

## 13.3: Creativity

### Learning Objectives

1. Understand the three fundamental innovation strategies.
2. Understand what supports creativity in individuals and businesses.
3. Learn what may repress creativity in individuals.
4. Learn about some tools that may help individuals and organizations become more creative.

Money never starts an idea; it is the idea that starts the money. “Owen Laughlin Quotes,” *Searchquotes*, accessed February 4, 2012, [www.searchquotes.com/quotation/Money\\_never\\_starts\\_an\\_idea.It\\_is\\_always\\_the\\_idea\\_that\\_starts\\_the\\_money/17400](http://www.searchquotes.com/quotation/Money_never_starts_an_idea.It_is_always_the_idea_that_starts_the_money/17400).

Owen Laughlin

Thomas Friedman—the author of *That Used to Be Us*, Thomas Friedman and Michael Mandelbaum, *That Used to Be Us: How America Fell Behind the World It Invented and How We Can Come Back* (New York: Farrar, Straus and Giroux, 2011). *Hot, Flat, and Crowded* Thomas Friedman, *Hot, Flat, and Crowded: Why We Need a Green Revolution—and How It Can Renew America* (New York: Farrar, Straus and Giroux, 2008). and *The World Is Flat* Thomas Friedman, *The World Is Flat: A Brief History of the Twenty-First Century* (New York: Farrar, Straus and Giroux, 2005).—and other pundits consistently argue that the future belongs to those societies and businesses that can best capitalize on creativity and innovation. It is a great tragedy that we often think of creativity and innovation in terms of new technologies only. We fail to realize that creativity and innovation can occur anywhere within a business. There is a story—perhaps it is an urban legend—about a member of the cleaning staff for a company that manufactures shampoo. This employee brought a suggestion to the attention of an executive on the marketing team. The employee pointed out that the instructions on the back of the bottle of shampoo said—“Lather and rinse” and suggested that it should read “Lather, rinse, and repeat.” It may be apocryphal and somewhat unethical, but, if true, it would have led to a significant increase in sales. We recount this legend not to advocate any form of chicanery but to point out that creative insights may come from anyone and anywhere. Creativity is not limited to scientists, engineers, designers, or top executives. It is a property that all human beings possess. Likewise, creativity need not be singularly channeled into new high-tech products or advanced designs. Innovation may pursue different strategies. There are three fundamental innovation strategies for firms: **need seeker**, **market reader**, and **technology driver**. Barry Jaruzelski and Kevin Dehoff, “The Global Innovation 1000: How the Top Innovators Keep Winning,” *Strategy+Business* (Booz & Company), November 3, 2010, accessed February 4, 2012, [www.strategy-business.com/article/10408?gko=08375](http://www.strategy-business.com/article/10408?gko=08375). Need seeker firms actively interact with their present and future customers and carefully listen to them so that they can develop new products and services. These firms tend to be the first in the market. A market reader firm maintains a close relationship with its customers and provides them value through small innovative changes. A technology-driven firm is a business that puts money into research and development to produce revolutionary breakthroughs and/or incremental changes. Such a firm spends more time and effort in anticipating future customer needs and carefully listening to what customers believe they want at this point in time. None of these three innovation strategies is clearly superior to the other. It is interesting to know, however, that none of these strategies precludes or minimizes the potential contribution that could come from a small business. If one examines the three innovation strategies, it could be clearly argued that small businesses have an advantage over their larger rivals for the first two strategies. Both rely on a business having a deep and intimate understanding of the needs and desires of its customers. Small businesses also are better positioned to actively listen to their customers and, because of their size, respond more rapidly. Even the third innovation strategy often is the domain of the smaller business. Think of the number of technological breakthroughs that were initiated by smaller firms (at least, smaller at that time) than the large behemoths.

At one level, creativity should be thought of as a rare flower that should be nurtured at both the individual level and the organizational level. Many businesses create an environment that not only does not foster creativity among its personnel but also actively crushes it. Such firms punish any failure, which increases fear in the personnel to try something new. These firms fail to reward innovative successes. They foster groupthink, often responding with the following reply: “We have always done it this way.” The leadership team believes that leaders are the only ones responsible for creative actions. This type of organization is toxic to creativity.

Before examining the tools and techniques that might enhance creativity, it is important to understand what personal and organizational factors might inhibit creativity.

- **Accepting the belief that one may not be creative.** At a recent sports event, the coach of the team wore a t-shirt that had the following saying: “If you believe you can do something or if you believe you can’t do something, you are right.” Individuals who tell themselves that they are not creative are producing a self-fulfilling prophecy. They will not even attempt to break through barriers that might preclude them from having brilliant, creative, and innovative ideas. It is absolutely vital for the small business owner to be open to the possibility of his or her own tremendous creativity.
- **Acceptance of the current situation.** Sometimes we assume that the current situation is not only fully acceptable but also the only way that it can be. With that type of mental framework, we never will be in a position even to ask, “How could the situation be made better?” This corresponds with the old idiom, “If it ain’t broke, don’t fix it.” A creative mind is always operating under the assumption that things can be different and can be made better.
- **Self-censorship.** This is a situation when an idea occurs to us, but we initially consider it too outlandish or too impractical to successfully implement. We dismiss the idea without any further consideration. One does not even take the opportunity to record the idea. We engage in self-sabotage of our own creativity by dismissing our own ideas out of hand.
- **Allowing ideas to die.** It is not enough to have a creative idea. One must have the courage to defend the idea and the fortitude to see it through to fruition. Unfortunately, individuals adopt the philosophy of W. C. Fields: “If at first you don’t succeed, try, try again. Then quit. No use being a damn fool about it.” “W. C. Fields Quotes,” *Goodreads*, accessed February 4, 2012, [www.goodreads.com/author/quotes/82951.W\\_C\\_Fields](http://www.goodreads.com/author/quotes/82951.W_C_Fields). A good counterexample of this failure to pursue ideas is the genesis of FedEx. Fred Smith, FedEx’s CEO and founder, was an economics major at Yale University. While there in 1965, Smith wrote a term paper outlining the concept behind FedEx. Legend has it that this paper received a grade of C. Most students would feel that this grade was a clear indication that the concept was infeasible, but Fred Smith was not persuaded, and nine years later he began FedEx. It is not enough to be creative; one also must be courageous.
- **Not maintaining a record of ideas.** What is called inspiration may be rather fickle. Ideas may come to us in the most unlikely of places and at unexpected times. Individuals should be prepared to make note of these ideas as they come. It might simply require having a notepad available at all times or a digital recorder to take down ideas. Sometimes it is useful to write out the ideas, place them where they are visually accessible, and return to them at some point in the future.

Perhaps one of the most commonly used creativity tools is **brainstorming**, an approach that emphasizes collaboration within a group. Brainstorming begins by specifying a problem or issue—for example, “How can we boost sales at the restaurant?”; “What can be done to reduce customer complaints?”; or “Why do these particular types of defects keep occurring?” Then one brings together personnel who are directly familiar with the problem or the issue. Sometimes it might be advisable to bring in people not directly familiar with the problem or the issue because they may bring a totally different perspective that might enhance the overall creativity of the problem-solving exercise. The room where the brainstorming exercise is held should be equipped with a whiteboard, or a computer with a projector, or a simple flip chart. The moderator or the facilitator of the brainstorming session should restate the problem. Individuals should be able to shout out possible solutions. The facilitator writes them down or types them into the computer, which is then projected so that all people can see the proposals. The most critical point of the brainstorming session is the openness with which the group accepts any and all ideas. No matter how bizarre or off-the-wall a suggestion might appear to be, no one is allowed to criticize it. Even if an idea is simply crazy, participants do not have the latitude to make any negative remarks. After all the ideas have been presented and written down, the group begins a process of winnowing down the number of suggestions to a smaller number, perhaps five. Jeffrey P. Baumgartner, “The Step by-Step Guide to Brainstorming,” *The Wonderful World of Jeffery Paul Baumgartner*, accessed February 4, 2012, [jpb.com/creative/brainstorming.php](http://jpb.com/creative/brainstorming.php). In the real world, most decisions cannot be done with respect to a simple, single criterion. As an example, one might evaluate the five possible solutions with respect to cost. In the freewheeling environment of brainstorming, one possible solution might yield the lowest cost but might be illegal. Before evaluating the reduced set of solutions, the group must identify all the criteria that would be useful in determining the solutions. Examples of such criteria might be cost, viability, the probability of implementing the solution within a given timeline, or customer acceptance. Once these criteria have been identified, the group can then scale (numerically evaluate) each solution with respect to the criteria. Such an approach should help the group identify the overall best solution. This is the most basic and most common format for brainstorming. Other variations exist that are designed to deal with some possible deficiencies of classical brainstorming, such as naturally reticent members. “Brainstorming: Generating Many Radical, Creative Ideas,” *Mind Tools*, accessed February 4, 2012, [www.mindtools.com/brainstm.html](http://www.mindtools.com/brainstm.html).

Another useful approach to stimulate creative thinking about a problem or an issue is **mind mapping**. This technique is used widely in a variety of contexts, including creative writing courses. It is a visual model that uses words, phrases, tasks, or concepts centered on an idea or a problem. A node or a figure representing the core notion is drawn at the center. Ideas that are related to this central notion are drawn off, as branches, to the sides. These secondary ideas, in turn, may generate other offshoots. This continues

until all interrelationships are mapped on the diagram. Figure 13.2 is a mind map that might have been drawn for Frank's All-American BarBeQue, when it was considering an expansion.

Figure 13.2 Mind Map for Expanding Frank's All-American BarBeQue



## The Financial Monitor from Simone Consultants

William Simone Jr., the founding member of Simone Consultants (see the opening vignette of Chapter 9), has always believed that there has been a need for the home health and hospice industries to have timely financial benchmarks. Recognizing that this need was not being met, Simone started Financial Monitor LLC in 2009. This company launched a product known as the *Financial Monitor*. This is an excellent example of a business using its creativity to develop a new business. Using the company's expertise in the home health and hospice industries, Simone designed a program that would benchmark clients' quarterly financial reports against industry standards. Two principals, William Simone III and David Berman, have managed the development of the *Financial Monitor*. In 2009, Rob Simone was added to the *Financial Monitor* team as the senior manager.

The long-term goal of the *Financial Monitor* is to become the industry's major database for financial information. Currently, Simone has a database of 160 providers. With this information, Simone not only provides clients with meaningful financial information but also provides the home health and hospice industry with data that can be used in advocacy efforts on both national and state levels. Simone has begun to work with both the National Association for Home Care and Hospice and several state associations to have the *Financial Monitor* help them in their advocacy efforts. The short-term goal is to have five hundred home health and hospice agencies on the *Financial Monitor* by end of 2011, and the long-range goal is to have in excess of five thousand on it by the end of 2014.

## Video Clip 13.3

TED Fullerton—Matthew Jenusaitis—Importance of Creativity in Business

([click to see video](#))

A discussion of the importance of creativity in business. It is seventeen minutes—but very good.

## Video Clip 13.4

*TEDxPugetSound—Edgar Papke—Creativity and the Human Art of Business*

[\(click to see video\)](#)

*Discusses how to match creativity and motivation. Another long video, but it has excellent ideas.*

## Web Resources

Let Creativity & Imagination Grow Your Business

Discusses the importance of creativity for business development.

[www.theopensite.com/marketing-business-promotion/small-business-imagination-creativity](http://www.theopensite.com/marketing-business-promotion/small-business-imagination-creativity)

Passion & Creativity Go a Long Way for Small Business Owners

Reviews the critical role of passion for start-ups.

[www.catalystmarketers.com/passion-creativity-small-business-owners](http://www.catalystmarketers.com/passion-creativity-small-business-owners)

Creativity: Breaking the Mental Blocks

How to overcome barriers to creativity.

[www.smallbusinessadvocate.com/small-business-articles/creativity-breaking-the-mental-blocks-694](http://www.smallbusinessadvocate.com/small-business-articles/creativity-breaking-the-mental-blocks-694)

## Key Takeaways

- All members of an organization can be creative.
- Organizations need to develop environments that support and nurture creativity.
- Mental blocks can stifle an individual's creative capability.
- Tools such as brainstorming and mind mapping can enhance the creativity of groups.

## EXERCISES

1. What do you believe are your own personal blocks to being more creative?
2. Brainstorm with several colleagues and come up with five innovative concepts for a local restaurant.
3. Draw a mind map for how you might become better in managing time.

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