

Studio Berlin

Swinemuender Strasse 121
10435 Berlin, Germany
Phone +49 30 2848 9725

moonshots@pch-innovations.com
www.pch-innovations.com

Studio Los Angeles

6475 E Pacific Coast Hwy #747
Long Beach, CA 90803, USA
Phone +1 310 634 0900

moonshots@pch-innovations.com
www.pch-innovations.com



CREW-LETTER ON THE PURPOSE OF OUR FUTURE MISSION

February 22nd 2019

Dear Team,

Today we are sharing our initial thoughts on our ITU / APOLLO / ARCHETYPE activities toward the careful re-positioning of PCH beyond 2020:

We really feel blessed & happy that we, back in May 2017, jointly took the opportunity to more deeply analyze the unrest roiling and boiling in the world around us. With **Into the Unknown**, we started to slowly decipher, communicate, educate, advocate and even innovate our attitude and response toward global developments and their impact on innovation. Banding together with few resources, we started to figure out how to navigate the unprecedented economic, social, ecological, cultural and systemic challenges of our times.

We had this feeling building up in our bellies over the last one to two years that we also need to look differently beyond 2025, as well as reflect on and evolve from most of what we've learned & accumulated along the way. This means taking the courage to investigate existing, unknown and probabilistic fields for insight, inspiration and innovation. Some sources include system theories, economics, physiology, philosophy, ancient wisdom, noetics (the branch of metaphysical philosophy studying the mind and intellect), the science of consciousness, epigenetics, alchemic principles, regenerative economic logics (to replace some of the poisoned principles of capitalism) and also to explore what's behind premonitions of global awakening into the next wave of innovation.

This attention & intention also has the effect of resetting our hearts & brains, rebooting our own internal systems based on a whole integrated set of lessons, experiences & insights that culminated in the birth of **Project Apollo** last October 2018.

In the meantime, almost every day, we receive news that reflects and fully confirms our intuitions, bold but still business-driven visions and messages we've developed along the lines of XY (2015/16, PSE) and its subsequent works with BMW, Siemens, the new click-dummy 'Atlas' and the re-vamped **City Archetype Framework**.

Crew, it is all coming together, the connection between how we feel and what we create is starting to make clearer sense. With this letter, let us lay out our **first thoughts** how this might impact the discussions & works around our future positioning, and the ever-evolving character & nature of our company, projects, clients, skills and finally our future endeavors & purpose – true to the motto: 'Define or be defined'.

After one and a half years of low-resource yet solid, dedicated work, we believe that our Archetype, ITU and (to a certain extent) Apollo activities will very soon merge, integrate and propel us to carefully adjust our company's position. What we mean by this repositioning is that we can feel the rumblings of how we will begin to shift our innovation attitudes, tools & methods, and gradually, with time and momentum, change the character of our business, our projects, our client base, our processes & tools, and ultimately the impact we make on the whole.

We also believe that our ongoing work will and must lead us to a point where we will **approach new clients, as well as reset our methods of how we approach our old & new clients**: Moving beyond today's debt-based, shareholder-profit-driven linear economy (and past the last breaths of increasingly irrelevant and dying institutions & attitudes), to what are currently considered alternative institutions aware of and accountable for socio-economic impact through planned-economy principles, along with existing non-trading organizations including NGOs, foundations & charities, social firms, city administrations, government players (EU, UN) and community councils.

We are also convinced that our ITU / Apollo / Archetypes work will get us to a point (2020+) where we **rethink our typical project approach, steps, logics, tools and methods** – advancing from our current tech & trend research/forensics and ideation, market & sales sweet spot resonance, strategy re-alignment and tech prototyping, eco-system design logic – and gravitating more toward local & regional (micro) level relevance along with macro-level policies & system research, impact strategy & sweet spot activity within particular neighborhoods, public sectors, or enterprises in order to make interconnected positive effects. This shift to improve life for more people will require that we prototype scenarios and eco-systems that reroute income streams, reclaim the commons, and localize & democratize ownership; that we become less prospective, and attain more perspective.

This expansion of activity will also force us to expand our skills from eco-system design, AI, robotics, VR / MR / AR, etc. to even more **divergent skills & competencies**. We'll have to build up & acquire articulated skills in various fields, such as system designers, solidarity designers, circular & steady-state economists, open-source / stack specialists, public service & policy experts, participatory & inclusiveness facilitators, socially sourced creative commons experts, fair-trade and ethics certifiers, philosophers, anthropologists, ethnographers and positions for situations we cannot yet predict. Ultimately, our goal is to create more direct impact on a human level and transcend our collective level.

With all that will change, we still believe that certain base skill layers (our core strengths today) such as design, engineering, coding, or the ability to be a team player and collaborate with compassion, instinct and grit, will all still be as important as ever.

All the above implies that PCH by 2020+ will also have to collaborate with a **different set of partners, following realigned participation logics**. This means we'll find ourselves distancing a bit from the Apples, Googles, MITs & exponential tech players of this world, and extending our network & collaborative logics toward small & micro businesses, NGOs, foundations, social firms, city administrations, government players, community councils, system designers, socio-economic experts, philosophers, spiritual leaders and other communal actors & multipliers.

If we as a company make this transition, we can build up the strengths, skills, processes, methods and power to convince all of our clients together to boldly develop concrete solutions to enable the rise of new networks, coalitions and movements – all with a shared agenda and greater capacity to repair the fabric of life. This work will happen in full acknowledgment of the climate crisis threats; of our degraded & threatened ecosystems & biodiversity, of the destructive challenges brought on by our ongoing industrial and exponential-tech revolution; of the worldwide casino of speculative finance, of the fact that governments have given up their sovereignty to create debt-free money, and with a willingness to combat stagnant wages, cost of living increases, tax revenue decreases, soaring debt, elites hiding out in tax havens, and all the other vicious phenomena we see repeated across the world contributing to a stagnant status quo.

We can and will raise our capital as a company and as a collective to speak for issues of vital importance. We will leverage our innate drive to rally the causes we identify all around harmonizing a call for collective healing and uplift. Above all, we are committed to pursuing the path toward a more just society. Here in this moment, we are setting an intent to participate across concentrations with clear purpose and in the service of expanding our capacities for understanding, creativity and (comm)unity.

The time ahead is full of uncertainty, excitement and wonder. It's an honor to be on this journey as a team inspired to make a positive difference in the everyday. We are embarking on a path that opens up innovation for everyone. This fundamental transformation won't be without obstacles and anti-forces, but it will be the beginning of a renewed chapter for humanity and life on this planet, including wherever that leads...

And let's not forget:

'Culture eats strategy for breakfast.'
(Peter Drucker)

A. We tried to illustrate this expected shift by scripting out how our clients / Company x / Manager x / CEX X typically approach us today:

"Please help us innovate to maintain our growth / stay competitive / outpace competition / conquer a new market / address new markets or customer segments... mostly based on exponential technologies, materials and economic mechanisms. And in case you have new tools or methods, we are interested, but please do not scare our teams and organization too much with the introduction of or focus on radical solutions."

"Oh yes, and in case you have insights on how the world may change by 2025, please share these insights with us too... but just to manage expectations: we are not going to introduce major changes. And please don't bother us with transparent footprints, sustainable product & supply chain strategies and more meaningful and purposeful strategies, products and services, because we believe pretty much everything will just continue as it is... and our clients are not really interested in alternative solutions..."

A.1 And here are our typical innovation projects today, mostly driven by a techno-optimistic and change-resistant attitude:

...we need to replace tech X with tech Y (e.g. Client XYZ: Replace high-strength steels in turbines with CMC)

...we need to re-invent our core product categories with new functional logics and advanced materials (e.g. Client XYZ: A novel way of wearing a ring, kinetic jewelry)

...we need to acquire new R&D skills, methods & tools (e.g. Client XYZ: Integrate real-time AI-based R&D tools, generative design, VR into our development processes)

...we need to complement our great products with new services and embed both within a comprehensive eco-system (e.g. Client XYZ: Add a digital service-layer on top of our hardware products)

...we need to 'uberize' our product supply, to increase sales in our flagship store by at least 30% until 2025 (e.g. Client XYZ: Introduce a fully automated & robotic storage & delivery system)

...we need to enhance our client experience and leverage the latest tech (e.g. Client XYZ: develop an AR-Retail platform with layers for in-store micro-navigation, product & brand storytelling and camera-/ML-based product detection)

These types of projects have been absolutely invaluable, have served us well, and made us the company we are today. However, observing the rapid global changes of the present era has led to our belief that the time has come for a gradual pivot away from this paradigm of incremental linear innovation.

B. With the following write-up we tried to illustrate how clients (who are no longer in denial) / Company x / Manager x / CEX might approach us tomorrow when they start to feel that our key systems and world logics are actually undergoing foundational changes:

CEX 1:

"I acknowledge the destructive nature of our current mainstream culture – our supply chain, like our civilization, is running at 40% above its sustainable capacity. In my own business, I am forced to delocalize the factory of the coming product line to eastern Asia for a product exclusively selling in Western Europe. If I relocalize, I lose too much margin to stay competitive."

CEX 2:

"I see the rising gap of living conditions between urban areas, fully immersed in globalization, and rural areas, left behind and afraid of an ever increasing cultural gap between cities and countryside. As a B2B business with strong markets in rural area, I want to completely rethink my offer to reduce that gap instead of continuously widening it. "

CEX 3:

"We're rapidly depleting the earth's forests, animals, insects, fish, freshwater and even the topsoil we require to grow our crops. We've already transgressed 3 of the 9 planetary boundaries that define humanity's safe operating space, and yet our shareholders expect our revenues to grow by more than 20% by 2025, and thereafter in perpetuity. We recognize the potentially irreversible and devastating consequences of this. I have the feeling that it will soon be too late to shift course away from our failing trajectory. Please help us to re-think our foundational corporate logics, e.g. through innovative concepts answering the need for de-growth or sustainable economic logics, re-setting customer-corporate and employee-employer relationships, and developing innovative supply chain logics, plus product & service solutions that help us repair the fabric of life on our planet."

CEX 4:

"I have the feeling that things are changing fundamentally, and we cannot continue to push for 10% growth each year and relentlessly pursue greater shareholder returns by ransacking the earth. We cannot deny that our key economic system logics are corrupt and have to change. We cannot continue to flood the world with more sneakers / cars /

jewelry every year. Our company is playing a huge role in depleting the earth's natural resources at a faster rate than they can be replenished – and that's why we have to take responsibility to repair our planet's eco-systems, our biodiversity, rising inequalities, provide more local solutions and care for the surrounding community; I also believe that the monster our organization has become (number of employees, insane revenues, horrible footprint, complete detachment from shareholders, etc.) needs to be tamed, needs to be downsized, needs to really innovate. The intrinsic framework of our social & economic organization needs to be transformed. My vision for our company in the next 5 years is to embrace values that emphasize growth in the quality of life rather than in the consumption of goods & services. And that's why we'd like to begin a conversation with PCH..."

B.1 And here is an initial potential set of our typical innovation projects for our clients of tomorrow:

...we want to provide integral energy, mobility, infrastructural and communal products and services to cities, city clusters and regions that deeply respect the area's environmental, societal and individual needs, narratives and logics of exchange...

...we need to develop a new (or re-design our existing) scaling logic, in which our company, products, business fields and services scale at fractal levels, and function as micro-systems (or integral parts) of the larger (economic, ecologic, social) system to form a coherent and healthy whole. That mandate requires we re-design our products, business fields and services in such way that they form a network of systemic relationships with adjacent products & services that enhance the common good.

...we need to develop products & services that emphasize quality of life, and improve the concept of societal progress, which e.g. including environmental & carbon footprints, costs of resource & ozone depletion, crime, family breakdown, air / water / noise pollution, loss of farmland & wetlands and all other disastrous even if unintended consequences...

...we need to develop new business logics that address the respect for individual dignity and equitably reward each person's / entity's contribution to the greater good, while ensuring that nutrition, housing, healthcare, and educational needs are fully met for everyone...

...we need to fundamentally rethink & reorganize our company, be accountable to the communities we intend to serve, optimize human and environmental wellbeing over shareholder profits, and explore the possibility that locally owned cooperatives would generate our next default organizational structure...

...we need to re-design our value chain to emphasize local production & sourcing, using hands-on practices & technologies instead of fossil fuel based technological evolutions, while our future manufacturing will prioritize circular flows and community DIY production, open-source building blocks, digital fabrication and optimized biomimicry – where self-sufficiency and efficient re-use of waste products is built into the process of creation and the use from the outset...

...we need to redesign our core eco-systems & services that build on the local community as the basic building block of society, where face-to-face interaction regains ascendance as a crucial part of human flourishing, and each community's relationship with others is based on principles of mutual respect, learning and reciprocity...

...we still need a certain degree of technological innovation, but we want to focus on the development of innovations that will be prized for their effectiveness in enhancing the vitality of living systems rather than minting billionaires / funds / etc. The driving principle of innovation has to be that we are all interconnected in the web of life – and long-term human prosperity is therefore founded on a healthy Earth...

...we want PCH to help in developing a fully sustainable product, taking its full lifecycle and footprint into account, realizing tier 5 sustainability to lead a larger (r)evolution of industry-wide innovation; we are not afraid of the foundational changes this might imply across our entire value chain and our core processes, skills and culture...

...and maybe – independently from our client works – we (PCH) need to think about building up a B2C product / service portfolio, which sends meaningful, loving and positive messages to the multiverse...

We feel very excited and grateful to have the opportunity to begin this conversation with you all. We hope this triggers lively discussion, ideas, inspirations, joy and renewed paths forward for us to boldly explore together as PCH!

Ever into the unknown.

Stefan, Adrien, André, Conor & Louis

Berlin, February 22nd 2019