

News on Creativity and Innovation related topics

creative4business

June 2011

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Dear Reader,

Welcome to the June edition of **Innovation Matters**. We are now back on schedule, and our newsletter will be appearing in your Inbox on the first Tuesday of the month for the remainder of the year, except of course for August when we take a short break.

This month, our top tip helps to answer one of the questions that is asked quite a lot 'how many crazy ideas does it take to get one good idea worth following up?' Cast your eyes to the left and find out!

Last month we took a look at Innovation in the banking sector. This month it is the turn of the food and drink sector in the form of US giant **Coca Cola** and their **Freestyle** vending machine.

Article number two is a short list of eight **paradoxes** that are at the centre of creative thinking and which often confuse traditional thinkers.

Our final article takes brief look at what we actually mean when we use the word Innovation and suggests **three essential pillars** that



The golden ratio. Remember that for every 10 wacky ideas that you create there will be roughly 1 worth pursuing further. And for every 10 of these there will be 1 worth evaluating fully in order to turn it into a new product or service.

So you will need roughly 100 wacky ideas for each 'sensible' idea. This should help you work out how much time to spend on idea generation. Remember, this is a rule of thumb, not a law!

stand at the centre of **Innovation**.

Keen readers may also remember an article that I wrote regarding the effect of bullying on creativity. It has been published by J Richard Knapp in his **International Bully Prevention Newsletter**. You can find the nicely formatted PDF version [here](#).

If you have missed previous editions of Innovation Matters you can find them all at www.creative4business.co.uk/archives.html.

Happy reading,

Derek Cheshire



Coke's answer to the iPad

Coke's new Freestyle vending machine offers a range of up to 125 different drinks and is expected to transform the business through its ability to gather vast amounts of customer data each day.

Coke was aware that the US consumer wanted more variety from Coke's dispensers than it was providing but they could not foresee how much variety was being demanded. "We initially thought it might be 20 or 30 different drinks," says Coca-Cola Freestyle general manager Gene Farrell. "The research came back and told us it was more like 100."



This is a huge leap from traditional vending machines that usually offer half a dozen or so variants out of the 500 brands that Coca-Cola actually owns. "The same research told us that the customer didn't want a bartender to serve them from behind a counter in a restaurant," says Farrell. "They wanted to be able to mix their own drinks."

Coke customers can put together their own drinks combinations using the machine, so if they want to, they can combine the eight flavours of Sprite available in the US, including bitter lemon citrus grapefruit, and lemon and lime. Coke also reacts to feedback. They noticed customers writing on Facebook that there were only two flavours of Coke Zero, so they added the full array of flavours."

In developing the self-serve drinks mixer, Coca-Cola called in some external expertise in the fields of software, technology and design from the likes of Microsoft, Apple, Ferrari and BMW. That industry collaboration seemed to ensure the Freestyle's success, according to Farrell. "Consumers love it. We've been in the market since 2010 now and we're seeing double-digit increases in sales. Our restaurant customers are telling us that their Freestyle machines account for increases in traffic."

All the machines are connected via a wired network and each downloads consumption data by brand and day-part for every restaurant they are in. "We can gather all that data and look at it by region, by customer type and by channel. We're using that data in different ways. For example, we've developed a free iPhone app that allows the user to create their own drink by mixing the choices available. We're putting a barcode reader into the machine so that it can talk directly to your mobile device," says Farrell. New products can also be tested via the

machines and geographic and lifestyle data can be captured also. No longer is Coke a 'one size fits all' product.

This type of thinking looks set to revolutionise Coke's business, what can it do for yours?



The Paradoxes of Creativity

I like this list of paradoxes of creativity from leading creativity thinker **Michael Michalko** (author of **Thinkertoys**).

He states that to create, a person must:

1. Have knowledge but forget the knowledge.
2. See unexpected connections in things but not have a mental disorder.
3. Work hard but spend time doing nothing.
4. Create many ideas yet most of them are useless.
5. Look at the same thing as everyone else, yet see something different.
6. Desire success but learn how to fail.
7. Be persistent but not stubborn.
8. Listen to experts but know how to disregard them.

Food for thought

If you search Amazon for "Innovation," you'll get over 43,000 book titles with many more ebooks and blog articles scattered around the Internet, many of which I am responsible for. So what are these volumes all about and why so many for such a simple word - Innovation?

The challenge starts with the definition of innovation. Most of the definitions I've seen are overly complicated and do nothing other than help persuade the man in the street that Innovation is too complicated and should be left well alone. It can be made complicated but need not be.

The founder of the low cost airline JetBlue said "*Innovation is trying to figure out a*



way to do something better than it's ever been done before". And Thomas Edison's said "There's a way to do it better-find it". Which just about covers it all.

So far, so good. Our high level definition opens up innovation, and makes it accessible, regardless of industry sector or function. Let us move on to some basic principles, what I call the **Three Pillars of Innovation**:

1. **Ingenuity.** Ingenuity is human creativity plus application, idea plus execution. Ideas on their own are invention and execution is simply working harder not smarter. We need both.
2. **Perfection.** Imperfection is what drives innovation, because nothing's perfect. Perfection is a pursuit, a journey, not a destination. The destination is a place called "Better." We may have to know when to call it a day and move on to our next challenge as we can never actually attain perfection.
3. **Fit.** Any innovation has to fit with your customers, market and expertise. There is no point creating something just for the sake of it. Or to put it another way, if you have the best mousetrap that the world has ever seen, you must have a really big issue with mice!

There has to be some element of each of the above for an Innovation to be successful. The big challenge for businesses is to ensure adherence to these key principles on a daily basis. In next month's issue there are some hints and tips on how to accomplish this.

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