

## News on Creativity and Innovation related topics

creative4business

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**Dear Reader,**

Welcome to the July edition of **Innovation Matters**. This is the final edition of the Summer since I will be taking a short rest and also many readers will be doing the same. Innovation Matters will be falling into your Inbox once again at the start of September.

Once again there are three articles and another top tip. The top tip comes courtesy of **Ernest Hemmingway**, try it and see what you think!

Article number one takes a look at our quest for generating ideas above all else whilst the second article takes some words from the well known comedian **Steve Martin** and twists them a little to apply to Creativity and Innovation.

The third and final article is really a plea to avoid being safe and



In order to avoid starting a new day with a cold, blank piece of paper, Ernest Hemingway ended his day by writing the first paragraph of a new chapter. During the evening, he considered where the paragraph might go. In the morning, *he* was ready to go.

One creative way to start your day is by starting it the day before.

*End today by starting tomorrow.*

take a slightly more **risky approach** when implementing ideas.

If you have missed previous editions of Innovation Matters you can find them all at [www.creative4business.co.uk/archives.html](http://www.creative4business.co.uk/archives.html).

Happy reading,

Derek Cheshire



## Do you belong to the Ideas Cult?

The Cult of Ideas is a dangerous body lurking within the field of corporate innovation. It is a disturbing grouping in which members worship massive numbers of ideas above all else. On the surface, this seems a good thing. After all, innovations are founded on ideas, are they not? So, if a company wants to innovate, the more ideas it creates the better. Sadly, however, the truth is that the cult of ideas can actually stifle creativity and inhibit innovation.



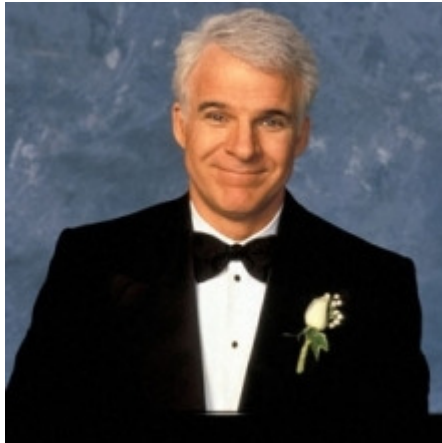
The cult manifests itself when Starbucks proclaims that they have received over 100,000 ideas from their on-line suggestion web site or when IBM boasts of Idea Jams that generate many tens of thousands of ideas. It is easy to understand why the Cult has grown so powerful. Most senior managers come from analytical backgrounds, often with MBAs from prestigious academic institutions.

Unfortunately, finding meaningful numbers in the innovation process can be tricky. Technology and pharmaceutical companies can count their patents - and many do. But patents fail to measure efficiency and business model innovation, which are also important. Moreover, many innovative firms take out few patents. The number of new products launched every year, or the income generated by products introduced in the past five years is another approach for measuring product innovation - but it also fails to recognise other forms of innovation. A visit to any supermarket suggests we must question whether the introduction of new products truly represents innovation. A look at all the variations of washing up liquid or soap powder, many of which claim to be "new", for instance, is hardly indicative of product innovation.

So managers have latched on to the counting of ideas and the assumption that lots and lots of ideas must be a good thing. This has been enhanced by innovation service providers who also espouse the notion that more ideas are better than fewer. And from this situation has grown the Cult of Ideas which is further fuelled by the efforts of Innovation consultants and vendors of Idea Management solutions.

So why is this cult bad? Ideas on their own are good but it is the pursuit of ever increasing numbers that is not

so good. We tend to forget what we are supposed to do next! If we do not actually implement ideas but simply sit around and make plans then our innovation programs are guaranteed to fail. Ideas must be put into practice and economic value created. Companies such as Google and Apple rarely brag about how many ideas they generate. They demonstrate innovation. Take a look at Fast Company's list of most innovative companies (<http://www.fastcompany.com/most-innovative-companies/2011/>). Those at the top of the pile are recognised for their innovations and not for quantities of ideas.



## Doing Creativity the Steve Martin way

These thoughts were inspired by some works of the comedian Steve Martin and have been toned down a little!

*"All knowledge is or is about to become old-fashioned. There is room for something new".*

Remember that all but the greatest theory, most of the data and knowledge acquired by scientists will become increasingly irrelevant as it is supplanted by new theory and applicable data. Someone has to provide that new theory and data, why shouldn't it be you?

*"There is no harm in charging oneself up with delusions between moments of valid inspiration".*

It's OK to fantasize about success. Dream your wild-ass dreams. Creativity is often manic. Just remember that there is a reason folks talk about manic depression. In the end, most of your ideas won't work out. That's normal. Creativity is about generating 100 ideas, so that you can recognise just one good one.

*"It was easy to be great. Every entertainer has a night when everything is clicking. These nights are accidental and statistical. Like lucky cards in poker, you can count on them occurring over time. What was hard was to be good, consistently good, night after night, no matter what the abominable circumstances".*

When you find your niche, when you have your business idea, make sure that you are consistently good at what you do, no matter what the circumstances or market conditions..

## Audacious Ideas

With most ideas, there is a correlation between how audacious or risky an idea is and its potential for economic reward. Disruptive or radical innovation produce ideas which disrupt industry and dramatically change a business sector. These are audacious and highly risky but if they work out as hoped, they bring huge rewards.

Niklas Zennström and Janus Friis developed their own voice over Internet protocol (VoIP) and then built a business around it - Skype. They offered free telephone calls over the World Wide Web as well as cheap calls via the Web to ordinary telephones. Their business model was audacious. A couple of unknown Swedish guys took on the world's telephone service providers. Their idea was both innovative and seriously risky. Potential users might well have decided they did not trust VoIP or Internet Service Providers who might have tried to block Skype calls. In which case, the two Swedish guys would have lost a lot of money.



Skype has been a huge success story. There are more than 100 million Skype users around the world and the two founders sold their company to eBay for USD2.4 billion. Not bad for an audacious idea.

To visualise the importance of audaciousness in business innovation, imagine a simple graph with X and Y axis. The right end of the X axis is marked "Audacity", the left end is marked "Boringness". The top of the Y axis is labelled "Risk/Rewards". The bottom is labelled "Stability". Next, draw a narrow diagonal bar from the bottom left corner of the graph to the upper right corner. This bar represents the range where most business ideas fall. Audacious business ideas are risky yet innovative. Boring business ideas are safe and not very risky. But they do not bring high rewards. Most business ideas, of course, tend to fall near the axis.

There are several useful things we can learn from this exercise.

1. In Europe and America we tend to favour highly innovative ideas, but it seems that a handful of boring business ideas resulting in incremental innovation can also bring benefits. You should not focus all your innovative efforts on big, disruptive innovation. A number of smaller, moderately innovative ideas should be mixed in.
2. Many companies have an overly strict review process that requires every single idea pass a number of hurdles before it is implemented. All too often committees reduce the risk of the idea. They seek to

protect the company against risk or most likely they seek to protect their own jobs by not sanctioning risk projects. By reducing risk, they are also making an idea more boring, less innovative and reducing the potential reward.

3. Conversely, an idea can often be pushed to be more audacious, thus increasing its reward potential - but also its risk. Bear this in mind the next time you brainstorm ideas. When you get a few good ideas, don't stop there. Push the best ideas further.
4. If an idea is very boring and of low risk, its reward potential is also low. Thus you need to be certain that the cost of implementing the idea will not be greater than the rewards it brings in.

So, the next time you have a business idea, go on and be audacious. Push the idea to the limits and don't be afraid to go with it.

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