

# A Letter to Our Shareholders

Michelle Kasprzak

## A Test of Character

In fiscal 2001, our outlays for research and development reached a new high, reflecting the importance we attach to innovation.

—Siemen’s Annual Report, 2001 <[http://w4.siemens.de/annualreport\\_2001/](http://w4.siemens.de/annualreport_2001/)>

In boardrooms across North America, support for research and development wavers up and down, closely linked with the graphical zigzag representing profit. When profits are up, there is support for experimentation and research that is inspired by an artistic sense of play and desire for mastery over one’s speciality. It is this experimentation that is actually essential to the continued innovation and survival of these corporations. When profits are down, the tragic result is that Research & Development departments are closed or crippled, resulting in setbacks that not only reduce the company’s profile, but eliminate innovation that has direct results on the bottom line of the future.

Manufacturing industries are busy as ever, though the locations of production continue to migrate out of Canada and the USA. Once we made the widgets, then we sold the widgets. Now we sell the idea of the widgets to each other. A quick glance at the lexicon reminds us of the invisibility of all that we do in the information economy: “vapourware,” “immaterial labour,” “e-commerce,” “virtual business.”

Though the move to the information economy has been relatively recent, smart corporations have long made the creation and protection of their intellectual capital an integral part of their structure. The dot-bomb phenomenon, when drastically simplified, can be viewed as the fallout from a lack of long-term plans to encourage innovation and a focus on short-term payoff. Why commit to innovation when it is easier to simply be the first to produce the knock-off? If it wasn’t clear before, it is now apparent that being in the right place at the right time is not enough to sustain growth.

Though innovation often meets a grim reception, true empire-builders, in business and in art, understand that innovating is the only way to survive. In an ideal situation, innovation involves not only active and swift response to change, but also being a catalyst for change. Innovation is a process often forced upon artists, who may not have access to the tools, space, and time that they need to complete their work. Innovation in business, on the other hand, is something that can be easily eliminated under shareholder pressure in a bear market.

Not having shareholders to answer to permits artists to fully respond to and investigate a form. But what of capitalism itself as a form? There are many examples of artists who make a living by forming a small business, and produce their art “on the side,” but the corporate structure itself begs exploration as an artistic endeavour, a performance, and a theoretical construct. C5, a research corporation that is operated by a group of artists, is one such investigation.

### Industry in Transition

Our main focus is on organizational and strategic issues and, above all, on innovations in products, systems and business processes.

· · <[http://w4.siemens.de/annualreport\\_2001](http://w4.siemens.de/annualreport_2001)>

C5's main face to the outside is its website, at <http://www.c5corp.com>. It seems to appear much like any other corporation, with a prospectus, an invitation to submit your résumé (send it to [c5@c5corp.com](mailto:c5@c5corp.com)), and a list of research areas and projects. Its current webpage also features a section on C5's participation in the Eco-Challenge, which on any other corporation's website would be interpreted simply as a team-building exercise for staff.

But a deeper look into the prospectus on the website, authored by Joel Slayton, indicates that C5 isn't producing widgets, and is in fact a highly experimental corporation. Perhaps as a response to the general failure of Corporate America to consistently support innovation and research, C5 states outright that it is not “just another Silicon Valley research and development think tank” <<http://www.c5corp.com>>. This ensemble of artists is using the structure of a corporation as a method to formalize their collaboration, provide a framework for research, and explore the form of the corporation, mostly without irony.

C5's tagline is “Theory as product.” Corporate slogans, which in their ubiquity become so much textual wallpaper, are gloriously vague statements that allow maximum flexibility and are often aimed at some human insecurity. Without prior knowledge of the company's ad campaign it would be impossible to match accurately a corporation's product or service to their slogan. A car manufacturer envisions its impact being “The Power of Dreams,” a fast food chain wants you to “Have it Your Way,” and a credit card company imagines that it can “Make Life Rewarding.”

“Theory as product” is a more direct statement than most slogans, making clear C5's specialty: theory and research. At first glance, this tagline might seem to be a red herring, since a capitalist would contend that, in most instances, theory itself is unmarketable, an unsuitable product for the marketplace. In actuality, “Theory as product” is a challenge to the divorce of product and innovation. C5's tagline brings us full circle in the discussion surrounding the value of innovation to artists and capitalists.

An appropriate analogy might be the notion of the Holy Trinity. Father, Son, and the Holy Spirit are one being, and yet three. Each entity coexists as part of one whole. Similarly, the product and the theory behind it are separate, yet they embody each other. The product is the theory made material, and the theory suggests the production of the product.

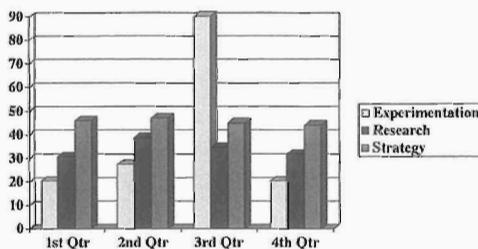
An example is the C5 project entitled 1:1. The 1:1 project involves the creation, maintenance, and visualization of the IP addresses to all hosts on the World Wide Web. The project uses this database to create interfaces for navigating the Web and to generate a new topography of the Web <<http://www.c5corp.com/projects/1to1/index.shtml>>. A user is confronted with the Internet presented in an unconventional graphical format. Coloured dots represent IP addresses, and when clicked, an attempt is made to contact the server at that IP address.

1:1 is not a usable navigation system for most Internet users. Instead, it investigates the embodiment of live data and the problems inherent in information visualization. 1:1 is an art product that has been presented in the context of an art exhibit; for example, it was recently included in the 2001 Whitney Biennial. However, it is perhaps most profoundly a framework for the investigation of live data that is continually in flux. In this way, 1:1 fully embodies “Theory as Product.”

## Healthy Outlook

We are on the right track for ensuring our success as the Global network of innovation.

— <[http://w4.siemens.de/annualreport\\_2001/](http://w4.siemens.de/annualreport_2001/)>



An artist’s project such as C5 is a live art experiment, innovative in its complete exploration of a corporation as a form. It involves all aspects of corporate existence. Ordering paper for the photocopier and

making coffee are as profoundly important to the success of this exploration as war room meetings and conference calls.

Innovation in the information age demands leading invisible change. Does a visitor to the C5 Corporation notice anything different about C5? The photocopiers hum, the telephones ring, the water cooler gurgles. To one observer, it seems like a normal company having a boardroom meeting. To another, it seems like a normal group of creative people hammering out an idea. The innovation is in the holistic approach to the realities of thinking and creating, of producing art and doing business.