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# Bilbao is everywhere

Facts and Concepts effectively leading to the turn around of the Spanish Basque Region from deep crisis.

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The current crisis is not new. The more surprising is the suppression and distortion of knowledge regarding remedies successfully proven. For example, as far as misleading presentations regarding the now so called "Bilbao Effect" go.

In 1984 a number of intelligent politicians, deeply rooted and focussed upon the wellbeing of their beleaguered country, were aware enough to conceive an approach for overcoming the deep economical crisis of its economy by concerting various measures, such as financial subsidies, technological help plus industrial design assuring acceptance of the products. In an effort to understand and support the efforts, the undersigned approached the administration and spontaneously presented hints, how to secure success of such valuable efforts and what to avoid, as far as foreign examples discussed: The Basque Economy needed truly sound support rather than following examples of only for the outsider apparently brilliant promotional institutions. And this is, what not only, but surely European countries need, namely after the financial "Crash" foreseeable and therefore in a speech precisely predicted by the undersigned for "the weeks around the US presidential elections" of 2008. The mechanisms hastily adopted have since proven their predictably destructive nature. Now: What is it, what the undersigned had proposed in 1984 and has implemented in 1985-86, and followed through upon by an associate for three more years?

## **1. Focus on Entrepreneur-Managed Companies**

Although increasingly misled by a "business-administration brain-wash", Founders and Family-Entrepreneurs know, why they are entrepreneurs: In order to serve a specific clientele, which they understand well, better than others. By being not cheaper, but different: With offers fitting preferences better, and, thus, with a higher value added and margin. This allows them to pay better, have better, more motivated and well-instructed personnel taking better care of customers' preferences. And it allows them to invest more in R&D for better functionality, productivity and market development, reaching out further across borders.

## **2. Different is better!**

"Don't do anything like others, but everything in your own specific way!" was the constantly reiterated advice to companies and their key personnel. Now, to put this into practice, the questions "How?" and "How, precisely?" are the key to understanding qualitative diversity of different target groups, in order to aim offers and communications precisely to different preferences. Here individual values and attitudes related to the specific offers decide over acceptance and preferences leading to decisive choices of client groups and self-identification with products and brands. Methods from the Value Group toolbox of techniques, through training of the institution's personnel have been shared with companies in the region.

## **3. Cost Minimum: By-Product of Multidiscipline Processes and Methodology**

By turning the Value Group Methodology based on Value Analysis and Value Engineering enhanced by adding qualitative criteria and matching Design into a routine for all projects sponsored and mentored by the promotional Institution, Alternatives presented for choice and decision by the Management routinely include solution representing the minima for costs, investments, time-to-market. By choosing from these, the solution best fitting the specific situation and potentials of a firm is to be realised and implemented.

## **4. Support and Training of Service Providers**

In order to assure full coherence of messages and at the same time in order to bring external service providers, such as consultants, engineers, designers etc. up to date, registers or "chapters" of professional service-firms serve the purpose of uniting them, offer them training in compatible methodology but also for the improvement of their own practice. Thus, instruction regarding management-know-how for their specific type of firm is complementing the creation of such pools of external specialists to choose from when assembling teams for projects aimed at turning around and improving the success of any specific firm.

## 5. Mentoring of Companies, Projects and Service Providers

As each and every first and second project with a company mentored by the promotional institution need to be a widely visible success story to be seen and followed by others, each project, from its specification via the assembly of a team through method-training and the full development and implementation process is to be closely monitored, assisting in the coordination of the process. The results provide for material to be presented to the public, but also to cases to be studied by young scientists thus learning about the different "new" approaches and confronting these with prevailing teaching, leading to new publications.

## 6. Starting each Relation with a Tour of the Company

The prejudice is widely spread, that public promotional organisations should limit their input to offering financial means, but not provide advice regarding the business. Consequently, companies do politely receive envoys, but trust in the potentials of the general advice and support offered is generally limited. By starting each new dialogue with a short tour of the premises, and training the visiting personnel accordingly, weaknesses can be seen, detected and mentioned and specific external help can be proposed. Such demonstration of competence clears the ground and provides the foundations of trust required for the entry into the details of strengths, weaknesses, potentials and threats of any specific company, in order to lead to the specification of potential projects and into the selection of steps and their sequences to be included in the first projects, in order to quickly lead to a positive upturn and improvement.

## 7. Concerting all Measures as a Combined Programme offered as a Whole

In order to assure optimum results for the limited resources available, no subsidies are provided unless also all other services are requested and implemented: Financial support plus technologies plus New Marketing providing for the qualitative completion of the specification and the Design non-verbally translating the specific reason to exit of company, brand and product into tangible reality: Properties and perception of the offer proven in the practice of customer- and user-experience.

## 8. Creating Signs of the Change under Way

In order to let the public early on take part in the spiriting changes realised, signs of change have to be established through communications and visible results, such as the physical development of a region. For this purpose, public efforts, namely infrastructures, such as buildings, bridges and transportation structures have to follow the same criteria of unique and lasting qualitative distinction as promoted and implemented in private industry.

### Conclusion:

It is this latter aspect, the "whipped cream topping" of the process, when it is successfully under way, which has been misunderstood as the means for the lasting turnaround of ailing regions. The predictable fact, that "it does not work like this", has led to deception and the wrong conclusion, that the "Bilbao Effect" does not work. It does. But one has to understand how, and adapt it accordingly.

### Literature:

The "surprising" results, and the question, why, what in parts contradicts prevailing paradigms, has worked so well, has led to the publication "Sustainable Management in times of potential Economic Downturns. That publication extensively analyses economic theory and adds conclusions so far unseen, while also criticising scientific theory overly focusing on quantitative aspects alone, while disregarding qualitative information. This being identified as the "key" promoting crisis rather than prosperity. That publication by the author is completed by a long list of recommended

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