

Palamont – design & industry co-creation

Interview by Ewan McEoin, Australian Design Unit

Redefining the traditional mentality of made-to-order manufacturing in Australia, a new breed of Creative Enablers are marrying their technical capabilities to the trajectories of leading designers, and broadening their product offering in the co-creation of new Australian design.

Palamont Rotor, a small rotational moulding manufacturer with facilities in Queensland and Victoria, is a leader in their sector – adaptable, technically capable and driven by quality and innovation.

Over the past ten years Palamont has undergone a gradual yet total transformation; from a made-to-order, purely functional mindset to a highly entrepreneurial position where the business, in partnership with a team of leading Australian designers, is poised to launch its own branded products directly to market.

Palamont is the type of business we identify as a 'Creative Enabler', a business with production capabilities that take a long-term view in their dealings with designers. Palamont speaks about valuing the commercial potential of a designer's intellectual property as much as they do their own production capabilities. They are willing to meet entrepreneurial designers half way – providing access to valuable tooling and production facilities for a joint return on the product.

What started for Palamont as a simple process of aesthetic tuning of their bread and butter products, and the occasional manufacture of short-run items for a handful of local designers, has evolved into a process of co-creation with designers, underwriting a growing suite of Australian product.

Here Norman Johnson describes Palamont's journey, revealing the many not so obvious benefits that can be gained from design integration. He explains why he feels that Australian manufacturers and designers need to start talking the same language, and how they must step between the sectors, working together to assure one another's survival.

Interview

Ewan McEoin:

Can you please describe Palamont?

Norman Johnson:

Palamont is a rotational moulding business and a small enterprise. Today the core turnover is about 11 to 12 million dollars a year, and we employ about 70 people over two plants, one in Dandenong, Victoria, and one in Brendale, Brisbane. The Dandenong business has been going for over twenty years and the Brisbane business was established about seven years ago. The main turnover at this stage is in Victoria, which is a manufacturing state and has a lot more opportunities, although the Brisbane business has shown considerable growth over the last five years.

Can you describe your overall business offering?

Palamont makes proprietary products, or products that we own and manage ourselves. In Victoria those products make up between 40 and 50 percent of the turnover, and in Queensland it is more likely to be 70 percent. The reason for the higher bias in Brisbane is that the turnover is lower and the necessity to develop products in Queensland is greater because there are not a lot of manufacturers in the area of custom moulding. We also like to have a mix because custom moulding is volatile. If we have a proprietary product, or a joint venture product, we are more involved and get to add a much higher degree of the intellect.

Do you feel that Palamont has developed specialist skills and capabilities that are both nationally and internationally competitive?

We export substantial quantities of products now so we are internationally competitive, and nationally we are competitive because we are very dominant in a few market segments and in some we almost have a monopoly. This has all come about because of a passion. Peter Wakelam started the business from very humble beginnings in a little tin shed making a product called the Aussie Rocker that was an innovative compost bin. He wasn't satisfied with the limit of the process and started travelling to America and Europe and bringing back technology that we would never have developed ourselves in this small market. With his innovative approach, Peter started attracting customers who needed creative solutions and often they were people who were trying to get into the finishes market, rather than the truck or agricultural component market. That momentum has grown over the years and now the company is almost totally driven by finding difficult projects and making the process work to its limits. One of our more recent projects at the top-end of the market is designer Alex Loterztein's Twig for Derlot (pictured). It needs incredible strength and durability to be able to sit out in the sun, and we have been running a huge number of trials getting the laminate structure for that to work so that he gets not only the look that he wanted to create, but also the structural strength which is not normally achieved in polyethylene under those circumstances.

Palamont is a manufacturing company that aligns itself with the Australian design scene – what was the trigger for that?

It wasn't long before we realised that while we had good ideas about product we wanted to develop and technical skills, we weren't able to create the art that was necessary to give the products the right look and feel. So we started with what I call 'translators', design people who would take our ideas and translate them for us. So they were technical designers and we realised then that whilst we would do something in a pretty boxy kind of way, they would add compound curves and features that we wouldn't have. So we started to produce products that would have that kind of design element – in other words our technology, our concept, with someone actually interpreting our idea.

About five years ago I decided to leave Palamont for the world to understand what true designers did – in other words to become more aware of the design process. I have now been cultivating that process and I am now looking for people who are true creators because we can actually engage with them and bring new ideas to reality because we have the skill set.

Can you talk a little bit about the entrepreneurial edge that is emerging out of the design integration at Palamont and the relationships you are cultivating with designers?

We want to encourage a more enduring relationship over a long time because we think designers have a lot to give. It takes time to understand our process and the limitations and advantages of it. So what we are trying to do is to blend those two cultures so there's an excellent benefit for both of us. I have noticed that in the design world when a manufacturer links up with a designer, the designer often gets only a small royalty. I am not working on that principle. I am actually making designers an equity partner so that if it is very successful they will do incredibly well out of it, if it is not that successful they will get the same results as us, not very much. By engaging them in the business the relationship is a much stronger one, they have an opportunity not only to produce great design, but also to work with a manufacturer who believes in what they are doing. I want the designer to be absolutely engaged and to feel free and unencumbered by the financial relationship because then they will really go for it.

Certainly there is a shift within the world of design, where designers are starting to recognise that they need a much more collaborative business relationship with their manufacturer, in other words co-development beyond royalty alone. Have you found that working closely with designers this has become a natural process?

I think it has been a natural process. Designers are becoming aware that they need to be more than just designers because of the limited future in that. I think designers love the collaborative approach, and they

also like to be engaged in the process. They can learn a lot from us, and we can actually learn a lot from them. So it is not just about the design or the product, but the whole blending of cultures and minds that makes it successful and you end up with the ultimate solution. We are pretty transparent about the business and how it is operating and what we are doing, even from a financial point of view because we feel an obligation to give something back. It is an intellectual swap I would say. We want them to give us their full degree of intellect and we are going to give them as much of our intellect as we have, and we are probably both going to end up in a pretty good position.

So if you were talking to other manufacturers of a similar scale to Palamont, what would you describe as the key opportunities within the collaborative design model – is it shifting towards the idea of being a manufacturing brand that looks at wholesaling or retailing their own products?

Yes. We have spent the last couple of years working out our brand and formalising it in collaboration with the creative people we work with and they will be the beneficiaries. They all have their own brand. I believe in brand.

I also believe in participating in a boutique marketplace, China and America can churn out the grist that's necessary, but we need to be very boutique in our manufacturing and very focused on our product. You have to have a much longer-term view and put your money up a bit earlier than you would like to. We know from the last time we did that we got an enormous growth benefit from having incredibly well-designed product released at the right time, backed by the right names and branding and we just accelerated. So we think we will accelerate even more as a small company.

Now that design is fully integrated within your business, do you find you do more market and technical research – looking internationally at what is going on, what you can put into the market?

In each market segment that we work in we have a design group made up of people within the marketplace, including a manufacturing representative, marketer, and designer. Those focus groups meet regularly, perhaps every quarter, and develop multiple products to concept stage. When we think we are satisfied we then go to foam modelling and we then take the models to the marketplace to see what they think. We actually follow a practical approach and let people touch, feel and become involved, because often we know the customer base, we have got customers and we want to test it directly.

We would then make a few prototypes, and if it works and we get good feedback we go to tooling stage, often with orders in hand. Not necessarily enough to make it a whole financial success but enough to give us inspiration that we should proceed. Then we would go into production and it might take another twelve months to establish full market reputation for that product and market acceptance and then eighteen months before we will be producing successfully at the right price for everybody.

Have the external designers you have collaborated with given you a much more global horizon through their experiences – and do you feel that that feeds back into the business?

They are certainly bringing their international expertise and we have been encouraged to start taking our products to an international marketplace and to build an international reputation. Though we are very much in the infancy of that because we have only just broken down the mindset that we are not going to have to sit in Australia, that we are actually making world-class product. This year we intend to launch a range of products at InDesign and we have a soft launch at DesignEx, and then next year it is our intention to take our products to Milan. There is no doubt about it, we have some wonderful things evolving and some excellent products and we want to take on that opportunity because it is just a fantastic thing.

You have dealt with many designers over the years, do you think designers are commercially astute in the way they approach or understand the needs of a manufacturer – and is there anything they need to shift for it to be a more instantly productive relationship?

I think that it is very difficult for them because often they are not well funded. So they go cap in hand, and to be honest, most manufacturers have the opportunity to take advantage of that and I think that has been the way. It is a bit of an indictment on us, but we have all the resources and sometimes more money. Unless of course they are of the few that have built a reputation - if they have reputation they have something to bargain with because they have a brand. I think that that should change because I think manufacturers should be assessing each opportunity on its merits and therefore making sure that if somebody actually has a great idea, you sponsor them, and you give them the opportunity to get their product created, and you cut them a fair deal.

Palamont obviously invests in designers' work, assisting with tooling or prototyping for the sake of the eventual product – how do you view that deal in a simple format?

We currently have a substantial number of products under prototyping and construction where we have put up all the cash and that's OK because the designers have put up their intellect, their ideas and concepts, which have a value. So I see that relationship as being relatively equal at this stage. When the product becomes commercialised, and we are really backing projects that they agree and we agree can be successful. You are going to back some things and they are not going to work out but you have got to take a few risks in life if you are going to continually say you are an entrepreneur. But we probably think we are pretty safe with what we are doing and we have got no hesitation in backing the people we are working with because they genuinely believe in what they are doing and I think that is all I can ask of them. If it becomes successful we don't need all the money, they should get their fair share of it because then they'll go on and be productive for a long time. I really want to cultivate that garden, I just want to... it wouldn't be good long term for Palamont to just take everything and not reinvest in those people who have actually been the genesis of the idea.

If you look at the different manufacturing sectors within Australia, do you think it is still too geared to being a service industry, making to order in comparison to other nations like Spain or Italy – where do you feel the Australian mindset is within manufacturing?

I think the mindset is still really about 'lets make an order and basically we have got the order in our hands and the money in the bank and we don't want to build our inventories, we don't want to risk our tooling money...' There is a bit of fear and I think they are driven by fear so they don't want to change. I don't know that they are all like that but I think a large percentage of them are still like that because that is the way conventional manufacturing has been run in Australia.

However as I sort of venture out a bit further I'm meeting some incredibly talented and creative manufacturers. I was only talking to one this morning who does etching on tooling. They are a creative business and they want to partner with designers because they know their business is about art and not just manufacturing and they have exactly the same views as us.

What is interesting in the 'making to order' mindset is that much of the government design policy in Australia is really focused on the idea of getting manufacturers to use more design, so that is working on the assumption that manufacturers are making things and selling them and they should use design to sell more. But it seems that there is another layer that is being missed which is that government policy should be assisting manufacturers to cross that bridge which you have described, which is not only using more design but becoming more integrated and more entrepreneurial in the way they approach the market.

Well you get around, you think about it. How many functions would you go to that are design related that actually engage with manufacturers?

Very few!

Exactly, and if there is a manufacturing function it is usually a more conventional exhibition of goods. When I made the personal decision to try and bridge the gap between designers and manufacturers myself, I went to many design functions and found out that there was an incredible power in that group and so I think what the government should be doing is actually trying to expose that. The Australian industry group that I use very often for a whole range of technical reasons never talks about using design. They talk about 'lean manufacturing' and all of the processes to make your manufacturing more efficient. In fact industry organisations are all encumbered to return some percentage of what they do back into industry so in my view, putting up a bit of tooling money for some struggling designer who has got some fantastic idea, that could be my bit of philanthropy as a manufacturer. But that won't happen because the design industry and the manufacturing industry are actually not very good at talking to each other and probably to some extent I see that as my benefit because we have crossed that bridge already. We actually see it as a bit incumbent on ourselves to say we have found something that everyone else should know about and get involved in because it is actually very rewarding.

If we were talking about your experience working with the designers, what are some of the key steps designers should make to ensure they get their products into manufacture in Australia? What advice would you give to a designer out there who has a good idea?

I think the thing they should be aware of is that they better be damn consistent. They also need to be realistic about their expectations from the process because sometimes those expectations can't be translated into reality. When you go into full-scale manufacturing it is easy to make one perfect one, but to make a hundred perfect ones? Well sometimes you can make 100 that are 99% perfect but not 100%. I don't want them to lose their expectations because it drives the process to its limits but there still needs to be some commercial tweaking. So sometimes their perception of commercial realities is not quite clear and that's when I have arguments about what can and can't happen and they need to be prepared for that debate because they are going to ask us to do things that are often quite difficult. They also need to realise that while they believe in the product maybe the marketplace doesn't believe in it and that transition from getting it into the marketplace and actually becoming fully commercialised can be very time consuming and draining and they have to be prepared for that.

And it could be two years until you actually get a really good return on what you are doing, or in their case for their labour and putting their intellect up, it is a long time until they get the return. Some of them aren't prepared for that.

But I love designers because they are so idealistic and have such high expectations. It is almost like raising the bar so you can't jump over it but that's what I want because that attitude actually filters down. I've got to say, when you are a manufacturer and you are involved at that level it does trickles through the rest of your business. So I don't want them to lose that.

Do designers bring other work to you – are they helping you to build your business within their networks?

Absolutely. If I have a relationship with them and they have developed a respect for us, there are two things that happen. One, they actually start designing for the process and encouraging others too, and the other thing is within the network they will give me a high recommendation. That is actually the kind of business we are trying to build – built on reputation, built on quality and built on actually doing what we say we are going to do. It is not all about dollars when you are adding up the books.



ADU

ADU is a project developed to encourage and support Australian designers. ADU publish an online design resource and also run workshops, forums and exhibitions produced to encourage discourse and develop skills around design, creativity, entrepreneurship and ideas. ADU is a joint venture between Parcel and Studio Propeller.