[Editorial Article]

Innovation and Creativity in Business Practices

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Abstract

"Great things in business are never done by one person; they're done by a team of people." By Steve Jobs, 2003.

As define by Linda Naiam - Creativity is the act of turning new and imaginative ideas into reality. Creativity involves two processes: thinking, then producing. Innovation is the production or implementation of an idea. If you have ideas, but don't act on them, you are imaginative but not creative. So in order to maintain the pace with the changing business scenario and coping with the competition Innovation and Creativity is considered a mandatory tool for a business to exist and grow in market. Whether a company is Employee centric or Business centric Innovation and creativity has to have its space in order to keep a business ahead of others in the Market.

Also it's not just the competition which has led to the Innovation and Creativity in Business practices it's also the demanding chunk of consumers and customers who are aware and prefer maximum choices before making a final deal. Another reason as to why there is a change in business practices is the globalization of businesses where you need to rope in the Innovative ideas to launch and sustain in new market.

There had been tremendous shift in business practices but to give a room to innovative ideas and implement that creativity need ample to space and vision along with an attitude where in you can resist for getting an immediate results from innovative business practices.

Corporate Creativity is characterized by the ability to perceive the world in new ways, to find hidden patterns, to make connections between seemingly unrelated phenomena, and to generate solutions. Generating fresh solutions to problems, and the ability to create new products, processes or services for a changing market, are part of the intellectual capital that give a company its competitive edge. Creativity is a crucial part of the innovation equation.

The innovation and creativity is not limited to any area of business, it can start from your waiting lounge to your board room meeting depending upon how the things are perceived and implemented for the betterment of people and business. The purpose of this research is to understand the latest creative business approaches and practices that organizations are following to be different from their competitors. Also this shift from generic business practices to the Innovative and Creative approach seems to take the business into new world.

This approaches means starting from the bottom of the Pyramid and finally touching the pinnacles in Innovation and creativity. The paper will discuss on the various areas of business where in innovative approaches can be roped in and sets new bench mark altogether in the business arena.

Keywords : Creativity, Innovation, Corporate creativity, Process of Creativity and Pyramids of Creativity.

JEL Classification : L80, M20, O30.

1. Introduction

"Their creativity goes beyond products to rewiring themselves." BCG & Business Week

An artificial heart and its lightweight power drive. A better airline for Brazil. Chocolate from Madagascar and a soccer shirt made of plastic water bottles. A fashion leader escaping its pattern, a smelter, and that little coupon startup in Chicago that's suddenly worth billions. All this from one simple word: innovation.

Today, innovation is about much more than new products. It is about reinventing business processes and building entirely new markets that meet untapped customer needs. Most important, as the Internet and globalization widen the pool of new ideas, it's about selecting and executing the right ideas and bringing them to market in record time.

A powerful business-unit strategy creates shareholder value by producing products and services for less than the cost of providing them; capturing value from competitors, customers, and suppliers; competing successfully for market share; and cooperating selectively to enlarge the potential market. Central to these decisions are the challenges of selecting how and when to compete.

Most strategy decisions are interdependent—the best strategies for clients often depend on the strategy choices made by their competitors, customers, suppliers, and complementary goods and services providers. Executives recognize this but don't always know how to

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systematically leverage the strategy choices of other players to ensure their own strategies succeed. Game theory provides a systematic process and set of analytical tools to take advantage of these interdependencies. All most every company tries out one or the other kind of Innovative Strategy(Christensen, 2011).

To quote, Apple Inc. (NASDAQ: AAPL) is one of the Top 20 Innovators of The Innovation Index. What drives Apple Innovation and Creativity in Business.

Apple innovates through :

- Creativity and Innovation
- Innovation in Products
- Innovation in Business Model
- Innovation in Customer Experience
- Innovation and Leadership
- Steve Jobs Leadership

Apple has built an **Innovation Factory** – one that harnesses creativity in its people, stimulating new ideas, and launching successful, profitable new innovations... Apple leverages its diverse culture, innovation processes, partners and networks to seize the new opportunities in the marketplace and grow its businesses exponentially.2. Innovation & Creativity in Practice

Making the corporate "whole" worth more than the sum of its parts is the biggest challenge facing many multi business companies. As per McKinsey they work with clients to define a role for the corporate center that goes beyond monitoring operations, allocating resources, and coordinating shared functions. They help the corporate center shape the company's direction and boundaries and identify privileged capabilities and insights (Drucker, 2008).

2.1. Growth

Large-company growth has long been an area of focus for McKinsey. A decade back they published *The Alchemy of Growth* and introduced the three-horizon framework. More recently, they have undertaken a new, extensive study of large-company growth to deepen the expertise. In the new book *The Granularity of Growth*, they enhance the three-horizon model by integrating it with a more robust and granular understanding of the sources of revenue growth.

They believe the broad-brush way that many companies describe their business opportunities is flawed. Large companies in particular suffer from the tyranny of the aggregated and average view: "China is where the action is." "Chemicals is a cyclical industry." Although popular, these generalizations offer very little help to executives looking for meaningful growth opportunities.

Real winning plays can emerge only when companies take a more granular view of their market segments, their needs, and the capabilities required to serve them. They help clients do that by defining their ambitions, identifying opportunities, and wiring their organization for growth.

2.2. Innovation

Driving innovation is a significant challenge. Companies usually complain about lack of ideas and an anemic pipeline. However, rarely its found that companies lacking ideas. Instead its found that existing ideas are small, incremental, and capable of only modest value creation; or they are buried in complex organizations, in the hands of individuals with no capacity to drive them forward.

While they do not need to be addressed simultaneously, excelling at innovation requires excelling at all its facets:

Leadership, culture, and organization have a disproportionate impact on how companies perform in this area. Our organization-specific diagnostic can help assess an organization's capabilities, and our tools will help foster an environment conducive to innovation.

Creativity is critical and must be balanced with analytical discipline; the ambidextrous approach to ideation helps companies generate breakthroughs.

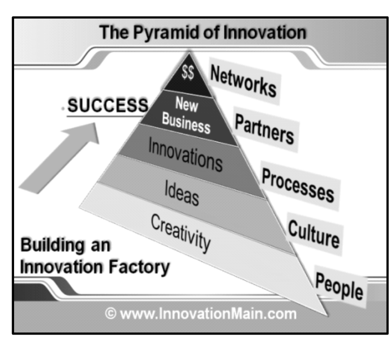
Consumer focus is a key success factor; with Product Matics, company provides a rigorous method to optimize the client's product or portfolio over the entire process from the idea to commercialization.

The innovation portfolio must be actively managed at the firm level, independently of traditional projects to significantly reduce overall risks and increase returns.

Today's innovation efforts are a matter not of a company but of a network. Company help clients find the right "open-innovation" model and get the most out of it.

Benchmarks and best-practice knowledge help company get a view of clients' actual innovation performance and identify key levers to drive it forward.

More and more, today's competitive climate requires organizations to institutionalize the process of innovation - to plant the seeds of creativity that could utterly transform a business. Creativity necessarily involves the destruction of old - and sometimes comfortable and perfectly good - ways of doing business. But for companies willing to take the risk - and for leaders committed to building innovative cultures - the first requirement is to understand the creative process, and the second is to commit to policies that support the creative process.



<Figure 1> The Pyremid of Innovation

3. The Four Stages of the Creative Process

In order to build an innovative culture, leaders first have to understand the four keys stages of the creative process, based on the work of Teresa Amabile, Ph. D. - a psychologist at the Harvard Business School: The four stages are:

Preparation : this is the stage where the creative person or team becomes immersed in the problem. It's an information gathering stage, and when the effort is a collective one, it involves the forming of roles, areas of special individual interest and the (sometimes loose!) coordination of tasks. The creative process can sometimes stall - or temporarily appear to stall - at this stage, especially when lots of possibilities yield no immediate, transformative insights (Christensen, et al., 2004).

Incubation : in this stage, the original problem may appear to be on the back burner, even forgotten or neglected, but the mind is still at work.Not the logical, linear mind - the part we use most when awake - but the part that dreams, synthesizes, and makes new, weird, original connections. For a team effort, this can mean that the group may not meet for a while, appearing to let the project fall by the wayside. But people will still be thinking, or have ideas occur to them in the shower, or write down thoughts on cocktail napkins, etc.

Illumination : Without warning, ideas or innovations can come any time - the "aha!" or "eureka!" experience. More commonly, there is no immediate "killer insight," but some new angle that may occur, or some sudden, burning, unexplainable need to return to work on the problem - often a sign of creative "labor pains." When the creative project has been a team effort, sometimes the only thing needed is to get the original group members together again after a period of time, and then "pow!"- the spontaneous exchange among them can bring forth an idea that no one member could articulate alone.

Execution : This is the stage that separates mere creativity from successful innovation. New ideas require action, stubborn determination, and ability to build change coalitions while marketing the idea to critical skeptics. Perhaps more than anything else, it takes courage and persistence. Since the execution stage is more about social skill than it is about the technical skill that produces the innovative idea, this is the stage where organizational management can be most actively helpful in promoting business creativity (De Bono, 1999).

4. Five Business Practices that Create Innovative Cultures

Leaders who want to create an innovative business culture must understand the steps of the creative process, but that alone is not enough.To promote business innovation, executive leaders should commit to the following business practices, and institutionalize them in the culture - by training managers in these practices and then doling out promotions and rewards to those who employ them successfully.

Select the most promising innovators, but encourage unexpected surprises: To build innovative "hothouses" in an organization, executives may want to cull out the most promising idea-generators and provide them with extra resources. Those are the people who can benefit most from the "buffer zones" in step two.But the other practices listed in this section should be generalized throughout the organization, if possible, so that innovators in unexpected places will have the room to produce ideas and results. Leaders should train other managers to understand the stages of the creative process, and evaluate managers based on their ability to promote and shepherd through to completion new ideas that they encounter.

Create "buffer zones" for the most innovative people: Creating "buffer zones" means building a kind of protective cocoon around creative people or around the innovative teams within an organization. That means eliminating the ways that policies or other work pressures get in the way or discourage the information gathering involved in the preparation stage. It also means being sure that the tools and resources are available when creative people go looking around for data or answers to questions. The executive leader for such a group should do the advance work and run the interference necessary to let creative people go through the preparation stage without interference or harassment.

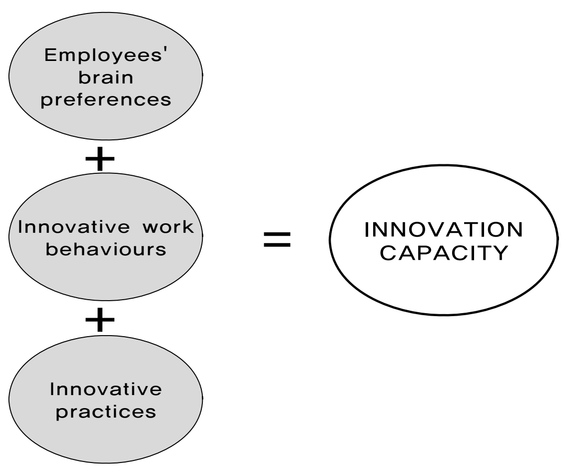
Give innovators room to "play:" For innovators, anything they can do to mess around with the kinds of data or projects that they see as helpful - will be helpful. That can be hard to remember when they seem to have lost their minds, or to have lost their focus!But during the incubation stage, activities that may look like useless diversions - that may not even look like work - are all necessary to allow the deeper parts of the brain to solve a problem and make new connections. For typical results-oriented executives, this can be hard to do - especially when the creative team happens to be a team of executives working to create a new business process. The senior executive who may have assigned the task may be hard pressed to let his innovative team have the time and space to produce truly transformative solutions. The key to letting people have room to "play" is to refrain from judgment of their activities or methods.

Resist the temptation to look for immediate results: Any team can develop incremental solutions or recommendations. There is no business or technological process that can not be improved through study and modification. But to build a culture that truly encourages innovation, the pressure to get immediate results will yield only incremental improvements, and the need to meet deadlines can sometimes kill the creative process before the illumination stage. While it is true that deadlines can focus creative teams and encourage timely ultimate illumination, setting deadlines should not be overused because they often will interfere with the creative process. Close communication with creative people working on a project can help leaders develop a feel for when setting a deadline will help, rather than hinder the process.

Commit to driving the best ideas through to implementation: Innovators are seldom the best salespeople for their ideas. They are, by nature, more likely to work in isolation, play with their ideas, or generally rub others who are less creative the wrong way. The business leader who want to encourage innovation must act as the first-line filter to test the best ideas and solutions, choosing which ones are the right ones tosee through to fruition. Then the executive advocate must commit to the internal sales and marketing project to build coalitions that will bring the new idea into a reality. This takes courage and persistence, and an ability to work the political and social process involved in getting others to adapt to innovation. This is important, not only to reap the rewards of innovation in practice, but to encourage other innovators by showing them that their best efforts will actually be adopted and see the light of day - in your organization, and not your competitor's!.

Leaders who want to encourage business creativity must be sure also to build talent driven, positive cultures that place a value on learning. To see if your organization fits the bill, here's one quick test: can any employee at least two steps removed in the organizational chart openly ask a question that challenges a firmly held opinion of the CEO? If the answer is "no," then your organization is probably not as open as you think it is, and you'll need to reassess your culture if you genuinely want to promote innovation - and reap innovation's rewards.

5. Expanding Business Innovation Capacity



<Figure 2> Innovation Creacity

5.1. Creating Team Innovation

Ten Principles for creating the highest performance teams and team innovation.

5.2. Establish *the reasons and objectives of forming a team. Create a concise team vision and mission statement that is crisp and well understood.*

5.3. Recruit the *best team players* who will be the most adept at achieving the said team objectives, vision and mission. Find employees both from within the organization through your own network of friends, peers and managers, and externally through the best recruiters available.

5.4. Establish *clear, participatory, effective and elevating team goals and plans*, preferably using SMART system. Ensure that the team's plans and future direction are clear and supported, the team is kept informed of the ongoing progress, quality standards and effectiveness set, and there is complete commitment from team members towards achieving these objectives.

5.5. Articulate *and communicate team task functions and relationship functions*, and help the team understand the differences through examples. Organize and lead the team so that the team coordinates the efforts and cooperates well. Create a high degree of trust and confidence among the team members, ensure that the team members participate fully and communicate openly making sure that everyone is always included, encourage different viewpoints and foster diversity in thought and members, and build camaraderie, closeness and friendship within the team.

5.6. Develop *healthy and productive group and meeting norms*, grow team cohesiveness by building collaboration, and manage social loafing consequences. Make decisions by consensus after seeking opinions from each team member, help the team towards making its own good decisions, resolve problems and find solutions through mutual effort and open communications, and evaluate team behaviors and perceptions openly.

5.7. Proactively manage *team behaviors and conflicts* that could either encourage or harm member relations, and regulate situations where individual needs are not satisfied. The emphasis is on "proactively" managing conflicts. A high performing team will have conflicts, openly and often. Conflicts are a healthy sign of a team cooperating and communicating ideas frequently. The manager should create sound conflict resolutions techniques wherein the conflicts are addressed in a timely manner, and conflicts remain rooted in problems and issues, and not about members.

5.8. Cultivate *and unleash Group Creativity and Innovation*. A leader becomes indispensable and important to the organization when they can develop creativity throughout the organization--in their team, and in the processes the leader uses to tap and leverage that widespread creativity. What processes drive Group Creativity and Innovation? The team leader leverages Group Creativity techniques including Basic Brainstorming, Nominal Group Technique (NGT), and NGT-Storming. A creative team leader will always ask a lot of questions, never judges, encourages free-wheeling, goes for quantity (of ideas), and promotes piggybacking during the group creativity meetings. Finally, a witty quote about change, and stepping into the team member's offices and asking a simple question: "any creative ideas today?" will always encourage creativity and innovation among the team.

5.9. Analyze, *update and maneuver team communication* according to the twelve categories comprising Bales' Interaction Analysis. Bales' Interaction Analysis allows the manager to review the team's member communications in four categories: Positive reactions, Attempted answers, Questions and Negative reactions. By analyzing this once every few months, the leader can not only get insight on how the team communicates, but also provide individual members feedback. If the overall communications are moving towards increasing Questions and Negative reactions, the leader can take appropriate steps to enhance the communication flow

5.10. Create a Team Assessment Inventory on the team's general productivity and climate, team goals, processes and procedures, and member relationships every three months to analyze and calibrate the team performance. This is very important if the team is going to be working together on projects for the long term. Also, this would provide the manager a self-assessment on how well the term is performing.

5.11. Have fun!! Create an environment wherein the team members enjoy their work, and the team morale remains high. The leader needs to exude excitement, and inject that passion so that the team members also work with high degree of energy and excitement. Every month or once every few months, the leader should take time to enjoy the achievements, and plan fun activities with the team (Sloane, 2007).

6. Conclusion

Zoom forward to today. The conventional business management structures based on hierarchical command lines have been morphing into hybrid systems for a number of years. There are many creative, intelligent knowledge workers in today's business economy who won't sit still for the old systems of command and control by a handful of good ole boys. Even the 'old school' leaders are slowly but surely acquiescing. Attracting the best and brightest demands it.

With business' rise in power, so too have the stakes risen on the value of responsibility and sense of ethics. We've witnessed enormous leaps in the past fifty years in business management development. The next wave of development is beginning and It feel great to be a part of it may be some way.

It's challenging and exhilarating. If you think of yourself as cutting edge, then you'll appreciate the work we can do together in developing the business practices that work for your organization.

<Table 1> Annexure (A)

Rank	Name	Feature Description
01	APPLE	For dominating the business landscape, in 101 ways
02	TWITTER	For five years of explosive growth that have redefined communication
03	FACEBOOK	For 600 million users, despite Hollywood
04	NISSAN	For creating the Leaf, the first mass- market all-electric car
05	GROUPON	reinvigorating retail -- and turning down $6 billion
06	GOOGLE	For instantly upgrading the search experience
07	DAWNING INFORMATIO N INDUSTRY	For building the world's fastest supercomputer
08	NETFLIX	For streaming itself into a $9 billion powerhouse (and crushing Blockbuster)
09	ZYNGA	For being the $500 million alpha dog of social gaming
10	EPOCRATES	For being the $500 million alpha dog of social gaming

Source: Forbes (2012)

<Table 2> Forbes Magazine

Rank	Company	5-Year Avg. Sales Growth (%)	5-Year Avg.Net Income Growth (%)	Enterprise Value ($bil)	Innovation Premium*
1	Salesforce.com	39.5	78.7	20.7	75.1
2	Amazon.com	32.0	37.6	92.7	58.9
3	Intuitive Surgical	43.4	36.4	13.4	57.6
4	Tencent Holdings	69.0	75.4	46.5	52.3
5	Apple	35.1	60.7	303.4	48.2
6	Hindustan Unilever	10.0	4.0	15.5	47.7
7	Google	35.0	37.1	138.1	44.9
8	Natura Cosmeticos	17.0	13.5	10.2	44.5
9	Bharat Heavy Electricals	27.2	25.0	19.5	43.6
10	Monsanto	13.4	44.7	41.3	42.6

Source: Forbes (2012)

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