be losers as well as winners.

WWW V V V V V V MMM [SLIDES]

We're in third major transformative technological revolution

1. Agricultural
2. Industrial
3. www - now through mobile interactive devices

However, while based on technology, it's actually a social revolution, because literally, it has let "the people" speak.

WWW

In just over 30 years the Internet has gone from the military and research communities, to being most essential thing in many people's lives: commercial, cultural and social infrastructure of unparalleled impact. The web has enabled what I call *epiphyte capitalism*: a sourcing, distribution, accounting, promotion, collaboration and consumption infrastructure that smaller commercial entities and creative producers can harness to provide scale and reach for their enterprises. It offers the creative sector tremendous opportunities and challenges. Opportunities to create and distribute. Challenges to make money.

We've had massive changes before. What's different about this revolution? And what sits alongside it in terms of economic, political and social change.

VELOCITY - the speed of changes, of adoption of technology and its utilisation when 'the people' find something they want. Witness the smart phone, the iPad, Instagram, Pinterest, e-readers.

VOLATILITY - which neatly takes us onto volatility - RIM is now RIP. They just didn't understand the speed with which the mobile internet in the form of smart phones was going to take off. They thought it was just about phones rather than being about computing and social media. They thought business was separate from social: biggest mistake. In 2005 Rupert Murdoch paid \$580m for MySpace. Last year he sold it for \$35m. Volatility also has a political and economic dimension. The GFC 1.0 and 2.0. I'm awaiting 3.0. The Eurozone. The Arab Spring. As well, obviously, given Tuesday's storm, climatic. 1 in a 100 year floods happening several times a year.

VOLUME - the combination of the www, the rise of China as both producer and consumer, the development of infrastructure and logistic networks, has created a volume of online and physical activity and interaction that is unprecedented. Which is understandable when 1.3b people from China become part of the capitalist global economy, adding 1.2b from India. And the law of big numbers means that a small percentage of them rising to the middle-class is a large number. Definitely for a country of 4 million like New Zealand The above volatility has affected social media. YouTube has 48hrs of video uploaded every minute. 36m views per day, a 50% increase in a year. People are going there and to Twitter for the latest. Hence newspapers starting to take on more of a web look and feel.

VALUES - We're seeing a shift in values, which is partly technology driven, and partly a result of a complex zeitgeist. I'll talk more about values shortly but they are now a more overt and conscious topic of conversation; more diverse; more influential in consumption decision making. More of a driver of entrepreneurship. Changing business models too. They're driving a move to access/share rather than buy/own. Collaborative consumption.

VERACITY - Personalised communication technologies mean nowhere to run to, nowhere to hide. Whether you're a celebrity, or just someone in the neighbourhood - someone now has not only the technology to capture your actions, they have 'permission', indeed almost a *cultural* obligation, to share it with the world. Most importantly, they now have an infrastructure to do so; and the means for it to go viral. Twitter, YouTube, blogs and Facebook means that "the truth" or a version of it will out, and that people can, and will, tell their own truths,.

VOICE - Which brings us to Voice. I've made this last because I believe that it is the most important for us to understand, for being able to survive or thrive. Today I mean us as creative practitioners but I believe that it is the most important thing for anyone in any sector, profession or occupation to understand.

The www has enabled the **democratisation of voice**. It has created what I call the **dr@m@teur** - the digitally revved up amateur. I am ME, and you WILL hear me. According to them, you've had it to yourselves far too long. And every other industry

that's smart is bending over backwards to try and help them realise THEIR personal vision: cars; furniture; clothing; career; travel; family life ...

MMM

ME - yes it's all about me.

And that creates complexities for you as to whether your Me, the creative vision that drives you, has these other Mes as your audience/customer, that is, they serve your creative and economic ends, OR you serve their creative needs to meet your economic ends.

Understanding this is essential to understanding how to survive, and how to thrive in futureNOW conditions. Remember, it was the suppliers of picks, shovels and food and drink who made the most money from the gold rush. Not the goldminers. One of biggest cultural shifts is people now have a personalised technology, which gives them the means to manufacture and distribute their creative voice: to find an audience from amongst their peers, which of course isn't an audience in 21st century terms: it's a community. It might have started with broadcast technology, with TV reality shows, but now people can make their own videos, magazines, books, creative goods, AND for the same reasons you do - creative expression, acclaim, and income.

MOBILE - a multitude of screens now enable 24/7/365 anywhere, anytime, anyhow creative content product, curation and consumption. It enables what's being called 2nd screen synchronisation. TV companies are now integrating tablet and mobile phones into their platforms.

MONETISE - to survive and to thrive, you need to make money. futureNOW thinking is about understanding how to utilise the forces I've just described to make money. Especially leveraging the potential of screen based relationships.

You are not alone in trying to understand how to do this. There's not an industry, a sector, a business on the planet that doesn't need to understand the 3 Ms. Newspapers are a salient example of being at the beginning of a journey to understand how to monetise the medium of mobile and online - an odd position for professionals whose job it is to know what's going on. What **has** been going on for

some time. As is retail, who in some respects have actually been the digital trail blazers. In the digital age you can have fame but not necessarily fortune, which is why Facebook's IPO had some tensions about it.

What I'm saying is that the majority of online businesses are trying to understand the new business model. As are the terrestrial ones. Do they make money by offering mainstream activities such as: advertising, partnerships, sponsorship, subscriptions, and Apps, or through offering something more lateral, such as self-help creativity services, and a vehicle to promote them? Or a combination.

This comes back to the issue of **Voice**. Is your business going to be about realising your own voice or helping someone else realise theirs? Again, useful to remember the gold rush dynamics.

SoCoMoMo

If we wanted to be a bit hipsterish, or Kevin Roberts'ish, we could call this the SoCoMoMo conundrum. Social Commerce Mobile Monetisation.

Social commerce **is** the futureNOW. Google's profitability is based on the pre-eminence of algorithms, of mathematical analysis. Facebook's profitability is based on the social psychology, the neuroscience, the anthropology, of: liking what your friends like; trusting recommendations from valued sources; liking to be part of a community; liking to have access to special deals; liking to be treated as a special person.

While too soon to call, I'm putting my money on social commerce outperforming algorithms as the source of persuasion to consume and collaborate. On this one I'm placing more confidence in human nature than mathematics. But the most potent, will, of course, be a blend of them both.

PARADOXES

Now, back to Values. Putting some context around futureNOW, we're in a time of paradoxes.

A CARE-LESS SOCIETY AND A LOVE-MORE ECONOMY

VALUES/VALUE RANGING FROM PRICELESS TO CHEAP TO FREE TO UNAFFORDABLE

MINDFULNESS AND 24/7 (WISDOM 2.0 AND CALM TECHNOLOGY)

FAST AND SLOW - WE WANT IT NOW, AND WE WANT TO RECONNECT WITH TIME - IT BEGAN WITH SLOW FOOD AND HAS NOW MORPHED TO SLOW CITIES AND SLOW MONEY (BUY LOCAL)

ME AND WE - I AM AN INDIVIDUAL AND I REALLY WANT TO BELONG - COMMUNITIES OF AFFILIATION AND ASPIRATION VS BIOLOGY AND GEOGRAPHY

PRIVATE ME AND REALITY TV

THE PROFESSIONAL VS THE AMATEUR - GIVEN VOICE BY SOCIAL MEDIA AND SOCIAL DISILLUSIONMENT

OWN AND SHARE - CONSUME BUT ALSO SHARE/BORROW/UTILISE BRIEFLY

MILLIONS OF EYES AND WHERE'S THE BUSINESS MODEL - FAME BUT NOT ALWAYS FORTUNE

Many of our speakers will offer you deeper insights into these paradoxes.

AUTHORITY/AUDIENCE AUTHOR/AMATEUR

In the 20th century we, as in 'the world' had cultural authority, and designated 'authors'. The audience and amateurs knew their place.

Democratising technology, changing values, and changes in business models have transformed the power relationship between creative practitioners and your audiences.

Where once we had authority and **we** were the 'authors' and **they** were the audience and the amateurs, NOW, the 3 Ms - Me, Mobile and Monetisation - have shifted that. We're now in the age of the dr@m@teur. The digitally revved up amateur. Accessable hardware and software, along with the internet with its richness and reach dynamic, has enabled millions of people, formerly known as amateurs, and thousands of people, formerly known as audiences, to become their own cultural impresarios. To release their voices. To monetise their inner Mes.

You can see them two ways. As your competition, or as your opportunity to survive, even thrive.

To paraphrase JFK, think not of what your creativity can do for **your** self-actualisation, think of what it can do for **thousands of others**. And find a way to monetise that through a mobile media relationship linked to your physical relationships: or not. If you want relationships/customers around the globe.

Rather than cultural economy studies asking how many people consumed creative goods and services: did you read a book in the last month; go to a play; watch a film? It's time to ask: did you write a book; develop a play; make a video; do you want help in doing this; in doing this better? That's where the money is. There's a good reason why education, personal development, and body beauty industries are growing. Why meet-ups that offer people creative expression opportunities are growing. Why Coursera and Edx have hundreds and thousands of students. It's because the futureNOW is about millions of MEs wanting to share their creative expression in a more professional way, wanting to learn and develop. Surviving and thriving is about turning DIY into HYDIY. Helping you do it yourself.

ESSENTIAL/DISCRETIONARY

[SLIDE] To begin, understand how people frame up their budgets into essential and into discretionary. In terms of futureNOW what do actual or potential customers see as essential? Can you have them perceive your actual or possible services as essential? While many people might see cultural consumption as a discretionary item in times of financial tightness, others might see it as what keeps them going.

And in relation to discretionary, how can you reposition cultural experiences above other 'luxury' items.

Interesting to note around last year's Melbourne Cup, that many women were prioritising beauty treatment over new dresses and hats. So much so that Myers are ceasing their sponsorship of Melbourne Cup festival. A real step change in consumer behaviour from things to experiences and 'feel good' consumption. Again, that trend is mirrored in other industries from beauty to travel to education.,

[SLIDE]MOBIUS BUSINESS CYCLE

AUDIENCES

Back to audiences, I'm going to be bold and suggest that Audience is as much a 20th century paradigm as landlines. It suggests a static, once only relationship. Social media and social commerce now mean that you can have a relationship with your customers as part of a 24/7/365 community. You can engage with them at all points of the creative/business cycle: initial idea; initial funding; feedback; refined idea; big money; promotion; event; feedback; new idea.

I'm not suggesting you do 24/7 contact but you need to investigate how to both automate and outsource so it can be done. The Box office is closed, metaphorically speaking. You need to understand the frequency and quality of your engagement. Whatever you do has to be manageable and sustainable.

As I've said, people who are 'the audience' no longer want to be passive recipients, or have their relationship mediated, they want to feel they are with you along the journey. And they can and will say what they like, to you, and to others. And they

expect you to listen. And they want to be able to show they “love” you by mashing up what you do.

Online there’s a really robust discussion going on about curation: the ethics, the validity; standards, etc. Sorry to drag JFK in again but *ich bin ein Curator* is the zeitgeist in cyberspace.

But in a competitive market for the essential and discretionary dollar, this presents a fantastic opportunity to bond your ‘audience’ to you very strongly, and create a demand for other products, giving you opportunities to subsidise your more creative work: similar to the way supermarkets have ‘loss leaders’ or well known performers make their biggest profits from after-show and online merchandise. Given your business, you’ve got an extra advantage of doing yours through digital forms and mobile.

PAST - you had a business cycle, value chain, audiences, professional promoters, critics, dramaturges, producers, publishers, investors, event ticket agencies

FUTURENOW - Thanks to Mobile Me, you have collaborator/sco-creators/co-funders/critics/promoters. And thanks to software like Ticketxxx, you have the potential to own the relationship from day 1. And anyone who’s tried or trying to crowdfund knows how important owning a relationship is. The law of networks will give you access to a quantum you could only dream of achieving any other way.

The choice of what services you use to build your relationships can be overwhelming. You’ll get help today, Remember, in building our relationships, we do leave a trail in cyberspace. Is yours going to be digital aura, or are there a few smudges. A bit of digital pollution? Trust and integrity are on their way to becoming new currencies.

[slide] SCREENS

We interact with these services through screens. Our lives are increasingly being intermediated by screens: smart phones; tablets; PC; laptop; eReader; gaming

device; TV: interior walls with screens; exterior walls with screens; standalone screens; buses; cars.

The revolution is in the mobility of screens that are interactive, that enable consumption, either free or purchased. That enable people to be engaged in an event - before, during and after.

Who's interacting with a screen now? Who's been tweeting, checking their emails, posting on their FB page?

I can remember a time when I got upset when I saw people were looking at their phones when I was presenting. Then I realised that Modern Times means that we are screen enhanced beings so I'd better get over it. Especially when I discovered that I was doing it when other people were talking!!

Who's got more than 5 screens they regularly interact with? Smart phone, tablet, Laptop, PC, eReader, games console, TV?

Who interacts with a 2nd screen at the movies - your smart phone? Watching television - with your iPad? Who interacts with a screen while on the bus? In bed?

Who takes their iPad to bed? Who loves their iPad?

It is probably the most important strategic element of the future NOW for some of you to understand and utilise. Potentially gives you a:

performance space

box office

promotion vehicle

community builder

relationship manager

monetisation vehicle

The choice is yours. Some of you are extremely advanced in your screen strategies, and for others, it's an evolving space. Some of your customers will be very advanced in their understanding, and others are just getting used to it. You've

got some great expertise here today to help you make good decisions. To get the benefit of always-on relationships.

GAMIFICATION

We can't talk about screens and the futureNOW without talking about games, or rather Gamification, which two of my fellow speakers are experts at.

Games, which were once the sole province of a sub-culture have now become mainstream. Not only mainstream in respect of who's playing games, but mainstream in that the core psychological and cognitive dimensions of games are now being seen to be extremely significant in regard to education and learning, personal development, health and self-management, to name a few.

BEING USEFUL TO OTHERS

Which brings me to my last point. I'd like to finish with a few comments about being an intersector rather than a sector, which is a macro form of the dr@m@teur phenomenon. By this I mean being useful to other significant sectors of the economy.

Be it health, education, justice, community or management, leaders in organisations are facing big problems that they don't always have the answers for. You as creative practitioners have insights, ways of thinking, work practices and creative services that would be of value for these sectors.

To survive & thrive, consider what partnerships you might have across the Auckland region, if not nationally. There's the potential for you to have roles as sense makers, facilitators, catalysts, etc.

TO SUM UP THE FUTURENOW.

The industrial revolution created a middle class who had to consume culture, within a structured ecology of authority, taste making, production and distribution. Cultural authority and authorship were prescribed. So was consumption.

That lasted till late last century. Then along came the world wide web. And interactive mobile devices. And an unparalleled velocity and volatility as things

changed. The internet and mobile revolutions are creating tribes of loosely affiliated dr@m@teurs. Digitally revved up amateurs who want to create a P2P (peer2peer) ecology. Who have found a means to give voice to THEIR creativity, and go viral.

The deconstruction of financial capitalism, *aka* the GFC and its ongoing aftershocks, is creating increasing economic fragility. But also alternative ways of creating and exchanging value. The session on Crowdfunding will give you the juice on that.

You ask: Is there room for me to survive let alone thrive? Absolutely. Absolutely. For creative entrepreneurs who embody the courage, imagination, determination, resilience, and willingness to learn, needed to cope with these volatile times.

SoCoMoMo is made for you. There are millions of dr@m@teurs who'd love your help, love to become part of your network and community. You can sell them services to realise their creative vision, and sell them your creative vision. Look at the raft of education and learning apps and sites on the net, and think about what you could do with your creative services.

Big social and economic problems need your help. Partnerships await you with communities big and small, health, education and justice players, managers trying to make sense and make good decisions.

Collaborations with social entrepreneurs who are trying to improve community well-being are win-win opportunities for strengthening the impact of shared goals.

And for some of you, aiming for that 1% who seem to be impervious to financial fragility might be the most strategic approach. In a global market, 1% is a large number.

A wealth of expertise and knowledge is available to you for the rest of the day. Dive in so you can discover which dots are your futureNOW diamonds.

I'll leave you with this tag cloud on the futureNOW, some of which I've covered and others you'll be able to explore during the rest of today. [Slide]

Thank you. Have a thought filled day.

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