

Podcast series: Leading for Interdisciplinary Creativity

IDBM programme at Aalto University

Episode 5

Length: 45.54 min

Guests: Arni Aromaa, Krista Paloheimo, Markus Paloheimo

Host: Irina Viippola

Markus: [00:00:00] It's amazing that if you have like, uh, have a lot of energy and if you are a bit naive, so it, it can take you pretty far.

Arni: Exactly. In hindsight, maybe a bit too far.

Aalto University podcast

Irina: This is Leading for Interdisciplinary Creativity and I am your host Irina Viippola.

In this episode, we will talk about the early days of the IDBM program, the challenges and highlights of interdisciplinary teamwork and the art of balance and creativity and structure in business. Can you foster innovation and creativity while keeping things on track? We will hear from three brilliant alumni from the first IDBM batch, who share their secrets to nurturing a creative culture that drives results.

Get ready for [00:01:00] inspiration, insights, and practical tips to enhance your creative management skills. We have here the siblings, Krista and Markus Paloheimo, along with Arni Aromaa. Welcome.

Markus: Thank you

Irina: Can you tell a bit about yourself for introduction, Markus, can you start.

Markus: So I, I am the engineer of the team and, uh, after, after the first startup in Finland that we established together and got bankrupted, I, I ended up working for Fiskars for 11 years.

And, uh, and recently, or not recently, but past 15 years, I have been an independent product design consultant and, uh. That, that that's what I do. That's about it.

Irina: Okay, good. Who, who wants to go next?

Krista: Yeah. Okay. I, I, well, I, first of all, I, I love that, that you still call us a team. I'm a first member of the team and, and we [00:02:00] are a good team still, uh, friends, even though after the bankruptcy and, and, uh, but, uh, my role, uh, in that company, uh, startup company, we, uh, founded it.

Was to be, uh, the marketing, uh, and the kind of like the financial and, and, uh, I, I was the one to blame, perhaps for the bankruptcy also, I would say it. But I ended up being an, an entrepreneur for, for many, many, uh, years, uh, have worked in on a commercial side. And now, uh, about six months ago, uh. Returns to, to work for a bigger company called Rebel Group and, and, uh, as a strategist at the moment.

But, uh, yeah, I have, I have also a, a strong background in being an entrepreneur.

Irina: Okay. Nice to have you here. And Arni.

Arni: right. So I'm the industrial designer of the, of the gang. And, uh, I think that I have [00:03:00] one of the flattest cvs in the field because I started, I started, uh, Pentagon design, the design consultancy with a student colleague 30 years ago. So it's like, oh wow. Same age as, as maybe strictly taken. I think we are a bit older than IDBM and then, but I, I, it was, I don't know whether it's important, but it was really your company, if we are, when we're talking about this, this cover white company, and then you, uh, somehow lured me into it, which was a, which was definitely an, an experience.

Um, and I think also. I, I remember when, when, when it, it got to the point of the, the, of the bankruptcy. But already then I think there was a, if, if you, the, the idea that if you, if you are an entrepreneur somewhere else, then in Finland, the, the bankruptcy actually looks quite good on your CV because it, it's really a sign that you have like really tried out your best and you know, the whole path.

Irina: Mm-hmm.

Arni: So it's. [00:04:00] Every now and then, I think I, I, I still today somehow think that it sometimes think that it might be a nice experience to do something

similar. I, I'm not sure whether it would be us, but, but, but to have a, to have a startup have the enthusiasm and, and somehow like. To put all in into one thing.

Irina: Exactly.

Markus: Yeah. But if I remember right that you said that, that, uh, that you were lured into, into this company of ours, if I remember right, the situation was such that the, we had already done this injection molding mold, which was like a, at time time, at that time, pretty expensive investment. And it turned out that this product, that was where that was supposed to.

Protect disquettes. Actually broke them. Ah, you're right. And, and we were in a kind of a desperate situation and, and then we came to you at Arni.

Krista: Yeah.

Markus: Can you help us.

Arni: Okay. Yeah. That, that might be the story. Yes.

Irina: Yeah. And. Anyway. So this, [00:05:00] uh, company that you then established, uh, it of course happened after the IDBM, right?

Krista: No, it was, no, it was during that.

Irina: During, it was during the IDBM. And it was the sort of industry project for you? Or No. Did you do another?

Krista: No, we did something else. We did, we did that together. I remember. For Oras

Arni: Exactly.

Krista: yeah. Yeah. But at that time, we were all already working around this, uh, also this Own company. Yeah.

Irina: Okay.

Krista: But we got to know you through IDBM.

Irina: Okay. So you did the IDBM industry project for Oras at that time. Yeah. Yeah. And then, uh, the company Bytepack came after.

Krista: After, well, about the same time.

Irina: But can you tell us briefly about what was the company about?

What was the thing, what was the product, maybe the listeners of today, some of them don't even know.

Krista: yeah. It's Well, should I? Yeah. As a, as a mother of the company. But anyway, what happened was [00:06:00] that, um, uh, I, that time, uh, all that. All the, um, what do you call this? Flo

Markus: Disks? it's not a floppy disk.

Krista: Yeah. It's disquette.

Krista: already, those were used to, to, well, to store anything you wrote in a computer at, at the, uh, there was no cloud services that time. Or not even email. Oh, not even email. So we are that old. Yeah. And, and, uh. And I had made some kind of a thesis. I don't know what was, what was it about?

But anyway, a lot of work that I had all in one disquette and I was stupid enough not to have a hard copy of it. And I, I lost everything because I, I had it in my purse and, uh, and yeah, it didn't work anymore. It's open. Yeah. Mm-hmm. And then I started, I was of course quite, uh, mad and, and, but I started to look for a solution that there must be a, a cover.

For, for this kind of, [00:07:00] uh, or some kind of a box to, to avoid me from not, uh, doing it again or losing this info again. And, and there was not one and. Then Markus came to where we started thinking about it.

Markus: Well, there were boxes, but the boxes were for

Krista: ten

Markus: Yeah, exactly. And I was all Something that doesn't fit in your purse.

Krista: Yeah. And I can already see myself now starting this, uh, kind like, uh, story in a very same way as we did like 30 years ago, because that was a big

thing in, in that time that there were no startup companies at all. And especially these kind of, where there were, uh, students from all these universities.

Combining the, the, uh, kind like thinking.

Arni: Mm-hmm.

Krista: Uh, and yeah, so it, it was, there was a perfect timing I would say for this. So it gained a kind, quite a lot of publicity altogether. Tons of articles thinking how, what a minor, uh, minor, um. [00:08:00] Object. It was, and, and the idea and, and all is very, very simple. But, uh, yeah, we seem to be in every, every single, uh, interview explaining this and how Yeah.

Markus: Yeah. And may, if I continue a little about the, the, I remember that. You presented this, this kind of a need in, we were eating in our mother's place and, and you introduced this need that you had and, and told about how pissed off you were, about the kind of not having a backup of the, of this kind. And, and so then we started to think about it together that it should be some sort of a pocket, but then, then the, these little pockets and the risks would be all over your purse and, and you should, we should have some sort of a way to connect it, whether it would be a chain or some sort of a Lego joint or, or, and ideally one could look at them like a deck of cards spreading your hand. And, and then I started, it was in, Mustikkamaa in, in some [00:09:00] kind of, uh, dock Harbor. They had a, had a, we had a boat there.

And, and, and these. This guy allowed me to use his, his, uh, what is this, uh, workshop.

Arni: Oh.

Markus: And, and there I did some kind of way, big prototypes, prototype of, of this bio type of connection device Exactly. That we got patented.

Arni: And I think that, and that actually, I think that was really the core of the whole thing.

Then the, then the. More superficial design that was then created to prevent the discs. Breaking was like more a visual thing. Mm-hmm. I would say. But it was really like the,

Krista: the connectivity Yeah. And the patent we got. Yeah.

Markus: That and, and, and at that time we were pretty fresh even as, as students and, uh. And I, I didn't see injection molding as an obvious MA manufacturing method.

It could had been as just as well been like laser cut or water cut out. Yeah. Sheets and somehow ultra weld together. We were [00:10:00] totally cut of a, or at at least I was, was like a. Pretty lost of everything.

Krista: Yeah, I think we all were. We all were. Yeah. I dunno, we still laugh, but it was still, what I remember from those times was that, uh, the aim all the time was to do everything like, I don't know by the book, but anyway, and like, be.

Um, super clever with everything. And so that, and we were aiming at, at, uh, going international from the day one. Definitely all this, which was,

Arni: was very funny, was, was it like 10 years ago that, that the, was the phrase of born global. But I think we were not already 30 years ago without knowing anything.

Krista: And, and we did go global, we did go actually with the idea later on onto New York. There was this, um, GE had, uh, sold some hornets for, for Finnish, uh, the state of Finland. And, and, uh, so there was this possibility to go there and, and. I found an office [00:11:00] in, in Manhattan, and, and there I went and, uh, with no money really, and, and started targeting all these Iomegas and, and, uh, Apples.

I think,

Arni: think that was really brave. Yeah. And the, the, the most concrete sign for us was that we had, at our office, we had a fax machine.

Krista: Yeah.

Arni: They always, always late, very late in the evening, the paper started rolling out and there was like, there was like, like tens of pages or some. Ideas and, and, and reports from, from the, from New York?

Krista: Yeah.

Irina: So, and how long did it last with the company? How, what was the timeframe?

Krista: Well, quite a few years because then we also developed two other, uh, uh, products. Products, yeah. There was, uh, a cover for Iomega's Zip, which was yeah, a big hundred and I think nobody knows today. Nobody that Iomega is gone.

And, and also one for, uh, cd Yeah. Bbds of course. And with all, with the same idea that you could connect them together and, and well, what we tried to sell [00:12:00] them for was to, to all these disc companies as a promotional tool to be added with the, when you sell that disk to company.

Arni: And I, I remember when we, when we expanded the portfolio, that we were somewhat aware of it, that the market will Vanish at some point. Yes, of course. And so we are like, I, I, I think that we had the idea that we must, we must be quick enough in order to really, to cash it that

Krista: Exactly. To create the brand. And, and, uh, and yeah, well there was so many lessons learned actually during those times. Not only that, well we first started with the brand called DISC cover and which was quite good for the purpose.

But then it turned out that in Germany there was, uh, same, similar, similar, uh, logo or, or the. Um, may I can trademark, trademark, registered on, on, on that, uh, class and, and we needed to change. And that was a very, very, I think, healthy lesson. Mm-hmm. About how expensive it becomes.

Arni: Exactly.

Krista: And about change everything

Arni: about the importance of the IPR

Krista: Exactly.

In [00:13:00] general.

Arni: Yeah.

Krista: So yeah, it was really a, a university of, of, of a best kind I think in.

Markus: Yeah. It's amazing that if you are like, uh, have a lot of energy. And if you are a bit naive, so it, it can take you pretty far.

Krista: Exactly, yeah,

Arni: exactly. In hindsight, maybe a bit too far. Yes, exactly. But that is that, I think that's exactly the point that I, I can't help thinking of it, but if, if one could combine like the, the, the experience of today to that energy and enthusiasm of, of, the, of a, we were like 25 years old.

Everybody right Then, so. That it, it would be, it would be really fantastic. But today, when I see people of that age, I, I somehow think that, don't, don't ever try to repeat. It's all too hard. But

Krista: yeah.

Arni: But I, I think the, the, what was also the superpower was exactly that. We did, we didn't know that it wouldn't be possible.

Krista: Yeah, exactly. But. But, well, [00:14:00] for me, actually, I must say that for the rest of my career I've been seeking for, for this kind of, of, uh, spirit.

Arni: Yeah.

Krista: And, and, uh, even today, I, I feel that that's perhaps the most important thing to have the, the energy and, and the, uh, but we, I think, at least from my part, and I, I think it was the same with you, that we really appreciated each other's.

Mm. Kind of like angles and, and uh, so it was a perfect IDBM project also in that yes, that respect that even though we did of course have opinions on each other's fields, but still we, I think the, uh, last word was always

Arni: exactly

Krista: on, on the side, who was

Arni: thinking and think is really impractical terms that we, we did, we really did end up with the bankruptcy.

I think we all lost also some money. Some, some money not, but a little, little more than just pocket money.

Krista: Yeah.

Arni: But I, I think that also that the proof that we are still, we are today here together. Yeah. Yeah.

Krista: And we are good friends and we are, [00:15:00] you know,

Markus: I just got my share paid back last year.

Arni: I need to discuss with you then.

Markus: Yeah. But, but it brought a lot of good because, well, at least we met each other and, uh. We are here and yes, and, and for me personally, I, this was kind of, uh, way I, I sneaked into fiscus through the back

Krista: door. Yeah. Right. Yeah.

Irina: Okay. Uh, so you're now talking about this working in a cross-disciplinary team. I think it was quite nice that you said that then you all appreciated your different angles.

Um, so how would you describe, what are the benefits of working in this kind of team setup?

Krista: I don't know. I think it's quite obvious, isn't it? That it's just kind, nobody can know everything and, and today and, and. As before, I think it, you need to have a lot of knowledge and, and, uh, um, [00:16:00] well, working alone, nobody can have that. I

Markus: have done a lot of that working alone and, and it's always like, uh, when you get somebody else involved and, and have the possibility to explain your ideas and so, so it, it always kind of work.

Rockets the development. But, but I don't see any other possibility. I mean like in, in today's competitive world. Yes. The kind of our collaboration with different fields. Exactly. That is the only way to do it.

Arni: And I think, as you said earlier, that this also, our team also grew out of necessity. That it was not like just an idea that they start working true through this, like multidisciplinary.

I think maybe the question would be today that, that, that maybe these three. Uh, views are not enough that you need

Krista: Definitely

Arni: to lot like it, let's say. Yeah. AI, Sustainability, all sorts of things that I think that it just, uh, yeah. The, the crossdisciplinary team just has to be bigger and have more [00:17:00] dimensions today.

Yeah.

Irina: The challenges of working in a very multidisciplinary team. Have you encountered, like, not, not thinking only about the IDBM setup, but in general,

Arni: I think maybe this might sound a bit old fashioned, but, but finding the common language that it, of course, this, this is not a question only of a, of a, uh, that what background you have.

Maybe slightly also a question of personality and what you brought also up earlier that having, having the true. Like at appreciation for what the others do. That sometimes if I think our, our agency working with, with several external experts and so on, that sometimes you might face some sort of a distortion of the perspective that certain people might, or let's say I as a designer might [00:18:00] like overvalue the, the input of design and then maybe undermine the other disciplines.

That might be something to, to really find the right balance and then. Uh, like goal oriented. See that, what would be the optimal way? But generally, of course, I said earlier, it's a necessity anyway.

Irina: Hmm. And of course, it's important to understand the terminology used in the different disciplines, otherwise it's a little bit different, difficult than to communicate.

Arni: do you feel that there would be a lack of vocabulary? Or is it, is this really a

Markus: but in my, in my opinion that that is not a problem. I. Like one challenge in that like even if you have all these different skills together, you have the people, you have the perfect team, how to make it work together.

Arni: Right.

Markus: That that is the, you're right, that is the challenge.

Arni: And that, that may be, that's then a question of, of leadership and management as

Markus: Exactly.

Krista: And that brings that. What I would add [00:19:00] is, is, uh, lack of time that somehow the, uh, leaders of the day or, or, uh, the management or, or perhaps it comes back to the owners or the, uh, investors that there seems to be always such a hurry that, uh, that with we cut corners in a way and, and, uh, uh.

Somehow I, I see why there is need for, for, you know, to go and test the market, have something to test

Arni: Mm

Krista: uh, with, but then at the end of the day, you also have to have a really good, good service or really good, uh, product

Arni: Yeah.

Krista: To, to come to the market with and, and, uh, that you cannot. Accelerate, uh, too much.

Arni: Yeah.

Arni: I would say, and maybe the, generally coming to, to the question of that, what is the relation of like if we think in a, in a company or in a corporate context that what, that the companies are typically good at repeating what they [00:20:00] are doing. Yeah. And then like reinventing what they're doing.

Generally developing new is, is, is quite another. Uh, task and, and what, and, and demands quite other skills. And I think finding that balance as well is, is sometimes quite challenging.

Markus: Exactly. Yeah. Like doing something that has been done before just in a bit different form. Yeah. On and then doing something totally new.

Arni: Yeah.

Markus: That from. Product design and a product development point of view, those are totally, truly different. Completely. Exactly. Totally. It, it's like a, it's

not even 10 times more difficult than time consuming and risk, but, but 100, 1000 times depending on the, on the object of caution.

Arni: Mm-hmm.

Irina: And if we don't do that, nothing new happens.

Yes. So then we need to invest the time and the money and, and, uh, all the creativity. Uh, we close,

Arni: well, we, we are slowly approaching the topic of how do we get Finnish economy in the rice again. This is, this is your favorite.

Irina: Yes. We could go [00:21:00] into that now and

Yeah. But I have still here. One question, um, that we could go into. Before we go into the competitiveness of, of Finland, uh, about creativity, that how can you foster creativity and then can creativity be managed?

Arni: Hmm.

Irina: Do you have any thoughts, thoughts on that?

Markus: Uh, yeah.

Arni: I think from Fiskars you have a lot of

Markus: good quote at least.

Yeah. It's, it's kind of a. Uh, if you go to LinkedIn posts, it's, it's a lot of posts about creativity and, and, uh,

Krista: innovation,

Markus: creativity. Innovation, and, and, and so, and, and sometimes I have a feeling that it's, it's kind of a snake oil, this creativity that, hey, we just have to be more creative. But to me, creativity means that you get a good team together.

You have some, like a meaningful [00:22:00] reel. Problem to solve, and then you delve into the problem and you work and work and work and do a lot of prototypes and testing. Mm-hmm. And, and, and, and learn from it. And, and

just hard work. And then, and, and, and well of course concentrate that you're doing the right things and then you come up out with something that has not existed before and is new and is good.

And, and that is because it is, it's new. You have created something that, that is creativity to me. So, but there is no shortcut to work. Mm. Only shortcut is that you can, you can, you can try to avoid doing unnecessary thing and, and, and doing, kind of keeping the focus in right place. But, but, uh, but work and sweat is required for creativity.

Arni: And then also maybe I, I think. It's one thing to be a creative individual when you, I mean, you only need to manage what you are doing and you, you can do it like, but when, once you have a [00:23:00] team, of course you need to be sure that the team set up is right, that you have like people who understand what, what should be done and are good at what they're doing.

But maybe in a, in a creating teamwork, I think it's quite important also to try to foster, uh, an atmosphere that is generally, that is like positive. And, and seeking for new solutions. And also that, that even though this is a cliché that you, you encourage also, uh, uh, failing so that, that, that people have somehow, that they are able to contribute in, in a, in a best possible way.

I think this, this is easy to say and practice sometimes quite difficult.

Irina: Yeah.

Markus: Yeah. Like when you're designing something new. It's, uh, that hasn't existed before. You just have to get it started. You have to make the first Yeah. Prototype something and which is typically always Yes. Something that is not very convincing.

And you have to have the self-esteem Yeah. To bring that to the table. Yeah. So the others can say that. Yeah. Okay. That is good. And that is bad.

Arni: Exactly.

Markus: And, [00:24:00]

Arni: and that is like generally thinking about developing anything new. I think it's a good point what you bring up that it's. It's like, of course you can, you can work in a structured way and you can, you can like search for information and, and all sorts of things and, and arrange creative sessions and so on.

But I think as you said, the the most important thing is to start to win. And I mean that just to like that you, you and trust that, trust the process. Trust that you will, you will approach something interesting once you just start doing things.

Markus: Yes. And when you start, you get something done and then. A few rounds of prototypes and then you are actually realizing, okay, this is the problem that we are solving.

Arni: Right. Like learning by doing. Yeah. I don't know if this design thinking is any longer on your list of questions, but, but, but I have some, some sometimes like, uh, half seriously said that I would, I would rather talk about this undoing then design thinking, especially in that notion as, you know, bringing that.

Irina: I like this term, I think [00:25:00] it's much more relevant and they start thinking, so

Arni: this are thinking is slightly taking like a distance and taking like an academic overview that this is how we think it should be. Mm-hmm. But in, in reality it's, it's much more about doing and learning

Irina: at the same time. We need to, uh, highlight this for sure.

Uh, but what is design business management these days? I think it has changed over the 30 years. So when you have started to study. International design business management, it was totally different than what it is now. But how do you see it? What, what is it at the moment?

Krista: I have no clue, to be honest. It's just what I don't know.

I would think that the aim is, is to do internationally, uh, interesting, uh, new business and, and, uh. Uh, yeah. Uh, whether it's, it's, um, IT systems, AI things, [00:26:00] um, products, services, it, it, I think that it, it, um, the processes are, are not the same, more developed. It, it, when we were studying, you remember how it was more like an.

Uh, serious of things that you did. Like a linear process. Linear process, and that was taught and now it prints and, and, and you get, that's something out. So it's closer to this doing what

Arni: you are now talking about. Yeah, and also I'd like also like the, I think also what have changed during, if we think about 30 years ago and now one, when one could say that the digitalization really broke through, it was like 20 years ago.

Krista: Mm-hmm.

Arni: So, but I think that, as you say that, at that time, still, I think almost all. What, what we also discussed, it was, I said, a linear at process also the, the, the, the basic design thinking double diamond. It's, it's more or less a linear at process. And now if you think it's about, like, it's about agile development or it's about this lean startup and so on, which is more based on the idea of continuous [00:27:00] development.

And I think has to do with the, also the difference that if you, if you are. If you're designing a physical object, you need, you, you invest on tooling and, and you do it like a more or less one shot. But then with the digital things, you, I mean, you, you can easily iterate it every day if you like. Of course, then not to talk about the ai, which I know very little about, but, but it, I, I think there is a very, very big difference in, in the, just thinking about the develop, developing processes.

Markus: Yeah. I, I, I see it like a, if I think of IDBM. That, that if you look at a, like a finished company today, companies understand the value of design. They understand the value of brand and marketing and storytelling and being international and so, and, and, and that, so it's, they have covered everything from that perspective.

Well, pretty well. Or there isn't any companies who don't think about these things. But then we go a bit deeper into, into designing product and, and [00:28:00] it doesn't. We don't see it there anymore. Mm-hmm. Oh, it, it's very rare that, that the kind of a holistic approach or this kind of a design doing approach mm-hmm.

Would be seen in practice, in, in hands-on

Arni: doing

Krista: mm-hmm. Is

Arni: it, yeah. Yeah. That's, but maybe that's also a good point that maybe the, the things that, like the, the IDBM were started for, to get really the, to get the,

the, all the different aspects on a balanced way into the. Uh, management team that, as you said, that the companies are definitely like better off today than they were then.

I would slightly disagree saying that all the companies, and this is one of the things that, I mean, typically the, like the design community starts talking about really advanced things all the time, and I have the feeling that half of the finished companies haven't even caught the first train and there is still, I mean I think they also basically probably know what should be done, but they don't do it in practice.

That there is just to say that I think there is also still. There is a lot of work to do if we think about traditional design management, which was, [00:29:00] I think it was like a popular term in, in 1989, I think. But it's, it's still, it's, I think it's still relevant, but if you say so, you are really labeled as a dinosaurs.

But I, I think it's, it's so that some of the things I think are very, very valid still, but then generally probably companies are better off.

Irina: Okay now, so our economy has been growing for the past 20 years, and maybe you have some ideas on this that how could Finland's long term competitiveness be strengthened?

Arni: This was definitely your call.

Krista: No, it, I was. What I was saying, and I repeat now that it's, um, um, when we were young, we were really interested about this.

At, at, I remember arranging these, uh, uh, [00:30:00] “Suomi nousuun” type of dinners and, and with my friends and, and we were really trying to think that, okay, what should we do? And, and I think also the founding of the company was partly due to this that I, I, uh. Strongly felt that yes. Now we have got the, we have gotten the education and we, we have the means and we are very, very privileged in many ways that we have to kind of like.

Make something out of this that is, is, uh, bringing money to, to this economy. And, and that's why you, uh, start companies that, uh, and I think also that, that modern, modern startups, which are all made to be international, uh, I, I trust that they have this similar idea. So like it was then, it still is, I think the, the future is in the hands of, of, uh, next generation and this generation that is now.

Founding these companies and, and, uh, and, um, so in many respects, I, I [00:31:00] do see that, uh, this is, this IDBM kind of a spirit and, and this startup spirit is, is what will solve the problem in a, in the long run

Irina: so that we should have more funding for these new companies. Not so much on the kind of the existing or the traditional companies.

Krista: Well, they are doing better job in, in, uh, in. Driving for growth and, and, uh, this, uh, one article, Arni, Arni, uh, the

Arni: McKinsey Report

Krista: mm. McKinsey report he found the other week. And, and we already, uh, earlier discussed about it, that, how well Arni will tell what that showed. But it was interesting and it shows very clearly that, uh, that the, uh, big companies and the industry, industrial companies in Finland, they seem to have more of this aim to.

To store the value in a way and, and, and, uh, give it to a way to the shareholders instead of, uh, [00:32:00] investing exactly to the future growth. And, and this is absolutely the, like, the opposite of what these young entrepreneurs are doing today. And, and, and what I believe we were also, uh, doing early days and, uh, yeah.

So.

Arni: I and just, just, uh, about the funding that I think I, I don't know, has, has any of us been this year in slush? No,

Krista: no, no. It's just going on. But, but yeah, it seems that, that, that is in good hands.

Arni: We have, and what they just say in the news is that if I got this right, that, that, that, that, that the funding capital presented there, of course not in real then it is investments, but it was, if I got it right, was three, 3,500 billion.

Euros worth of like, potentially, yeah, potential invest. Of course then what is realized is a different thing, but maybe taking it, taking it further from the McKinsey Kinsey report. I mean, I have also quite like, I haven't really deep dived it in, but, but I think the basic message was that, [00:33:00] that, uh, the study was looking at the top, uh, was it like top 5,000 companies in the world and then it was the top 20 from, from Finland that fit into the category.

The main conclusion was that the average beer group grew 8% annually, whereas the Finnish companies at the same time, it was some somewhere between two and three. And then there was like the calculation that cumulatively from the past 10 years that we have lost 80 billion euros of revenues because of that.

And then, then there, there were like different reasons why it is that way, but one of the key things was exactly that. The typically finished stock listed companies are, they tend to pay high dividends compared to the, the, the, the, the peer groups in, in, even in, in Europe and Nordic countries. And then I just checked quickly that what was the total sum of not only the stock 20, but all stock listed companies, that they paid something around 13 billion euros of dividends.

Last [00:34:00] year, uh, let's say we would only take 10% of that, it would be 1.3 billion, and then simultaneously 2024, the, the, uh, amount of r and d expenditure in all finished companies was somewhere around 6 billion euros. So it would be just 20% increase just taking that one 10%, which at least to my ear, sounds like that, that nobody would bother if, if, if the dividends were low.

Lower 10%. Of course, some, like the pension companies might disagree, but, but still, uh, coming to the point that I, I think that there, that there is often the phrase saying that, that we lack the, the funding or we don't have enough money to invest on. But if we think that, I think everybody agrees that one really secured.

To, to, to provide future growth is to invest in r and d and, and the money is evidently there. And I think it, it doesn't need any, any like special tricks. It would be simply changed in the company policies and then [00:35:00] simply investing more there. Which is, which is what all the, the other, the, the other companies in, in other countries than Finland.

Invest more in. Yeah. Yeah.

Markus: And, and that is, that, that is, I said that, that if you want to create something new and successful. You have to work hard and work is expensive.

Arni: Exactly.

Markus: So investment

Arni: is needed from, I, I somehow, I, I dunno, I hope nobody feels offended, but there is somehow, like I think. Within Finnish companies, there is this winter war mentality that we just somehow putting very little effort always end up with something fantastic.

And I think that comes down to the, what you're saying, that it's, it's really, if you want to achieve something, if you want to be good, you need to invest

Markus: time,

Arni: time and money and, and talent. And there is no shortcut there.

Markus: There's no shortcut.

Arni: And this is not even

Markus: creativity.

Arni: Not even creativity.

Krista: Innovation.

Arni: Innovation or, I mean,

Markus: repeating that

Arni: ai, AI might be a silver bullet. We dunno.

Markus: That's why we are so excited about AI because

Arni: we think

Markus: that it could be something that does work for us.

Arni: Exactly. But I think this is actually, this [00:36:00] is like coming to the, to the original point that I think there is a, there is still like a, like some, some sort of a mental.

Get there thinking that, that, that we for, for some reason would need not need to invest as, as much as the Swedish companies, for instance. And then we are

looking at Volvo and IKEA and all sorts of wonderings that, how come they are so wonderful.

Irina: Mm. And I think that also on a national level, I guess, like for example in Denmark, they are investing quite a lot in companies. Yes. So then it's a totally different, uh, level that what we are doing.

Arni: And, and if you look, if you look at the national debt levels in, in Denmark and Sweden and Finland, they are, they are like, they're totally on a different level.

Irina: Yeah. Yeah. But then what kind of role could intangible value creation play in this competitiveness or this long term competitiveness?

Arni: Now if we come to back, back, back to the r and d expenditure, it's, it's all about intangible value. So that I, I would say that it's almost like, of course, you, I think of, of [00:37:00] traditional investments on data centers and factories and so on. But, but I think if we are doing, if we are talking about r and d, it's, I, I would include like design and branding and all sorts of intangible things there.

Into that basket simply. Mm-hmm.

Markus: I, everybody understands the conflict about kind of how we have been just discussing that. How can we support the Finnish economy and, and design products that can be produced here or, or for the Finnish companies. And at the same time we talk about that, how can we do as little as possible? Exactly. So there is a conflict.

That I, I see. Or I kind of purchase my good confidence, is that right word? It's a yeah. Uh, by just trying to do everything that I do as well as possible. Yeah. So. So, and, and of course sustainability is always a thing that must be considered, but it cannot be a starting point [00:38:00] for a, for a product because always the kind of, uh, the product that doesn't exist is the,

Arni: yeah.

Markus: Is the most, most sustainable solution. Of course, if you can, if you can like, uh. Push some or if you can make a more sustainable alternative for an existing product, that that will make some sort of a difference.

Arni: And there is, I mean, of course today we have like there, there is, let's say I receive weekly some sort of a sustainability design training or something that there are a lot of like information how you should be doing it.

But I think that on the top always comes, the, the, when you were talking about physical products is that the, the best thing that you can do is to, is to design a relevant product that's, that can stay long in the used and that is like the single most important thing. Yeah. Unless you're talking about some, like this possibilities or something.

But, but I think it goes to the point of saying that, okay, if we can push out from the market some worse. Alternatives, but that it's a, it's more [00:39:00] simple.

Markus: It's it, yeah. I was once conducted by a, a potential customer who asked that, Hey, you know, plastics, that, what could we do with the, with the polyamide that is coming from the fish fishing nets that are skewed from the mm-hmm Ocean. What would be a good product for that? Because they already had the sustainable story. Yes. And that, that is like a, that, that's greenwashing.

Arni: what the like exotic starting point for a project?

Markus: Yeah. We don't need anything. We, the need is to come up with something new that can be solved.

And, and, and the, the fishing nets just made story around it.

Arni: Mm-hmm.

Irina: Okay. I have now, here one last question. You can think about this for a while, so it's okay. We can then. Edit out, uh, all the time thinking time. Uh, what would you say to your 25-year-old self?

Arni: This is the question [00:40:00] that you see always in Helsingin Sanomat.

Irina: but it's 20, it is 20 year in that one, but I was thinking now you were about 25 when you were doing the IDBM, so,

Krista: so that was 30 years ago in my case. Mm-hmm. Yes.

Markus: I, I have one, like a story for this. Like when I, that's the, yeah. When I, when I, uh, I did my master thesis in, in, in design of injection mold products.

And, and we had already, I had designed a few injection mold. Yeah. Uh, covers for a, a, like a, uh, storage media and, and then, then working in, in, uh, design we had.

Had some projects there and I was trying to be pretty skilled. I was one of the first solid works users mm-hmm. In Finland and, and, and, and then I entered r and d and, uh, before that I thought that maybe I could start a, a kind of a consultancy because I know so much about [00:41:00] plastics and plastic product design and injection and molding and so, so, and, and then, well, there was this opportunity to join and okay, I go there and, and that was just a kind of far.

So awesome. Like a learning mm-hmm. Experience that got all these great people and, and Cus was a company, and it's a company that, that does the injection molding tools and the actual tool tooling and, and production and assembly and product design and testing and everything themselves. And uh, and in, let's say.

Uh, half a year. I had learned so much, so much compared to what I knew before that. Yeah. And still I understood that. I don't know anything about anything, so of course it's not very comfortable. But, uh, but it's, and, and, and that would be maybe a message to, to myself. Mm-hmm. Even though I feel like I'm an expert.

I, I know. So there is one, lifetime is not enough. You have, you have to be kind of a, what is it? [00:42:00] Noble. And, uh, humble.

Irina: Humble.

Markus: Yes. Yeah. Yeah. That's true. You need to be humble and accept that you don't know anything about or you don't know everything. And talk to the people who know, that, know, and, and, and, and try to leak the information Yeah.

From them and, and, and do it together.

Irina: Excellent.

Krista: I think I would be actually pretty much on the same lines. Well, it could tell us a little bit as siblings that, that we are inborn with the self-confidence that, that we, we manage and we know and, and, and, uh, and then at the end, yes, learn that perhaps not so much and, and so that, uh, try to be, uh.

Not only humble, but also, uh, curious about other people's, uh, points of views also to, to, um, and, and, [00:43:00] um, I think that it's needed this, um, spirit of, of, uh, pushing forward, especially if you are an entrepreneur. Uh, but, um, but still none of us does anything alone here. And it's, uh, always about other people getting, um, customers excited and, and, uh, learning from them and, and all this.

So it's a Yeah. keep the curiosity. Yeah. And, uh.

Markus: That's a good advice.

Arni: Maybe also, I think this might be a bit a cliché, but maybe also to somehow trust your instinct that, that I think the world of fool is like ready-made paths that you are expected to take and I, I don't, I'm, I'm not so sure that it fits everybody and I, I think today's students are better in that they are, like, they, they see it more openly that what can they do?

And then, I mean, do the decision and see what happens. I [00:44:00] mean, you, you never know what would be the other option. But I think there is a really, really good advice that I've got. I, I read it somewhere just recently. But was that, that what, especially when you are young and, and entering the field, you, you, you get a lot of advice is what to do and you get them mostly from people who are not really where you are going.

And I think that the advice was that only take serious advice from people who are where you want to be. And I think that is really, that is, it has something I've also, I've, I've started listening to people a bit differently lately because of that.

Irina: That's excellent. So be curious, be humble and trust your instinct.

Yeah.

Krista: That might be a good combo. That's a good summary.

Irina: Yes. Okay. Hey, our time is running out, so I, fantastic. Thank you. Thank you for the discussions. It was really, uh, wonderful to have you here and, and hear about your thoughts and your experiences.

Krista: Thank you.

Markus: Thank [00:45:00] you for the invitation.

Irina: Yeah, it

Markus: was fun.

Irina: Yeah, it was good. Good. So we are done.

Thank you for listening. I am your host Irina Viippola. This episode was edited by me and Aditya Parekh, and produced by the IDBM program at Aalto University.