

Stefan Jepsen, Harald Preissler, Jörg Reckhenrich

Value – Creation A Dialogue between Art and Economy

Introduction

Art exhibitions with themes like „Art and Economy“, artists who photograph stock exchange speculators or depict the inner lives of entire supermarkets as part of the new Realism, corporations with expensive art collections, managers who showcase themselves in glossy magazines posed in front of works of modern art, artists who court favor from affluent art consumers at art markets, artworks whose market value immediately cause stocks to rise or fall.

What does it mean when art finds its way, in the most varied of ways, into business operations and, conversely, economic principles find their way inside the art establishment?

In the following dialogue we want to have a look around in this border area between Art and Economy. We are a Protestant theologian who handles the international human resources leadership development for DaimlerChrysler Services AG, a freelance artist who made the jump into the world of management consultancy with art-based seminars, and a physicist who works on corporate societal questions in a futurology think tank at DaimlerChrysler.

This text is based on discussions that we had in an art studio - it was an experimental situation, the discussion arose purely out of intellectual interest. The idea to publish our thoughts came later.

Preliminary notes

Harald Preissler

I recently read a statement by one of the managing directors of a drugstore chain where, in a nod to the sculptor Joseph Beuys, he described the employees of his company as the co-creators of a “social sculpture”. Frankly, I have problems with such statements. It opens the door for an aestheticizing of the economy that is neither purposeful nor correct.

Stefan Jepsen

That may be, but what I find really amazing is how this concept is still getting used so long after Beuys' death. It seems almost as if the term "social sculpture" gets hung out like a banner in order to give some corporate activity a positive charge. Such a reference to a concept from art doesn't really seem plausible to me.

Jörg Reckhenrich

I think that for Beuys the concept of 'social plastic' is about the issue of creative power, of shaping society.

Harald Preissler

Then you share our criticism of this appropriation from Beuys?

Jörg Reckhenrich

Yes and no. In any case, you'd have to look more closely at what the managing director actually means when he uses the term "social plastic".

Stefan Jepsen

On the other hand, Beuys did speak about every man being an artist. Why then not drugstore employees as well?

Jörg Reckhenrich

Yes, however Beuys' so frequently quoted sentence "Every man is an artist" does not actually mean that all people, from politicians to business men, are artists. He is referring much more to a personal question. Namely: as a human being, what am I to do with my creative potential?

Harald Preissler

...for myself? For a corporation? For society?

Jörg Reckhenrich

Beuys extends the act of being creative into the social sphere. The concept of "social plastic" and the statement "every man is an artist" are two sides of the same coin. In both cases the point is to convert creative potential into responsible action for society.

Stefan Jepsen

Isn't creativity the most important asset of mankind anyway?

Jörg Reckhenrich

For Beuys creativity is definitely at the heart of everything. He defines creativity as THE quintessential capital of mankind. For him, everything revolves around the question of how we get access to this capital.

The Relationship between Art and Economy

Harald Preissler

Sounds interesting. But if creativity and capital are apparently so close, don't art and economy end up together after all?

Jörg Reckhenrich

No! For me there's no question: economics is not art and art is not economics! We're talking about two different systems.

Stefan Jepsen

True. But what interests me most in this interrelation is what happens on that borderline between art and business.

Jörg Reckhenrich

...where they meet – in the area of tension between the two systems. I picture it as two circles which overlap to form an intersection.

Fig. 1: The relationship between art and economy?

Stefan Jepsen

Yes, exactly. This picture reminds me of the purpose of our art exhibitions. We invite business people and artists into our offices from time to time in order to further the dialogue between the two disciplines.

Harald Preissler

Aha, 'purpose'! So that means that, for you, art brings about something useful. In this case, for a corporation...

Stefan Jepsen

Yes, the encounter is the aim. And that forms the basis of our thesis, that it's at the borders of the systems where what's actually interesting happens. However we're not dealing with usefulness in the trivial sense here. What's interesting is precisely not that which is foreseeable, predictable, calculable, but rather much more what can come about, what can manifest itself, in fact everything that becomes elusive when I pose the question of straightforward usefulness.

Jörg Reckhenrich:

If we look at it that way, it transcends the question of what can come about from the encounter between art and economy, the question of the straightforward usefulness of this encounter. It opens up a space.

Stefan Jepsen

...The creation of value can emerge in this space.

The Creation of Value

Harald Preissler

When I think about it, I have to ask myself if that picture we just drafted of the overlapping circles is really appropriate or if we need to change our perception of the relationship between art and economy. Maybe the two systems can't be so easily separated from each other. It's possible that elements of economics are to be found

in art and at the same time elements of art in economics. But what does that mean for the creation of value that you touched on, Stefan?

Fig. 2 The new relationship between art and economy. The borders merge inside.

Stefan Jepsen

Your question touches on an exciting debate we've been having in the company; can the orientation on "shareholder value" really be the driving moment in the business process? What happens when we put maximizing profit at the core of our corporate dealings in the place of a promising business idea? Aren't we then losing sight of something essential? Namely that which holds a corporation together at the core?

Harald Preissler

Should that be taken to mean that profit is of secondary importance for corporations?

Stefan Jepsen

No, but profit is something that results at the end of a good performance. It has to be experienced by customers as such, recognized and paid for, and not the other way around. Naturally such a performance has to pay off. In any event, that's nothing new – maybe not for every manager – but for a good salesman. The real art that allows a salesman to survive in the market is his ability to turn a new business idea into a sustainable, profitable business. It is not profit as such which truly drives the market and creates value, but rather the ability to innovate and promote economic efficiency.

Harald Preissler

Does that hold for the creation of value in art as well?

The Creation of Value in Art

Jörg Reckhenrich

In art, in my opinion, the creation of value is synonymous with the creation of meaning. It deals with the processing of an idea that manifests itself in the end as a work of art.

Stefan Jepsen

It sounds now as if you as an artist only have the inner aspect in mind – the idea. In that conception the work of art as a product that also has to be sold gets swept completely under the carpet.

Jörg Reckhenrich

Yes and no. As an artist I initially concentrate on the conclusiveness of the idea that I want to transform into a piece. But then I also ask myself how relevant what I have created is. Here I am interested in whether my artwork opens up a chance for reflection and thereby gains in relevance beyond itself. I would call this a value-creating process. Together the process delineates two facets of the artistic procedure which definitely resemble what you described as the arts of the salesman, Stefan, with the ability to innovate and promote economic efficiency.

Stefan Jepsen

Perhaps. But in my opinion artists like Andy Warhol really go beyond the understanding of art you represented. I hold that he comes much closer to my description of the arts of the salesman than your conception of art allows. His artworks are like new products that he produces with industrial production methods with his team in a factory.

Jörg Reckhenrich

Ok, but that describes an extreme. In contrast Beuys clearly stresses the process-like nature of artistic creation. With Beuys the social space where he creates his artworks as social plastics takes the place of Warhol's factory. He even uses perishable materials that expire after a certain period.

Stefan Jepsen

If we continue this comparison between Beuys and Warhol, then, for the latter, it is the case that his artistic creation corresponds less with classical art and is much

more influenced by production and reproduction. This is particularly valid when one thinks about the serial works that his factory produced.

Jörg Reckhenrich

A complete contrast with Beuys. His artworks emerge in the social sphere and in dialogue with the recipients. Here the artist as a person plays a fundamental role. The installation "Richtkräfte" (Deflecting forces) from 1972 is a good example of such a space for dialogue since here we're dealing with a seminar in which artist and observer engage in ideas for a rearranging of society. Beuys draws the different ideas on boards which he then throws on the floor. In this way the pictures make up an allegorical basis from which the observer can build his own cognitive process.

Fig. 3 Joseph Beuys, Installation of "Richtkräfte für eine neue Gesellschaft",
(Deflecting forces for a new society) 1972

Harald Preissler

Beuys even made a life principle of this in which he preached, "Werklauf gleich Lebenslauf" (Work's course = Life's course: résumé). He refers to his artworks as companions which the observer can use in order to come into contact with his own world of ideas.

Stefan Jepsen

Compared to Beuys Warhol almost seems like a corporation to me. He turns goods into icons by giving them his name. This is nothing other than a marketing process; the artwork becomes a brand name article. Seen in this light, Warhol, with his artworks, is reflecting a process which is in itself trivial, but it is this process which can start a cognitive process within the observer.

Harald Preissler

Yes, and one insight here could be that each and every thing can become a work of art when it has the right name or the right image.

Jörg Reckhenrich

In contrast, Beuys stages himself as an icon and stands directly in the foreground. His person becomes a supporting factor of his actions. He takes over the role of the prophet and intermediary who opens up access to alternative weltanschauungen for the observer.

Harald Preissler

All of that sounds fascinating, but it's also complicated. I think that, together with all of their differences in method, both of them are artists who, each in their own way, cultivate cognitive processes. Thus the creation of value in art comes about as a gain in insight. Let's try to outline this in a comparison.

The Creation of Value in Art	
Andy Warhol	Joseph Beuys
<ul style="list-style-type: none"> - Product: the artwork becomes a brand name - The studio becomes the "factory" - Reproduction becomes the principle - The right name turns everything into art 	<ul style="list-style-type: none"> - Process: the artwork emerges through dialogue - The world we live in is the studio - Uniqueness becomes the principle - Every man is an artist
<ul style="list-style-type: none"> - The artist as manufacturer of "brand name articles" 	<ul style="list-style-type: none"> - The artist as a communicator of weltanschauungen

Table 2: Examples of the creation of value in art

The Creation of Value in the Economy

Jörg Reckhenrich

So what does the creation of value in the economy look like? Is there anything analogous to Beuys and Warhol?

Stefan Jepsen

I find the computer manufacturer Dell and the entertainment enterprise Disney to be two good examples in this regard. Dell has succeeded in lending the mass-produced computer the character of newness by placing the principle of personalization radically in the center of interaction with the customer. In contrast to this, Disney's product appears as a staged experience ...

Harald Preissler

...yet all the same, Disney's fantasy worlds are necessarily subjected to standardization. Effectivity and efficiency play a central role here. But at its heart, we have in fact not a mass-produced product, but a consciously created experience that each customer can have individually.

Stefan Jepsen

Disney constructs an artificial alternate reality, a refuge of the beautiful and good, into which the customer can withdraw. The unattractive real world is brushed aside in the most literal sense of the word...it's not suited to "Disneyfication".

Harald Preissler

With Dell it gets much more profanatory. Dell makes it possible for its customers to track the progress of the production of their computer on the internet. So the factory becomes as it were a virtual display window.

Stefan Jepsen

..."Customization" based on highly standardized processes. From my point of view that's the Dell principle. In contrast, with Disney we have the principle of "Imagination". Here what counts is directing the customer's imagination down certain paths, along which the Disney corporation has defined its value-creating chain. The fantasy worlds that are constructed here live from the fact that the customer allows himself to be captivated and forgets along the way that his adventures are the result of a production that has been thoroughly streamlined to the highest degree. This isn't visible to the customer, however. Instead it takes place invisibly, e.g. beneath the surface of a theme park.

Jörg Reckhenrich

Still, should the customer be interested in Disney's production methods, he is allowed – but required to pay for the privilege – to peer into this world. At this juncture the production itself nevertheless becomes in a certain sense a component of the fantasy world produced by Disney so that even this sticks in the customer's memory as a fascinating experience.

Harald Preissler

Thus Disney consistently follows the motto "Your happiness can be experienced today". The customer is promised that, maybe not the genuine person as according to Beuys, but certainly the happy person in the here and now can be created with "Imagination" in their theme parks. In contrast he who orders a computer from Dell only to greet it the next day at the front door is following a different motto. This one might be: "Your computer can be built today".

Jörg Reckhenrich

When I reflect on what has been said up to now, one could describe Dell as a "Configurator" that distributes its goods over networks "just in time". Its core competencies consist of a slim production and an optimized distribution system.

Stefan Jepsen

The Disney enterprise's founder Walt Disney strikes me less like a business man and more like a missionary who brings the word of his ideas of the good life to his customers by getting them excited about these ideas. In this role Walt Disney himself becomes a "founder-figure" who arouses fascination and consequently himself becomes a component of the legend which Disney Incorporated markets worldwide and with which it earns formidable profits.

The Creation of Value in the Economy	
Dell	Disney
<ul style="list-style-type: none"> - Product as configured mass product - Factory as display window - Customization as guiding principle - Your computer can be built today 	<ul style="list-style-type: none"> - Product as staged experience - Fantasy world as living space - Imagination as guiding principle - Your happiness can be experienced today
<ul style="list-style-type: none"> - The corporation as configurator of just-in-time products. 	<ul style="list-style-type: none"> - The corporation as distributor of standardized happiness

Table 2: Dell and Disney: Examples of the economic creation of value

Harald Preissler

As modern business concerns both Dell and Disney have the same goal in the end despite their differing modi operandi, namely the realization of profits in the sense of making money.

Stefan Jepsen

When I think about the examples of the creation of value in art and business it becomes clear that the creation of value is not an end in itself but is rather always targeted toward a gain. But that gain manifests itself in different forms: in insight, income, development and growth.

Jörg Reckhenrich

Exactly. In art the primary gain objectives are in insight and development. Income and growth are secondary objectives. It's the other way round for business where income and growth are the primary gain objectives and insight and development come in as secondary objectives.

Harald Preissler

Nevertheless what strikes me is their reciprocal interdependence: without income and growth there is no survival in art, and without understanding/cognition and development there is no advancement in business.

Above all what seems important to me is this: if we switch the hierarchy of profit objectives, i.e. if an aestheticizing of business or respectively a economicizing of art is pushed too far, either is doomed to failure because their identities unravel.

Summary

1. The relationship between art and economy

Maintaining the respective identities and differences between art and economy is the key to a profitable encounter between them. Dialogue comes about on the basis of mutual appreciation. This can propel both the economy and art beyond their respective horizons. Seen in this way art can enrich the economy and vice versa. In the end this is the secret to their inevitably tense relationship.

2. The Creation of Value in Art

Aims at a gain in insight. But when artists become so successful with industrial production methods that they create demand there is the possibility that the artistic process has met a free market economic process. In place of a gain in insight stands a gain in profits and the question is posed of how the artist who is successful during his lifetime is to remain an artist.

3. The Creation of Value in the Economy

Aims at a gain in profits. But when corporations become so successful with artistic methods that they really add value to society as a whole, it's possible that the corporate process has met the production of weltanschauungen. In place of financial profits we find the creation of meaning and the question is posed of what will follow Niketown and Volkswagenstadt.

4. Creativity as capital

There are no financial gains without a previous gain in insight. A corporation's capital is its people with their creative potential. Whether or not this is utilized and turned into commercial output depends on many determining factors. In dealing with the factor of "Human Capital", will corporations succeed in creating enough space for the artist in their employees? If they don't succeed, sooner or later they will suffer from an economic shipwreck.

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NB Or, alternative style with English editions (both are fine, just a matter of taste)

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Harald Preissler, born in 1957 in Munich, has lived in Berlin since 1993. He is head of the Media, Organization, and Markets sector in the research areas of Society and Engineering, Berlin, Palo Alto of the Daimler Chrysler Services Corporation. Previously various functions in the sectors of military aircraft development, public relations/marketing and Personnel. He studied physics in Munich.

Jörg Reckhenrich, born in ... in Münster, he works as an independent artist as well as a consultant for corporations, institutions and museums. The central aspect of his work lies in the application of gestalt principles to business contexts. Among other things Reckhenrich has devised management seminars for DaimlerChrysler Services Deutsche Bhan and Bombardier. He studied sculpture and pedagogy in the Art Academy of Münster and the University of the Arts in Berlin.

