



lucelux

The Creative Industries Innovation Centre (CIIC) commissioned Ewan McEoin from the Australian Design Unit to write this piece for Creativeinnovation.net.au, to showcase the value of designers and manufacturers working together in Australia.

Rohan Nicol is a Wagga Wagga based designer with a craft background and a new design enterprise, Lucelux, which launched in 2009.

What's the name of your business?

Lucelux.

How long you have been practicing as a designer for?

That's an interesting question really because I supposed I have only thought of myself as a designer in the last couple of years. Prior to that I have always referred to myself as a craftsman.

What kind of craft did you initially make and what kind of design do you now make?

In 1996 graduated as a gold and silversmith and I made works that were in the tradition of gold and silversmithing – jewellery and vessels, using a wide variety of non-precious materials. In the last couple of years I have been concentrating on designing commercial lighting for restaurants, bars and hotels.

Can you describe Lucelux for us?

Lucelux is a business that I have set up to utilise manufacturing capacities in regional Australia and specifically the city of Wagga Wagga where I live. I have found that a great opportunity exists in regional Australia and in my case I identified a local manufacturer, Precision Signs, who had expertise that was being under utilised. It wasn't

that they were lying idle, it was more that they had expertise that I could see had potential to develop. I was able to marry my skills, with their capacity as a manufacturer, to develop a high-end product. Their main business is illuminated signage for gaming lounges in casinos which in itself is a high-end product and highly technical. However, it is a very different market segment of lighting to what I am now targeting in collaboration with them.

Would you describe Lucelux as a new Australian lighting brand?

Yes. I am working as a design entrepreneur, I am the owner and operator of Lucelux and at this point I am its sole designer. But in the future I am looking to bring in other designers as I know that the more diversity you get in a product range, the more likely the business will have a solid financial footing.

Is the business a joint venture between yourself and Precision Signs, how deep is the collaboration?

In the initial phase I am operating independently. I am my own business and essentially they supply product to me that is produced to my specifications. However, in order to get my business off the ground I was lucky enough to develop an arrangement with them where they invested in the development of the initial products and that has enabled me to develop the first two products, Stretch Light and Peppered Sunlight, and including packaging for them as well.

The investment that they have put in is purely on a goodwill basis, and in the future when I start to generate sales they will recoup their investment.

Can you tell us what your motivation was for starting this business?

Initially I was heavily focused on being a craftsperson, and as a craftsperson I have never really looked at my practice as having any real commercial interest at all. I have purely focused on developing works for exhibition and those works I have often exhibited and never had them for sale. I keep them in my own collection with a view to building that collection over time. I suppose Lucelux is a shift in my craft practice to use the design skills I have to develop a product range and a design brand. About two years ago I started thinking how I might achieve that, and it has been an interesting process that has basically seen me looking for avenues to commercialise my craft practice.

So you founded Lucelux as the container for that commercial practice, as the brand or umbrella under which you can run this project?

Exactly. I suppose early on when I was doing the Springboard entrepreneurship program it encouraged me to think. I began looking at a design practice that was going to be commercial as something that is its own entity and could be sold on at a later point. Early on in the program we were talking about exit strategies that enable you have an entity in itself that is a commercial enterprise that you can cut and run from if your priorities change with time.

How long has it taken to get the Lucelux plan rolling?

It has really been about eighteen months and that really started to roll once I secured the collaborative support of Precision Signs in Wagga Wagga. That meant I could get two products made and the initial investment I required, I couldn't have afforded it on my own terms.

Did you design the product in response to their process? Or did you design the product and then have to find someone nationally who could make that product?

The first of the two products I designed independently, without knowing the actual process that was available, I then worked with the manufacturer to make my ideas fit with their technology, it was a real collaboration. It was just luck that I found a manufacturer in Wagga Wagga. Precision Signs was only three kilometers from my home office where I designed the product. While I did find Sydney and Melbourne manufacturers that were capable of manufacturing the pieces, none of them were willing to support me in the manner that Precision Signs was. That was key, I needed someone to invest in it because like most designers I couldn't afford the tooling costs.

How much business experience did you have before setting up Lucelux?

Realistically none, and I was really conscious of that. The main step I took to overcome my lack of skills in that area was to participate in the Springboard entrepreneurship program. It provided me with a lot of material to think about and really allowed me to consolidate what I was trying to achieve with commercialising my creative practice. After that I also set about doing another program through the Business Enterprise Centre in Wagga Wagga called the Commercialising Emerging Technologies program. That helped me consolidate my ideas as well, particularly my whole business model and the relationships that I had with my manufacturers. It also

Case study



Cover image and this page:
The first prototype of Rohan Nicol's Peppered Sunlight for Lucelux was captured during the stages of its manufacture at the Precision Signs factory in Wagga Wagga in August 2009.

made me consolidate my marketing plans and relationships with retailers.

You mentioned retailers as well, how did you decide who you were going to target in the market? Did you do market research or assess the marketplace prior to designing the products? How did this work?

Through the business training in both Springboard and the Business Enterprise Centre programs I was encouraged to get in contact with retailers and to undertake market analysis. I found that retailers obviously are on the frontline and have an attuned knowledge of what the market is, how it exists, what opportunities exist, and how that might suit the kind of products that I was in the process of developing. So I began to target certain areas that responded to what the retailers shared with me. In my case, they were saying that there was a need for Australian designed and made product that was well supported with effective branding, packaging, and made in Australia as an equivalent offering to overseas brands.

Were retailers telling you the categories of product that were needed?

Yes. There weren't many big lighting pieces in the market at a particular price point. I was provided with information on those price points, where the products might be well placed or positioned. I then assembled that information and the design was calibrated to the manufacturing potentials of my manufacturer. As the designer I sat in the middle and was the

conduit between the retailers brief and the potentials of the manufacturer, and somehow kind of distilled the product out of the knowledge and constraints and information inputs of both of those sources.

Do you see that being a model that is particularly suited to this kind of business in Australia, outside of your own personal experience?

Yes, I think it is the way we need to work in Australia as designers. We need to be highly flexible and attuned to the opportunities that are around us in the retail environment, designing products that are responsive to the opportunities out there and the only way to do that is to access information as broadly and as effectively as you can. Also make a genuine effort to scope for manufacturing opportunities in Australia, of which there are many across all sorts of industries. There are many firms out there that are small, responsive, adaptable and willing and looking for opportunities to diversify their own product bases and product lines. I think in many cases it is a myth that Australia doesn't have any manufacturing, I think there is a great amount of manufacturing in Australia, I think designers just need to be entrepreneurial and I suppose open-minded and also resourceful with the kind of manufacturing technologies and potentials that are out there.

You touched on this but can we recap, how did you finance the start-up of the business and what were the foundations that you laid?

I brought to the whole exercise very little of my own capital,

really all I had to offer was my expertise as a designer, as you say I needed some sort of source of funding or capital. And for me, really the only way I was going to get a product made was to get the support of the manufacturer because they obviously had the materials at hand, the staff and other resources essential to getting a product off the ground.

When you are talking about developing a design product, quite often you are talking about not just the materials and the use of staff and labour but you are also talking about the development of expensive tooling which in itself often would require sophisticated technologies and expertise, they are often very time consuming to put together. So in my case, getting a product off the ground, I did it by simply approaching the manufacturer and securing their confidence in the product I had and asking them to be partner with me in development of it.

In doing that, I found it was really important to indicate to the manufacturer that you had a market for the product as well, that you had thought through those types of scenarios, the discussions that I had with Precision Signs highlighted the commercial potential.

So talking about the business proposition rather than ‘will you help me prototype this idea that I have had?’

Exactly. That in part was about having a really tight story in order to hook the manufacturer into the frame and see their position within the team and seeing their role in it in terms of getting a design enterprise up and running, and for them to support it.

And also illustrating that there is a commercial return available?

Absolutely. When it comes into it, large manufacturers have bigger overheads and they need to pay the bills and keep product rolling out of the factory – so of course that is essential.

There is a traditional view in Australia that there are two key channels of production for a designer – one is that you make it yourself and you manage that process of production, and the other is you do a deal with a manufacturer and they have the path to market. What you have described is quite a different paradigm, I don’t see a lot of evidence of the royalty model operating effectively for designers in Australia. There has to be another approach if you are working as a designer here and I think the way forward for us is to play a role in orchestrating the process. That is the model that I have developed with Lucelux. The manufacturer has made an initial investment to support me as the designer to get the product off the ground. As that product begins to gain market presence, I will develop a suite of five products that I will have in production by the middle of this year and that will provide

Precision Signs with ongoing income.

Then perhaps the best scenario is for manufacturing companies with capital and capability to look at other similar opportunities with designers – so we gradually have new channels between the designer, the manufacturer and the market.

It really is about the designer playing a leadership role if they want to operate in the design industry in Australia. Designers need to be orchestrating the process, and to use the term – they need to be a design entrepreneur – you need to design content, yes but you also need to be entrepreneurial about the means through which you get it to market. That’s about relationships with manufacturers, relationships with your retailer and distribution and how you are going to achieve that. Each model will be different to the next but essentially, if the industry is to grow it needs to be led by designers first and foremost. To do this we need support from other stakeholders in the industry and that goes right through from government support to design industry advocacy bodies, funding and cultural institutions.

Do you think there may need to be some adjustment at a university level for designers to be better prepared for the reality of what they will need to do to work with industry?

I think so, but it’s difficult to kind of nail down one factor or approach and how it needs to change from one position to another. However, a lot of the programs out there have moved so far towards the digital sort of approaches to manufacture that very few of the students or graduates actually have any manual techniques and it is the manual techniques that provide you with the on-the-floor experience. So unless you have been on the tools or handled a product, handled materials and know how they respond to a tool under the process of manufacture you really aren’t well placed to make an innovative product. So if they were to overcome that, that could mean more industry placement and industry involvement with tertiary education through internships or just closer collaborations between industry and tertiary education.

If you were to highlight two or three key steps that a designer should take as the foundation steps to ensure their design ends up being produced, what would you say those steps need to be?

Develop connections with manufacturers that are Australian-based ideally, and design products that are calibrated to their particular potentials. Ensure that those products are based upon market research, that you have negotiated how you are going to finance the operation and whether you do that through support of the manufacturer or by securing capital

through loans or grants, or by winning awards. These are all valid channels for funding the operation and funding is an essential ingredient because otherwise you won't get things off the ground.

Can you tell us what have been some of the major highs and lows in terms of developing Lucelux as a major design brand in Australia?

In terms of the highs, it is getting a product off the ground that is manufactured and production ready and going out to market and selling, and essentially achieving that without any risk to myself. In a sense I think the design of the enterprise has been as important as the design of the product. So that's been one of the highlights.

However, there are also the hurdles and I think the biggest one so far has been to establish retail distribution. It is probably the one area in the Australian industry that is probably not on message with where everybody else is moving, some of the retailers are a bit slow in identifying the potential of an Australian made product.

In terms of the development of your business, what are the next steps?

I have secured Australia Council funding for the next three products and I have also just finished some studying, so I am now in a position where I can just concentrate on the marketing plan for the business and getting the product to market. Because of the investment of the manufacturer it is time that I fund that relationship and their ongoing support.

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.

Interview by Ewan McEoin

ABOUT CIIC

The CIIC supports the business of creative enterprise. It is an Australian Government initiative, part of the Enterprise Connect program and is supported by the University of Technology, Sydney.

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