

UNIQUE BUSINESS MODEL IN THE PERIOD OF THE PEOPLE'S REPUBLIC OF POLAND: THE CASE OF "STEATYT" – THE ONLY PRIVATE PORCELAIN FACTORY

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Abstract: The period of the People's Republic of Poland is a period of domination of state ownership in the state economy. Therefore the analysis of the activity of the only private porcelain factory in Poland, operating from 1947-1994, seems to be even more interesting. The enterprise devised its individual and therefore unique way of running business (business model). The essence of this model was tightly connected with political and economic conditions prevailing in Poland for almost fifty years after the end of World War Two. Unfortunately, after political breakthrough in the late 1980s and change of economic system which followed, this model contributed to economic problems of the enterprise.

Keywords: model, porcelain.

Introduction

The end of World War Two was a moment in history after which Poland had to stay within the business circle of the Soviet Union for the following forty-five years. Being on this side of the "iron curtain" not only did have influence on the political matters of the state but also on the socio-economic sphere of life. In terms of economy, nationalization of private production property was implemented. From that moment on enterprises were owned by the state and their functioning was significantly dependent on the policy of state institutions. Both in these institutions as well as in enterprises themselves key positions were held by the members of the Polish United Worker's Party.

In the period of the People's Republic of Poland (for the purpose of this paper 1945-1989 will be assumed in this regard) economy was planned centrally and investments were mostly aimed at time-consuming heavy industry. Due to lack of capacity of the state to meet people's demands, black market developed as well, both in trade and production spheres. The scope of this phenomenon depended on the state policy towards private economic initiative. In the period of profound ideological struggle (the so called poor socialism) private economic initiative was combated. Not only was launching of private companies hampered or hindered, but also the already existing small companies were liquidated. In the period of the so called political thaw state authorities turned a blind eye or even looked favourably at small private economic enterprises, the aim of which establishment was to contribute to leveling of market deficiencies (the 1970s may be an example of such period) .

The case of company "Steatyt" looks highly interesting against the background of the economic policy of the People's Republic of Poland. It was the only officially operating private porcelain factory in Poland. It is worth mentioning that it endured the whole period of the People's Republic of Poland. The objective of this paper is to present conditions in which this enterprise happened to operate, as well as to make an attempt to identify what made a business model of this enterprise so unique. The text had been devised on the basis of the

analysis of literature concerning history of ceramics manufacture on the Polish ground, with the aid of the author's knowledge about antiquarian market in Poland. Information obtained from the family representative of the former owner of the factory in question had also been taken into account.

Polish Ceramics Industry after World War Two

As a consequence of World War Two a shift in Polish borders occurred. The state lost the so called Kresy Wschodnie (Eastern Borderlands) to the benefit of the Soviet Union, but gained land in the west that had previously belonged to Germany. It also included Lower Silesia and a part of Upper Silesia. There were many porcelain factories in this area, such as the following centres, i.e. places where porcelain manufacturers worked: Tułowice (Tillowitz), Jaworzyna Śląska (Koenigszelt), Wałbrzych (Waldenburg- Alt Wasser) and Żary (Sorau). At the same time Polish ceramics centres such as Ćmielów, Chodzież, Włocławek and Katowice (Bogucice) stayed within the Polish borders.

Therefore, first years after the war equalled to stocktaking of production property after the war damages, as well as plundering of areas that had formerly belonged to the Third Reich by the Red Army. A number of problems arose from launching of production in these businesses. Not only did the damages of property lead to this, but also loss of production documentation or lack of well-qualified labour force: former employees of factories in Lower Silesia had been displaced from these areas. Therefore the problem with establishing and training Polish staff that would be able to take up production tasks in factories arose [Kostuch 2004, 92].

The task was given to Biuro Nadzoru Estetyki Produkcji (Production Aesthetics Supervision Bureau) in 1947 and to the so called Komisja Kwalifikacyjna and Komisja Selekcyjna (Qualification and Selection Committees) that operated since 1984. They consisted of artists and architects, and their objective was to make assessments taking into consideration project aesthetics and choice of their production. In 1950 Biuro Nadzoru Estetyki Produkcji was transformed into Instytut Wzornictwa Przemysłowego (Institute of Industrial Design), the part of which was Zakład Ceramiki i Szkła (Glass and Ceramics Plant). The scope of tasks of the institution included: organising trainings in factories, further education of artists within the framework of devising projects for industry, organising design contests, doing project research as well as running of experimental studios. The studio allowed factories to receive decoration options of the designed products [Kostuch 2004, 93]. The institute also took up research activity and designing of dishes for collective feeding facilities (hospitals, restaurants, kindergartens and schools). In 1965 Zakład Ceramiki i Szkła was closed and Zakład Projektowania (Design Factory) encompassing all branches of industry was established. In 1968 it was then replaced, within the trade scope, by Instytut Przemysłu Szkła i Ceramiki (Institute of Glass and Ceramics Industry) [Kostuch 2005, 20].

Up to the mid-1960s/early 1970s many interesting and unique products designs were created, which were often appreciated on world-wide exhibitions and praised with suitable awards. Not all of them, however, reached mass production. Vast part of objects or the whole series was intended for export. Therefore domestic market often received the so called export rejects, i.e. products which did not completely satisfy quality criteria. [Banaś and Banaś 2003, 381].

Then, the problem with functioning of state porcelain factories in Poland arose. Factories pursued improvement of efficiency and exceeding production plans (the so called production

deeds which were characteristic for socialist economies), which had definitely negative impact on production quality but at the same time aroused interest in simpler and more traditional forms of objects than those dated back to the 1950s or 1960s. It is worth noticing that this return to traditional designing found its justification also in trade rationale: it was easier to sell traditionally designed products (especially to western markets where products were exported). Simultaneously, in many cases, due to collective centres/design institutions existing on the level higher than the corporate one, it is difficult to establish the authorship of particular projects. What is more, industrial design institutions provided all factories in Poland with the same projects. From the mid-1960s interest in novel design decreased, and later, starting from the late 1970s through 1980s, due to progressive economic problems, intensity of cooperation between centres comprising qualified artists and those who promoted their cooperation with industry decreased. It is worth mentioning that because of the nature of socialist economy that was prevalent in Poland at that time new methods of production were searched for, which was connected with devising new production materials. Therefore one may, for example, come across products made from porcelite, which was supposed to replace traditional porcelain, and as a result eliminate/limit to a large extent the necessity to import high quality clay. [Kostuch 2005, 17, 21-23].

Functioning of Porcelain Factory "Steatyt"

Porcelain factory "Steatyt" was considered to be the youngest in Poland. It was established in Katowice, in the Zawodzie district, in 1947 and its founder was Zygmunt Buksowicz (initials "ZB" became the symbol of the company's signature). Initially, the factory dealt with production of electrotechnical porcelain (until 1953). However, in the early 1950s applied and decorative porcelain started to be manufactured [Gatys i Gatys 2008, 26]. In 1978 the factory was moved to Ochojec. It operated until 1994 [Kostuch 2005, 190].

The production assortment was quite diversified. All kinds of services, vases, figurines, ashtrays, jardinières, favours, goblets, Holy Communion souvenirs, or porcelain jewellery (necklaces, hip belts) and porcelain lamps were manufactured. As it is said, the factory's owner was also its main designer. As a private company that was not burdened with bureaucratic assortment planning "Steatyt" differed in terms of its products from the Polish state-owned porcelain factories. Nowadays "crazy" product designs, the ones that are often referred to as kitsch, are most looked for [Kolekcjoner 2013].

The opinion about these products is often blunt. B. Kostuch writes about them in the following way, "with regard to applied porcelain, next to traditional shapes there are products that stand out due to their fancy, overstylized, assymetrical and geometrized forms, bright colours, gilding, irisation, as well as openwork patterns and tangent surfaces" [Kostuch 2005, 190]. Whereas J. Gorczyca in an interview for "Art.&Business" states the following, "an absurd, eyesore porcelain factory in Katowice. Cups which you cannot drink from and pots out of which you cannot pour anything. Vases, the golden decoration of which outshines the beauty of every flower, and monster dancers" [Stalmierska 2005, 6-9].

"Crazy" product designs mentioned before were the realm of the 1950s and 1960s. Therefore they became a part of the aesthetics of their time. However, it is worth mentioning that they differed in their design from designs devised by Instytut Wzornictwa Przemysłowego, the projects of which were produced by the state-owned factories. As it has already been emphasized, objects representing traditional style were also manufactured in "Steatyt". Patterns of these products were often borrowed from pre-war or foreign products. In the period of the People's Republic of Poland intellectual property protection was rather

uncommon and authorities were not interested in matters related to cases of "borrowing" patterns of products manufactured in capitalist countries, at all. Western enterprises did not have the possibility to execute their rights in the People's Republic of Poland. In the variety of products one may for example come across figurines, in which every porcelain aficionado will recognize patterns of such German factories as Rosenthal or Goebel. Images of persons of mass culture world, such as Pluto the Pup or Mickey Mouse were also used in authorised projects without appropriate licences.

Table. Examples of "Steatyt" products from the 1950's and 1960's

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|---|--|
| <p>1. Decorative plate (double signature: "Bogucice" and "Steatyt")</p> |  |
| <p>2. Sugar bowl and milk jug</p> |  |
| <p>3. Pot</p> |  |

Images source: author's photos.

The output of "Steatyt" was also characterized by diversified quality of manufacture. Next to wonderful products, which nowadays very often constitute collection and museum pieces, there were products characterized by imperfections and production faults, or the ones that were left unfinished due to shortage of supply, or were randomly decorated, which in turn negatively influenced their aesthetics. Cracks in porcelain, black spots that occurred during

burning process, lack of paint layer or partial decoration, as well as "substitute" decoration (for example a particular figurine painted with only one colour of paint!) - these are things which can be noticed when one looks at factory output from a time perspective. It is worth emphasizing that in the period of centrally-planned economy and continuous market deficiencies even such products found their buyers easily. This poor-quality output seems to be especially characteristic for the later period of functioning of the factory (late 1970s, the 1980s) and this very fact is without any doubts connected with the prevailing economic crisis which influenced supply and production capacity. Factory's products from this period were seldom signed (it is a consequence of abolishment of obligation to put a signature, which was introduced by change of legal regulations in the 1970s), which additionally makes earlier production from the 1950s and 1960s more attractive for collectors.

Employees of the enterprise were often recruited from another porcelain factory in the city, which was their major place of employment. It was a porcelain factory "Bogucice" (launched in the interwar period under the name of "Giesche" and nationalized in 1946 [Gatys i Gatys 2008, 96]). It must be admitted that it was an effective way to win qualified employees. In the period of the People's Republic of Poland vocational school and higher education school graduates often received allocation to particular state-owned factories. Relationship between "Steatyt" and "Bogucice" was even deeper. Z. Buksowicz (the owner of "Steatyt") would sometimes buy undecorated products from the factory "Bogucice", which he would then decorate in his own production plant. Therefore, on the antiquarian market one may come across products with double signature – one from "Steatyt" and the other from "Bogucice".

Cooperation between these two factories developed also in other areas. The factory "Steatyt" as a private company had significant difficulty in running business. It could not purchase the main raw material, i.e. clay, which was in the first place imported. Purchasing of raw material required not only foreign currency (one that could not be traded in the period of the People's Republic of Poland – transactions had to pass through the national bank at the exchange rate authoritatively set by the state) but also appropriate permissions which could not have been obtained by a private company, such as "Steatyt". But for personal connections between these two business entities mentioned before it would not have been possible. It should be implicitly noticed that this kind of practices belonged to nothing less than borderline activities of legal conduct. However, among state authorities one could come across aficionados of products of both factories on the voivodship and city levels. Lack of decided actions on the part of the government may to some extent also be explained by the fact that production of porcelain was not perceived as a strategic branch of Polish economy. It seems that developing of positive relations with representatives of the people's authorities in view of business maintenance of an entity during the whole period of the People's Republic of Poland from a time perspective proved to be fruitful endeavour.

Summary

While making an attempt to define "Steatyt" company's business model it is worth noticing that it is tightly connected with conditions in which the company happened to operate. It is actually important that in centrally-planned economy the existing market deficiencies made companies sell their products on the domestic market without much trouble. Buyers were always there. Moreover, the purchased products were not often consumed but became subjects of barter transactions for customers, for whom it was the only way to get access to goods they desired. Therefore, in the period of the People's Republic of Poland enterprises did not face the key problem which is defining and creating demand for products.

However, the prevailing political and economic system presented other challenges. Regulations and restrictions concerning the volume of production and import of raw materials, authoritatively set currency exchange rates, necessity to obtain a number of permissions and regulations concerning prices of products – these are the issues that in the whole history of the People's Republic of Poland had significant impact on the matters regarding the state of both domestic economy and particular enterprises: everything that influenced the way enterprises ran their business and that may be regarded as the essence of business model [Zott, 2011, 1019].

The above attempt to define running of a business in the period of the People's Republic of Poland may in all cases of private initiative, but very often also in case of state-owned enterprises, amount to the following statement: "people have to manage somehow". Nowadays, this conviction still appears to be rooted in Polish people. With regard to Zygmunt Buksowicz, the owner of company "Steatyt", it first and foremost consisted in close relationship with another state-owned porcelain factory in the city (Bogucice- note). It allowed him to overcome formal difficulties created by the political and economic system that a private business entity had to face, and to maintain the functioning of the porcelain manufacture for almost half a century. This peculiar cooperation between the state-owned and private business entities (which could have been regarded by market standard as competitors) enables it to be defined as the core of this unique business model in the period of the People's Republic of Poland.

Nevertheless, running of enterprise for such a long time in an unchanged way had its disadvantage, too. The period of the People's Republic of Poland was the time of relative stability of the environment in which enterprises operated. After 1989 this environment was completely destroyed. Many state-owned as well as private enterprises which were launched in the early 1990s did not survive the period of shaping of market economy at the end of the last century. This is what happened also with the enterprise "Steatyt". It is also worth noticing that the company was closed in 1994. It was the same year when "Bogucice" factory was liquidated and its wealth was taken over by "Porcelana Śląska" ("Silesian Porcelain") [Gatys i Gatys, 2008, 110]. It may suggest deep and stable connections between these two enterprises which were unofficially cooperating with each other for many years and which experienced the same fate when change in the economic system occurred.

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