

# Creativity as a Business Tool



**Why you should consider using Creativity, and how to buy it**

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## About The Author



Derek Cheshire spent a number of years working in the Software and Telecommunications industries, asking awkward questions and being told 'that's the way we have always done things around here'.

Not satisfied with the answers, Derek obtained an MBA from the Open University Business School and instantly understood the impact of one of the course modules 'Creativity, Innovation and Change'.

Derek is an accomplished speaker and has compiled a long list of blog articles including *Innovation – How long is a piece of string?*, *Taking the In out of Innovation* and *How To Generate 20 New Business Ideas Over Coffee*. One of his papers has been published by the ICFAI University Press in India as part of a reference book **Ideas, Creativity and Innovation**. He has also written a manifesto for the Change This organisation entitled '**Slow Innovation – a savoury way to success**'. Derek's article on predicting the future '**Predicting the future and focusing your innovation program**' was also published in October 2008 in the Asia Pacific Tech Monitor, a United Nations online journal. His articles appear both online and in diverse places such as the **Hindustan Times** and the **Malawi Guardian**..

Derek is a member of the mastermind group for the Design Interaction course at the Royal College of Art and Design in The Hague, speaking at their inaugural **2007 Mastermundo** event and recently took part in the CNBC programme **The Business of Innovation**.

In 2009, Derek spoke at the British Council's Management Express forum in Malawi and his Creative Leadership programme was selected as the basis of their **MEX Platinum** programme for senior executives and politicians.

## **Why does a business need creativity?**

Before answering this question, there is one point that should be made. Creativity, like Innovation is not absolute. Creativity in a business context is relative to the current and previous states of the business and its associated organisational culture. Most people who are in the business of providing creativity such as consultants, facilitators and trainers will tell you that the benefits are blindingly obvious. There again, most things are, with the benefit of hindsight. This short paper is an attempt to crystallise some ideas on the topic of creativity in a business context and provide those who are starting out (or who are thinking of doing so) with some pointers.

Creativity is a powerful tool that can improve the performance of an organisation in an astonishing way and at this point it might be hard to see how. All I ask is that you keep an open mind whilst reading this paper and the associated case study. Please feel free to contact me and ask questions if you like. The paragraphs below list some of the main benefits of embracing creativity, but in the true sense of creativity there will be many readers who will find others. I certainly hope so.

### ***Doing what you have always done***

I'm sure that readers will be familiar with the saying "Do what you've always done and you'll get what you've always got". There may be little wrong with what you are currently doing but there is a grave danger of complacency and of developing limiting beliefs or a restrictive mindset. One of the lynchpins of creativity is that you keep an open mind and evaluate all of the options open to you. This does not mean that you have to change at all but that you are looking for new opportunities. In the modern business environment none of us can afford to be complacent. Creativity provides us with many techniques for helping people to see things in a new way and for helping to break mindsets should this be required.

### ***Securing competitive advantage***

Most consultants will tell you that their solutions will provide you with competitive advantage but creativity (and innovation) really can. This is because we are dealing with intangible assets which are difficult for competitors to copy, and because the assets in question are our employee's ability to generate ideas and combine them there are also a huge number of possibilities. Idea generation, combination and transfer of tacit knowledge can occur throughout your business from lorry driver and cleaner to the boardroom. All you need to do is be able to collect and manage this process.

## ***Part of a successful innovation strategy***

Taken to its simplest level, Innovation is simply a function of creativity (the way we generate ideas), knowledge (existing ideas and the ability to combine them) as well as the processes that have been put in place to manage all of this. See <http://www.creative4business.co.uk/innovation.html> for more information on the Innovation Equation. Without creativity only incremental innovation can take place and then only in a small way. If you are considering new products, new markets or both the creativity will certainly help as you will definitely need to adopt new mindsets.

## ***Improved organisational culture***

There are three main drivers for creativity – intrinsic motivation, tools and techniques, existing knowledge and experience. If you accept that you are going to embrace creativity in some way then you will have to create a programme that directly or indirectly addresses these topics. The interesting thing is the link with intrinsic motivation. If your business has a culture of creativity then there will be high intrinsic motivation, however the converse is not necessarily true. High intrinsic motivation is the desire of many an HR department as it is linked to improved performance and low staff turnover.

There are other aspects of creativity too, such as improved communications and increased trust, which all contribute to improved organisational culture.

## ***Removal of strategic barriers***

Strategic barriers exist mainly because of mindsets and a lack of being able to see any other course of action apart from the current one. Also a rigid culture prevents a business of responding to a rapidly changing marketplace or to new business opportunities.

Adopting a more creative stance allows us to address the four main types of strategic barriers and in some cases remove them completely:

- Preferred modes of operation
- Too much or too little choice
- Overcoming embedded values e.g. charities, religious organisation
- Overcoming perceptual barriers e.g. self image or sensitivity to risk

## ***Changing attitude to risk***

At first this seems a little odd. The purpose is not to try to make organisations as a whole take on greater risk, however individuals will need to be less risk averse. In a creative

culture, individuals will need to stretch themselves and occasionally move out of their own comfort zone thus increasing their own personal risk. However, an increased emphasis on exploration and assessing opportunities means that activities can be undertaken with less risk (as increased knowledge equals less risk) and projects previously considered risky might become possible. A culture shift that encourages collaboration also decreases organisational risk due to the sharing of knowledge and ideas. It is not unknown for employees unwilling to share their knowledge to watch colleagues (and their employer) struggle. Measures to address this usually require changes to company remuneration and rewards schemes.

### ***Improved learning and knowledge transfer***

The culture and activities that surround creativity naturally support this, as interaction is actively encouraged. This does not mean a noisy workplace with large groups huddled around the coffee machine but interaction should be encouraged and face to face dialogue should replace email. An often quoted statistic is that 80% of the world's email travels less than 50 feet. One well known company realised that the tea ladies were the only people who regularly talked to all employees and made use of them as an unofficial company grapevine.

### ***Communications of objectives***

This is one of the things that most top management say that they do, but one that the workforce will have an opposing view about. Employees do not doubt that there are objectives set, they just do not know what they are. Most MDs and CEOs will make a fair attempt at speaking to the workforce or delegating this to other managers but how do employees know what is expected of them, and more to the point, how their own contribution aids the success of the business?

The answer is 'stories', not the childhood stories that we all know, although the concepts are the same. A well crafted story often tells of a journey and consists of both explicit and implicit components. The former usually come from senior management together with an invitation to take part. Employees will embellish the story according to their own values and beliefs. Thus you have achieved one of the holy grails of HR, how to communicate strategy, gain the buy in of employees and ensure that the values of the employees and the company overlap. What's more, the 'story' can be told verbally (say at a company meeting), visually (through a storyboard, video or poster) and easily translated for use in international companies.

## **Managing creativity**

This seems to be an oxymoron, how can you manage a concept that demands free thinking,

exploration and being able to live with ambiguity? The answer is simple (as opposed to easy). We have to construct processes that allow creativity to flourish and employ managers that are capable of working in such a way. How much time can employees spend at the coffee machine, how much time can they spend on research projects and can the company actually tolerate employees that do not conform to a stereotype? It is not a case of creativity or nothing, there are various shades, however businesses must be aware of the choices that they will need to make.

## **Main uses**

Creativity has many uses but the following are the ones that I have come across most frequently.

- Strategy – reviewing existing strategy and defining/clarifying new strategies
- Scenario planning – using storytelling so that all parties can 'live' the story
- Cultural change – mainly centred around motivation and empowerment
- Effectiveness of training and development – making use of creative techniques embedded in training courses
- Part of innovation programmes – changing mindsets, changing existing structure and culture

## **How to buy Creativity**

Here I refer simply to 'consultancy' although I am talking about all providers of creativity whether they act as consultants, trainers or facilitators. There are many factors which contribute to an effective working relationship between consultants and clients. It is crucial that a purchaser of consultancy understands what they aim to achieve from the outset. At the start of a project it is highly likely that there will be no objectives, and even when they are defined, a client will often be puzzled by the strange terminology that providers of creativity might be tempted to use.

At this point I urge clients to ask about the things that they are not clear about. This might not clarify everything but the client will establish that the consultant knows their subject matter thoroughly. This can be critical where a trainer might be employed instead of a facilitator.

The ultimate success of a consulting project is determined long before you've talked to an actual consultant, and depends on the extent to which you have been able to identify and agree the precise reasons why you're hiring consultants. In most organisations, managers think about these reasons in terms of what they expect the consultants to do, not in relation to the underlying role they're expecting the consultants to play. Nor do they consider how their expectations match the prevailing market conditions. What kind of client are you? How can you assess the risk of developing a unique approach? Are the issues you face new ones, or are you trying to catch up with your competitors?

## *Why use consultants?*

For some reason, and I'm sure there is research somewhere on this topic, it is impossible for an organisation to kick-start their own creativity or innovation programme. Many have started and attempted to devise some sort of change programme, workshops or new processes but all fail shortly afterwards. What seems to be needed is an external kick (in the right place) that mobilises the internal resources of the business.

For many organisations, the resources and skills required exist within the business as it currently is. There is no need to recruit, or spend many hundreds of thousands of pounds on getting very expensive consultants to do the work for you. All you need is some external help with a plan, some training and development, facilitation and knowledge transfer before continuing on your own. It is likely that an organisation will not have the capability to keep abreast of the world of creativity so a regular 'top up' might be needed. But be wary of long term dependency on any outside agent.

Probably the single most important reason for hiring consultants is to bring in people with a particular set of skills. The more specialised a consultant is in his or her field, the more valuable they are to clients. Specialist know-how usually falls into two categories. First, there's 'industry-specific skills' – you need people who are experts in your sector. Second, there's what you could call 'issue-specific skills', which is where you need people who are experts in a particular issue – it may be a problem or an opportunity.

But there are times when you simply need help – bright, energetic people who are well-informed, who can help you get a new initiative up and running at a time when it's proving difficult to free up your own internal resources. You're quite definitely not looking for specialists here. You need the consultants to be very flexible – rolling up their sleeves and doing whatever it takes to get the job done – and that's something that requires a broad base of knowledge, rather than in-depth expertise in just one or two areas. It is this third category that your creativity or innovation consultant should fall. Going back to the premise that the client is the person with intimate knowledge of their business and their market, the final ingredient is the ability to make things happen (i.e. know where to aim the kick).

Even in the smallest organisations, managers find it difficult to stand back and analyse what's happening. Opportunities are missed, and threats are ignored. Even where time is allowed for such reflection, how can you ensure that you're seeing what matters most to the organisation, not just what matters most to you as an individual? Outsiders, like consultants, can provide you with an invaluable perspective because they're looking at your organisation with new eyes.

There are also occasions when you want access – not so much to an outside view, or new data – but to creative thinking, when you want someone to sit down with your organisation and devise an innovative approach. It may be that you and everyone in your industry face a similar threat – for example, the appearance of new, potentially disruptive technology. All your competitors may have adopted the same stance, but you may be looking for a different

approach, one that takes the problem and converts it into an opportunity for you to differentiate yourself.

### ***Running a creativity project/programme***

The following guidelines provide a useful framework for the management of creativity:

- Build in the expected outputs from the project and all budgetary and time constraints
- Flag up problems or uncertainties early on with the project early on so that remedial action can be taken. There will be more of these than usual.
- Hold regular reviews on the progress and delivery. Ensure that progress is always being made but do not get heavy handed. Remember your employees are involved also!
- Where necessary and agreed, provide staff, facilities and information promptly.
- At the end of the project both parties should undertake a joint project review to see what has been learned. If knowledge transfer is not complete then now is the time to rectify this.

### ***Choosing the right consultant***

Many clients rely on word-of-mouth recommendations when selecting a consultant. This is often the way to go when running a creativity project since it depends heavily on trust and communications.

The guidelines below show the steps that might be taken in selecting a consultant

- Create as full a brief as is possible.
- Conduct a discussion with your potential consultant and get to know as much about their proposed intervention as you can. Where does their expertise lie in terms of consultancy, facilitation and training and why are they using all these strange techniques?
- Knowledge of their track record is useful but what is more important is assessing the potential in this particular case. A track record is not so useful when you are trying to achieve something different!
- Create an efficient but not too restrictive reporting mechanism
- Make sure that there is an identified way to transfer knowledge to you
- Make sure that at the end of the project there is no lasting dependency
- Do not make a choice on price alone, often in the cases of creativity and innovation it is the cost of not taking a course of action that must be considered.



How you approach these steps is determined by the level of formality you require, and the level of client-consultant interaction you envisage. Each approach has its particular strengths and weaknesses, and needs to be evaluated on an organisation-by-organisation, and project-by-project, basis. Some organisations, and most public sector clients, have a more formalised approach to the purchase of consultancy.

There are many people trading as consultants including some 'crossover' consultants who have moved from the arts. Their interventions tend to be aimed purely at HR i.e. team building, leadership and motivation. Whilst they are useful they are not concerned with the process of using creativity as a tool for improving the whole of your business.

Also you should try to make some sort of measurement so that you know how much of an impact your consultant has made. I have my own tool for doing this (see <http://www.creative4business.co.uk/toolkit.htm> ) which looks at both creativity and innovation from a 'soft skills' point of view. Your chosen consultant should have a similar methodology available to them

# A Typical Use of Creativity

## The Brief

*“To reinvent the company in order for the customer to recognise us as an organisation where ideas and imagination flow.”*

The company recognised that its own future lay beyond the current boundaries of its industrial sector and national frontier. The programme needed to examine what was possible and then generate concrete results, laying foundations for the future.

“Reinventing Us”



## Running The Innovation Programme



Initially, two activities were carried out in parallel. The first was an appraisal of the company’s ability to innovate using The Innovation Toolkit. Secondly, a group of individuals from across the organisation were released from their everyday jobs and moved to ‘The House of Ideas’. Here they were introduced to new ways of thinking and given time and resources to carry out research and prototyping. The whole programme was constrained within strict timescales – within 8 weeks from the start there were to be at least 2 product prototypes that were capable of being manufactured.

## The Results

The plot to the right shows the overall ability of the company to innovate. The results were compiled into a comprehensive report showing areas of strength, possible ‘quick wins’ and areas for development. This was used as a basis to create an action plan for ongoing development work.

At the end of the 8 week period, around 1500 or so ideas had been generated and evaluated, with 150 being thought worthwhile to record in detail. There were a total of 14 concrete product ideas, and over 20 ideas for marketing and services. Prototypes were produced and less than 6 months after the programme began 4 new products were revealed to customers and distributors. The innovation work is ongoing with the intention of allowing the new culture to spread throughout the company.

