

## CHAPTER 5

### Business Creativity and Innovation

#### Introduction

Today, the importance of coming up with new products, services and processes is increasing. Entrepreneurs are also attracting more attention as the society looks up to them to create value by way of inventing new products, or services, developing new technology, discovering new knowledge, improving existing products or services, finding different ways of providing more goods and services with fewer resources. There seems to be no dearth of ideas needed to bring about all these. The only problem is the inability to bring these into technically and commercially successful form. A strategy of creativity and innovation is the most constructive approach from the point of view of entrepreneurs and the society. It means entrepreneurs must refuse to be satisfied with the way things are, but always have passion and commitment for new products, ideas, cost-cutting discoveries, new ways of thinking and doing things, including creating new customer values and take the best possible course to stay ahead of others. With the rate at which things are changing and if entrepreneurs want to go along with the world, the way out is through creativity and innovation.

Innovation is a continuous and almost infinite process. Tomorrow's competitive advantage will be different from today's competitive advantage. Therefore, entrepreneurs must continually be looking for opportunities to effectively compete for the future. The way out is through creativity and innovation. Innovation according to Drucker (1985) is an essential tool for entrepreneur. For an entrepreneur to stay ahead of others and ensuring the survival of his business, he must demonstrate creativity and innovation in all he does. Innovation is driven by creativity and does not occur by happenstance or spontaneously. This means that an entrepreneur and even aspiring entrepreneurs require creativity and innovation to create value for himself, customers and the larger society.



## **What is Creativity**

Creativity is the ability to develop new ideas and to discover new ways of looking at problems and opportunities. The idea must be unique, useful and worthy of elaboration. It is the act of conceiving something original or unusual. It refers to generating new and novel ideas, alternatives, solutions and possibilities in a unique and different way. It involves the ability to conceive something new, original, exciting, imaginative and unique. It is the process of bringing something new into being. Creativity is an insight or the ability to think or see new things or old things in new ways. It involves the following:

- (i) Openness to change.
- (ii) Willingness to try new things.
- (iii) Persistence in seeking possibilities.
- (iv) Open to brainstorming ideas.
- (v) Commitment to do things better.
- (vi) Thinking about what one sees and hears.

Creativity involves the ability to perceive the world in new ways, and to generate solutions. It also involves the ability to tap into one's "inner pool of resources" which includes knowledge, insight, information, inspiration and all productive ideas in one's mind. Creativity requires passion and commitment to new ways of thinking. It brings to awareness what was previously hidden and points to new life. It gives an entrepreneur a competitive advantage by adding value to his product or service and differentiating his business from the competitors. If an entrepreneur does what everybody else does, he will most likely not get to where he wants to be but rather have a low margin in business.

Creativity is a function of knowledge, curiosity, imagination and evaluation. The greater one's knowledge base and level of curiosity, the more ideas, patterns and combination one can achieve which then correlates to creating new and innovative products and services. But merely having the knowledge does not guarantee the formation of new patterns and ideas. As part of entrepreneurship education, students should be trained on creativity. Training in creativity can help an individual to view problems from different perspectives. It is also useful in generating unique solutions. For instance, the increasing technological advances,



short production cycles, global trade possibilities, etc. are indications to support the need for training in creativity. Creativity is therefore to ensure that the individual is involved in initiating new projects, creating opportunities while solving problems. Knowledge of creativity will also ensure that the individual learns to proffer practical solutions to newly defined initiatives. These and other things are what creative problem-solving is all about.

### **What is Innovation**

Innovation is often confused with creativity. It is different from creativity. It is an act to enhance business ideas and their outcomes. It is the introduction of something new and effective into the market. It is the ability to apply creative solutions to those problems and opportunities in order to enhance people's lives or to enrich society. In other words, innovation is applied creativity. It is the application or implementation of a new or significantly improved product, service or process that creates value for business, government or society. It is the successful exploitation of new ideas. Drucker (1985) defines innovation as "the specific tool of entrepreneurs, through which they exploit change as an opportunity (which is the source of innovation) for a different business or service". Better and smarter ways of doing something is innovation. People tend to think of innovation as a new product, but it goes beyond that. It includes new processes, methods, business models and marketing methods. Indeed, every aspect of a business operation is an issue or area for innovation. This is probably why Peter Drucker said, 'Every organization must prepare for the abandonment of everything it does. This could be the introduction of:

- (i) New technology.
- (ii) New product or service.
- (iii) New method of production or service.
- (iv) New marketing method.
- (v) An improvement in an existing product or service.

Every entrepreneur must prepare not to restrict his vision of innovation to products or services. as innovation also applies to business process and methods as well as customer service. The great innovations



by companies like DELL, Amazon and even First Bank of Nigeria in its Century II Project were with their business models and processes rather than new products. Innovation has become the mantra for survival in this tough economy and business environment. Even public sector organizations have had to yield to the pressure and market demand to introduce newness and originality in their processes. Thinking outside the box has become a necessity for corporate survival and growth, whether private or public sector organization.

Innovations can be incremental or radical. Every improvement that an entrepreneur makes in products or services can be seen as an incremental innovation. Most businesses or entrepreneurs are good at incremental innovation. They see problems in the current setup and fix them. Radical innovation involves finding an entirely new way to do things. As such, they are often risky and difficult to implement. The introduction of flash drive which sent diskettes out of the market is an example of radical innovation. The emergence of Compact Disc (CD) in the market is another example of a radical innovation over Long Playing (LP) records. The CD eventually killed the LP records. The CD manufacturers could introduce incremental improvements. A radical innovation, music downloads over the Internet, may make CD obsolete. Most organizations and entrepreneurs focus less on radical innovation. They tend to focus more on incremental innovation. Entrepreneurs need to constantly look for both incremental innovations and radical innovations. They need to develop creativity and turn it quickly into innovation.

### **Creativity Versus Innovation**

By the definitions of creativity and innovation, no doubt, there is a close relationship between the two concepts. They go hand in hand and they are both very important in entrepreneurship. Creativity is thinking new things while innovation is doing new things. Creativity is, however, a crucial part of innovation. In fact, there is no innovation without creativity. Creativity is the main factor for innovation. All innovations begin with creative ideas, meaning that creativity is the starting point for innovation. Although creativity is necessary for innovation, it is not a sufficient condition for innovation. The key metric in both creativity and innovation is value creation. If for an example in a brainstorming session, dozens of new ideas are generated, then there is a display of creativity,



but there is no innovation until something gets implemented. Somebody must have to take the risk and deliver something for a creative idea to be turned into an innovation. The innovation can come in form of an invention. Therefore, an invention is an innovation but an innovation is not an invention. For instance, if a company comes up with its website, which may be a major innovation for the company, it may not be an invention because many other websites already existed.

Organizations that have done well over the years are those who are very creative and innovative. These organizations do not copy what others do, instead, they may use innovative ideas from others as a springboard to come up with a unique application, product or service for themselves. If they see another company copying what they do, they create something new and better. In other words, they are able to leverage their creativity and innovation capabilities for competitive advantage and to attain long term success.

When an entrepreneur applies creativity and innovation to every aspect of his business, he is able to stay ahead of a changing marketplace and competition. The more creative and innovative an entrepreneur is, the more long term success is likely to be achieved. Therefore, it is important that an entrepreneur brings creativity and innovation to what he is doing. Organizations thus need employees who can imagine and are creative and can provide innovative solutions to operations that will guarantee the organization's tomorrow. To develop creativity and innovation capabilities, there are needs for adaptation to change, staying competitive, improving business performance and making a positive difference in the world. Students in tertiary institutions in Nigeria and other African countries must not lag behind. They must join the train by developing creative and innovative skills to enable them explore the potential power of their minds in order to lead in product and service innovation so as to better their lives and the society.

### **Differences Between Creativity and Innovation**

There are some basic differences between creativity and innovation. These are:

1. Creativity is the process of generating new and original ideas, while innovation is the process of implementing those ideas into a product or service that creates value for the organization.



Basis of Comparison	Creativity	Innovation
Meaning	It is an act of creating new ideas, imagination and possibilities	It is the introduction of something new and effective into the market.
Process	Imaginative	Productive
Quantifiable	No	Yes
Related to	Thinking something new	Introducing something new
Money Consumption	No	Yes
Risk	No	Yes

**Source:** <https://keydifferences.com/differences-between-creativity-and-innovation.html>

### **Creativity, Innovation and Entrepreneurship**

One of the characteristics of entrepreneurship is the ability to create new and useful ideas that solve the problems and challenges people face every day. Entrepreneurs achieve success by creating value in the marketplace when they combine resources in a new and different ways to gain a competitive edge over rivals. Entrepreneurs can create value in a number of ways – inventing new products or services, developing new technology, discovering new knowledge, improving existing products or services, finding different ways of providing more goods and services with fewer resources and many others which are all hallmarks of the entrepreneur (Scarborough and Zimmerer, 2005).

Entrepreneurs are inherently creative and are able to not only come up with ingenious ideas but also use their high creativity and innovation skills to be successful. They succeed by thinking and doing new things or old things in new ways. They have the ability to marry their creative ideas with purposeful action and structure of a business. The result of this process of applying creativity and innovation is the creation of new products, services or businesses. Having new idea is not enough, transforming the idea into a tangible product, service or business venture is even more important. Thus, successful entrepreneurship is a constant process that relies on creativity, innovation and application in the marketplace (Scarborough and Zimmerer, 2005).

Innovation is an essential ingredient for entrepreneurial success. It is closely tied to creativity. It is putting creative ideas into action whose



consequences will be positive. This gives an entrepreneur an edge over others. A lot of people come up with creative ideas for new or different products and services, but most of them never do anything with them. Many of such ideas do not get used or implemented, and as such slowly die and get buried. The reasons for the death of such ideas are many, some of which are:

- (i) Society pressure to conform to rules and set expectations.
- (ii) Culture which exert a negative force on creativity.
- (iii) The pressure to earn a living rather than experiment creativity.
- (iv) Pressure to meet deadlines and targets.
- (v) A desire to conform to standards and set procedures.
- (vi) Unsupportive socioeconomic and business environment.
- (vii) Lack of appreciation or incentives for creativity.

Entrepreneurs are those who marry their creative ideas with purposeful action. This involves thinking new; doing new things; and creating value in the marketplace. The act of translating creative ideas into practice is innovation. Entrepreneurs can innovate for many reasons. Among such reasons include:

- (i) To increase productivity.
- (ii) To create new jobs and more opportunities for people.
- (iii) To raise the standards of living.
- (iv) To inspire and enhance opportunities.

Entrepreneurs recognize the necessity and the need for continuous innovation in achieving competitive advantage in dynamic markets. The way to create competitive advantage in today's market is innovation. This is probably why Ulijin & Brown (2014), defined entrepreneurship as "a process of exploiting opportunities that exist in the environment or that are created through innovation in an attempt to create value". Entrepreneurship therefore is the result of a disciplined, systematic process of applying creativity and innovation to needs and opportunities in the marketplace. It is the vehicle that drives creativity and innovation. It involves applying focused strategies to new ideas and new insights to create a product or a service that satisfies customers' needs and solves



their problems. Therefore, introducing new products or services is part of the process of innovation which in itself is seen as an engine driving continued growth and development.

In the creative world of entrepreneurship, the drive is to deliver creative and innovative ideas. The creative process involves the ability to generalise, evaluate, design, trouble shoot, make decisions, create, modify, simplify, synthesize, learn new skills and modernize while utilizing various forms of cognitive processes. The individual's ability to solve problems creatively is therefore dependent on his ability to utilize knowledge acquired to solve specific problems. In organizations, both creativity and innovations are important for success. For an entrepreneur to be innovative, he must have the ability to take risk, experimenting, asking questions and observing things. Entrepreneurial success in the 21st Century therefore depends to a large extent on the seriousness with which innovation is taken by entrepreneurs and enterprises, through which the society will benefit tremendously.

Problem solving cannot be separated from creativity. The process of thinking, fact finding, idea seeking and proffering solutions are processes involved in creativity. In creative problem solving, ideas are generated; solutions are found and evaluated so as to select the best ideas. Linking entrepreneurship with creative problem solving therefore makes the entrepreneur a "system thinker", one who intuits and an inventor. Without this he will not be an entrepreneur. The entrepreneurial mindset sees needs, problems and challenges as opportunities. He comes up with innovative ways to deal with challenges, utilizes and consolidates opportunities. He is equally an optimist, a strategist, one who is confident and hard-working. He is never afraid of failure.

### **Creativity, Innovation and Students in Tertiary Institutions**

In the new global environment of galloping change with its attendant new problems, challenges and opportunities, there is an increasing demand for renewed dynamism of approach by entrepreneurs if their organizations will survive and prosper. There is today a more pressing need, ever than before, for creativity and innovation. Therefore, creativity and innovation are essential skills for global economy which entrepreneurship education is expected to foster among students. Even though creativity is believed not to be genetic, every student



has substantial creative ability. It can be developed if students keep on learning and comprehending things with a rare perception and demonstrate commitment to improving their creativity. People have to think outside the box and beyond their imagination for bringing something worthwhile. The belief or mindset that only special, talented people are creative and innovative must first and foremost be erased from the minds of students. They must overcome the myth that creativity is inborn as this kind of myth diminishes the confidence in their creative abilities. The notion that geniuses are only gifted must be jettisoned. Studies have shown that excellence is determined by opportunities, encouragement, training, motivation and practice.

Though, much of the blame for lack of creativity, and therefore innovation, is traced to the nation's educational system which relies on teaching to the correct answer, students must learn to generate bold and groundbreaking ideas by adopting creative approach and start with the process of creating something new while in school. By exploring something new today, students will be building new and different personalities for tomorrow. They must realize that creative thinking is also an important aspect of entrepreneurship and the bedrock of innovation. Entrepreneurship education and training which students in tertiary institutions are undergoing should assist to unlock their creativity and innovation which are critical not only to economic development and growth but are valuable to them and the society. There are countless opportunities for students to develop their creative thinking, which is the activity of the mind and which involves finding a unique and creative solution to some of life's problems. It is the ability to adapt ideas that make entrepreneur successful, which students should emulate. There is nothing wrong with students learning from successful entrepreneurs who are abound in the country.

Creativity is a skill that can be developed and a process that can be managed. It is an attitude, the ability to accept change and newness, a willingness to play with ideas and possibilities while looking for ways to improve it (Okpara, 2007). Students should therefore engage their minds in creative thinking in order to generate creative and innovative ideas. Students must realize that breakthroughs in science and technology owe their origin to the creative abilities of some people. Entrepreneurs like Bill Gates (Window Software), Graham Bell (Telephone), Michael Faraday (Electricity) Wright Brothers (Aeroplane), Aliko Dangote,



Michael Adenuga, etc. were or are entrepreneurs that engaged their minds to deliver some of the valuable products and services we enjoy today. Students in tertiary institutions can do likewise if they engage their minds in creative thinking in order to do something new and unique. Students must appreciate that there are great opportunities in applying their creative thinking to solving mankind need for basic products and services. It must, however, be appreciated that creativity is not an easy process. It is a difficult thinking skill to acquire. It requires efforts and hard work which students must be prepared for if they must succeed as either entrepreneurs or intrapreneurs in existing organizations.

### **Ways to Foster Creativity Among Students**

Creativity begins with a foundation of knowledge and mastering a way of thinking. This encompasses all what a person knows including the technical ability and expertise. Students can learn to be creative by experimenting, exploring, questioning assumptions, using imagination and synthesising information. Learning creativity requires practice and a supportive environment in which to flourish. The entrepreneurship education environment is such that can assist students in fostering their creativity and innovation skills. The ability to generate innovative ideas, apart from being a function of the mind, includes many other ways which have been suggested by many authors and scholars. These ways are:

- (i) Students must embrace creativity as part of their entrepreneurial learning. This requires students to truly demonstrate passion and commitment to engaging their minds in creative thinking. They must see creativity as a skill which they must develop to perform well as either entrepreneurs or intrapreneurs.
- (ii) Students must ensure they participate in activities and programmes that can develop their creative skills. Such activities include brainstorming, practice firm, that is mini enterprise, etc.
- (iii) Students in the classroom and in their entrepreneurial activities must be given time and space to ask questions; to query assumptions and common wisdom. Through this, they can explore and engage their minds in creative thinking.

(iv) Students must be encouraged to demonstrate curiosity and probe into situations that can enable them open their minds to new ideas.



- (v) Classical brainstorming is an idea generation technique which students must embrace with open hands. Their participation in efficient brainstorming sessions will enable them to regularly engage in seeking new ideas as part of creativity process.
- (vi) The different ways by which students can tap into their own creativity must always be showcased. When the school and/or teachers showcase students' creative knowledge and works, it will assist in creating a space that recognizes and fosters creativity which can be quite inspirational to other students.
- (vii) The school and teachers must demonstrate they value creativity by celebrating and rewarding it. This includes supporting and rewarding creative ideas and projects.
- (viii) All constraints to creativity should be removed to give students space and framework in which they can engage their minds in creative thinking.
- (ix) The environment is an important variable in fostering creativity. The school environment must be right and supportive enough to encourage creativity among students. The school should set-up learning activities that allow students to explore their creativity in relevant, interesting and worthwhile ways. In a school environment that promotes creativity, students will more likely exercise their creative thinking without any fear of failure or ridicule.
- (x) Students must discipline their minds by meditating once a while on the problems, challenges and opportunities in their environment. This will involve having their own quiet time for creative thinking and some reflections. Through this, students' imagination will be fuelled and creativity renewed.
- (xi) The profiles and works of experts and innovators can inspire creativity among students and these should be used or considered in fostering creativity in the classroom.
- (xii) Giving responsibility to students can assist in promoting their creative thinking. Having students to develop their own projects will give them enough space to engaging their creative thinking thereby opening their minds to thinking and doing new things.



- (xiii) Students must learn to look at problems with fresh perspectives. They have to break away from established or old thinking patterns and try to see new paths ahead. This may mean discussing and sharing ideas with people with different perspectives either because of their age, life experience, family and cultural backgrounds.
- (xiv) No single person is a reservoir of knowledge and ideas. Every person is endowed with some creative attributes or abilities. Students must be prepared and encouraged to collaborate with others, to share tools and ideas. They must also promote cross-fertilization of ideas among themselves.
- (xv) Students must believe in themselves. They must have a mindset that they are creative and can change the world. Through this, they will conquer distractions and be focused.

It must be appreciated that one of the most powerful ways to develop creativity in students is for their teachers, instructors, mentors, coaches to be role models. Students develop creativity not when they are told to be creative, but when their teachers/mentors show them. The school environment is thus very important in promoting creativity and innovation among students. Teachers must be mindful of whether their behaviours towards students will foster or not their thinking attitude and creativity.

With Jeff Dyer and Hal Gregersen, Clayton M. Christensen (2011) listed out the recipe for innovation as five key skills which appear to have summarized into five all the 15 ways of overcoming creativity barriers and fostering creativity mentioned above. These five key behaviours are:

- (i) **Associating:** This refers to drawing connections between questions, problems and ideas from related fields.
- (ii) **Questioning:** This involves posing queries that challenge common wisdom. Asking the right and relevant questions provoke the mind to respond to issues and discover new things.
- (iii) **Observing:** This involves scrutinizing the behaviour of customers, suppliers and competitors to identify new ways of doing things.
- (iv) **Networking:** This involves meeting people with different ideas and perspectives.



- (v) **Experimenting:** This involves constructing interactive experiences and provoking unorthodox responses to see what insight emerge.

If students practise the above behaviours or discovery skills regularly, they will develop their skills in creativity and innovation. Students must also follow the rules below in order to foster a culture of creativity and innovation. There rules are:

- (i) They must have a mindset that they can change the world.
- (ii) They must know when to work alone and when to work together.
- (iii) They must be prepared to share tools and ideas.
- (iv) They must recognize that radical ideas are not bad ideas.
- (v) They must invent different ways of working.

### **Barriers to Creativity and Innovation**

From various studies and writings of scholars, the following have been found to be some of the barriers to creativity and innovation.

- (i) The fear for mistakes and failure.
- (ii) Having a mindset that one is not creative.
- (iii) Blindly following rules.
- (iv) Having the fear of being viewed as foolish.
- (v) Constantly being practical.
- (vi) Fear and avoidance of ambiguity.
- (vii) Focusing on being logical.
- (viii) Searching for the one "right" answer.
- (ix) Becoming overly specialized.
- (x) Viewing play as frivolous.

It is necessary that students make effort to overcome the barriers. This, they can achieve through:

- (i) **knowledge accumulation:** This includes reading, attending professional conference and visit to library, listening to radio, watching television, watching films, etc.;
- (ii) **incubation process:** This may include experimenting;



- (iii) evaluation and implementation, e.g. building prototypes, advice, etc;
- (iv) bringing in experts, consultants and facilitators from outside to support and encourage students' creative efforts and projects;
- (v) provision of adequate support from the school and teachers; and
- (vi) provision of rewards for creative and innovative students.

### **Revision Questions**

1. Explain the following concepts and give examples.

(i) Business creativity

(ii) Business innovation.

What are the differences between creativity and innovation? Support your answers with relevant examples.

- 2. Can creativity be taught or is it an inherent trait?
- 3. Why are creativity and innovation so important to the survival and growth of a business? Support your answer with relevant examples.
- 4. How are creativity, innovation and entrepreneurship related?
- 5. There are quite a large number of ways to promote creativity and innovation among students. Mention and discuss twelve (12) of these.
- 6. State and explain the ten barriers to creativity. How can students overcome such barriers?