



Book Creative Strategy

Reconnecting Business and Innovation

Chris Bilton and Stephen Cummings
Wiley-Blackwell, 2009

Recommendation

Academics Chris Bilton and Stephen Cummings propose making creativity a part of your daily operations. With graphics and examples from business, life, literature and the rehearsal room at England's Royal Shakespeare Company, the authors demonstrate why success requires carefully managed and nurtured innovation. Their writing, unfortunately, is dry, with references to obscure footballers, among other incongruous examples. Nonetheless, *BooksInShort* recommends this innovative treatise to corporate CEOs, overhaul specialists, troubleshooting consultants, middle managers, business historians and anyone who wants to visit the juncture of left and right brain to see how they can merge to produce effective strategy.

Take-Aways

- Effective business strategy involves being comfortable with uncertainty.
- Companies should be open to good ideas, whatever the source.
- Innovation must change the terms of the argument, as Picasso did for art.
- Today's workers want collaborative, not top-down, leadership.
- Creativity without discipline and structure produces nothing.
- Most people can become good leaders by developing "sincerity, gravity" and "patience."
- Combining strategic innovation, entrepreneurship and leadership with organization creates a self-renewing cycle of growth.
- The Royal Shakespeare Company brings directors and actors together creatively to shape their productions.
- "Ambidextrous architecture" means that a company should have both public and private work spaces.
- *Moneyball*'s Billy Beane is a perfect example of an effective, unconventional leader.

Summary

Creativity and Strategy: Different Addresses, Same Domain

From as far back as the very first business-practice books, experts have depicted the forces of Creativity and Strategy as different realms opposing each other across an unbridgeable divide. But in reality, they are – and should be – different branches of the same army, united to serve a common purpose. The term "creative strategy" describes a central integrative process that works in good and bad times, across generations, and as a partner to business invention and structure.

"Rather than marking out the differences between 'creative thinking' and 'strategic thinking,' we argue that all industries are creative, and all creativity is, in some ways, strategic."

Creativity arises from a "bisociative" frame of mind that is comfortable with contradictions. It creates value by presenting new solutions while rewriting the context through which your business views its challenges. Yet, most often, business management flows in the opposite direction – obsessed with planning, a uniform corporate culture and certain success. Creativity requires open and unstructured time and space, energy driven by diverse viewpoints and the recognition that failure can happen in business, but you should learn from it.

“Without innovation...art dies. And the same is increasingly true for business.”

To build a more effective strategy, start with greater “orientation, animation and integration.” Be more aware of where you’re going, more responsive to events, and more analytical about how your intended path and unexpected, disruptive events might work together.

Allow free rein and maintain tight control simultaneously – that is, be bisociative – in four crucial enterprise elements: “innovation, entrepreneurship, leadership and organization.” The Royal Shakespeare Company, which operates as an ensemble, offers a good example of this practice. It works through both theatrical and administrative ideas with a collaborative method that boosts morale, cuts costs and generates audience enthusiasm.

Innovating at the Heart of an Enterprise

Today’s culture puts a premium on innovation, so firms that don’t differentiate themselves suffer. Global demand is broader and more niche-oriented than before, which demonstrates that consumers have an ever-increasing say over the market. Firms that stick to the tried-and-true, shunning even cosmetic needs like good design, will lose ground.

“Breaking down the old assumptions and hierarchies which divide creativity and strategy, and rebuilding the connections which join them, is the first step in the creative strategy journey.”

To fuel a genuinely creative business strategy, innovation must be original as well as new. It must be so groundbreaking that it transforms the terms of the argument, as Picasso did for art or as American Airlines did for rewards programs. Crucial to this idea is the link between “creation” and “discovery.” Though time and habit assign them to different constituencies, they are part of the same productive act. Creativity often finds its sources in discovery, and people must inventively repurpose their discoveries to create innovation.

Six Kinds of Innovation

Corporate leaders should rethink the classic value chain to allow for six different kinds of innovation. “Value innovations” create something new, while “cost innovations” generate fresh gains by saving money. “Volume innovations” sell more products, and “marketing innovations” change the way consumers perceive those products. “Boundary innovations” build on those new perceptions by recasting traditional ways of getting products to market, and “learning innovations” use in-house feedback and customer comments to refine product development.

“Genuine creativity requires a tolerance for contradiction on both sides and an ability to switch focus and perception and be changed in the process.”

Creative strategy requires five additional qualities: “Diversity” implies openness to ideas, whatever their provenance. “Naïveté” allows a nonexpert state of mind to consider fresh approaches. “Curiosity” impels deeper engagement with innovation, and “urgency” drives acceptance of new ideas. “Thinking beyond best practice” shifts companies away from aping what worked elsewhere. It calls on leaders to look outward by studying business successes and failures, and to look inward by nurturing new in-house methodologies and by developing standout “next practices” for the future.

Entrepreneurship: Testing the Legs of an Enterprise

“Diligent” and “dilettante” describe a necessary, paradoxical attitude crucial to moving your business forward. Giving free rein to your creative impulses opens up pathways to innovation, but nothing happens without diligent entrepreneurial energy, which has five constituent parts. “Recognition” occurs when an entrepreneur sees an innovation’s potential market value. “Development” fleshes out that idea. “Evaluation” brings hard-nosed calculation to bear. “Elaboration” works out the details of the effort on the way to the fifth stage, “launch.”

“Strategic management’s preoccupation with control and efficiency misses the correlation between success and failure: Without flops, there can be no hits.”

Think of these steps not as a list but as a cycle. The interplay among these concepts gives successful entrepreneurs momentum. An entrepreneur must operate on either side of the diligence-dilettante paradigm, knowing when to allow creative liberty to generate ideas, but also when to figure out how to make ideas work in the real world. British novelist Nick Hornby, for example, is an instinctive artist with faith in his vision, but Hornby applies discipline and structure by going each workday to his office. The English video-game publisher Codemasters’ lead designer, Clive Lindop, maintains a generalist’s perch above an obsessive, hyperdetailed work culture. He helps keep the company’s games attractive to ordinary users.

Lead from the Inside

Once innovation and an entrepreneurial mentality send a business on its way, secure those gains through effective management. Today’s best manager is not a top-down dictator, but someone who leads from inside the company. Leaders should learn to do this with “sincerity, gravity” and “patience.” Most people can become good leaders regardless of their native gifts. Leadership requires someone who can bind all the disparate parts of an enterprise together and prevent it from flying apart.

“Strategic leadership...depends upon interacting with people...and at the same time envisioning a clear way forward by abstracting away from these detailed actions and seeing the bigger picture.”

Companies and workers increasingly want to follow someone who leads “from the middle.” For example, today’s economy draws wealth from information and from knowledge workers rather than from land or capital. Formerly discounted factors such as crowd wisdom and “going with your gut” have gained new respectability. Further, the work of journalist Malcolm Gladwell (*The Tipping Point*) has alerted leaders to the benefits of fashioning a new direction by working through a firm’s most influential people, and to the value of networking for the purpose of fueling individual careers and entire enterprises. This environment calls for a different kind of leader, someone with intelligence and proficiency, but also with admirable people skills and cultural skills, someone who understands what not to do as much as what to do,

who seeks consensus and who asks multiple questions before making a hard call.

Operational “Keys”

To put this leadership style into practice, you must have the ability to toggle between two different approaches: Engage the world inside and outside the company, and use that information to create a vision everyone can support. Using a from-the-middle focus as your core strategic orientation, move among four operational keys:

1. **“Linking with the outside”** – Take great care of your relationships with those who hold the biggest stake in your organization, such as your customers.
2. **“Sussing the overarching vision”** – Summarize the business’s direction in a brief, catchy mission statement, such as Hewlett-Packard’s “Invent.”
3. **“Promote from below”** – Bring fine middle managers and great ideas into play from across the organization.
4. **“Mapping at the chalkboard”** – Share your firm’s vision by putting your strategic plan into graphic form.

Unconventional Inspiring Leadership

Four unconventional leaders embody creative strategy and leading from the middle. The Oakland Athletics professional baseball team’s general manager Billy Beane took a fresh, statistics-centric approach – chronicled in the movie and best-selling book *Moneyball* – to rebuild his cash-strapped team. He focused on players who could get game-winning results, no matter how popular opinion characterized them. His success revolutionized the way baseball teams evaluate players. Arsine Wenger, the French-born manager of England’s Arsenal soccer team, rejected the league’s hero-centered style for an approach that made different team members leaders at different times during their games. Thus Arsenal adapted quickly and intelligently to changing conditions on the field. Silicon Valley reveres Intuit chairman Bill Campbell as the “coach” of its top tech companies. He gets high-tech corporations’ leaders to work from inside rather than from above, and to focus on long-term goals and the industry’s engineering core. At the Saatchi & Saatchi advertising company, strategy chief Richard Huntington restored the organization by reinvigorating the staff and allowing creative workers to present and own their good ideas.

“But not only are we biologically and temperamentally drawn to distraction, moving between things or multi-tasking is also good for creativity.”

Leaders in the middle make vital contributions from inside and outside the company, and that sparks innovative, entrepreneurial energies. The Royal Shakespeare Company, for example, collaboratively plotted its production of *Richard III*. Directors and actors met in the middle to agree on an overall concept, or vision, for the drama.

“Aristotelian Virtues”

An organization’s ability to deal with ambiguity lies at the heart of its creative strategy. A balance of ethical virtues that the Greek philosopher Aristotle laid out many centuries ago suggests that there is a locus between excess and paucity that can build a flexible operational framework.

“Leaders are not born. Nor are they made. Leaders mature.”

Leaders can express creative strategy by adopting seven main attitudes, or Aristotelian virtues. First, a strategically solid company needs a strong but adaptive culture with a clear identity that allows internal subcultures to express divergent points of view. Second, exercise “meritocratic politics,” which means recognizing useful ideas when they happen and nourishing them for organizational benefit. “Deutero-learning” supports improving ways to discover and solve problems, such as by moving employees to unexpected roles so they gain fresh perspectives.

“There may be nobody as strategic in creative strategy as a good middle manager.”

Accepting ideas from any source is central to the fourth attitude, “development from everywhere.” Businesses should avoid dependence on any particular outside consultants or internal focus groups, but they must keep ideas flowing and understand how to moderate them. The fifth mind-set, “multi-tasking,” is a guiding principle that draws on the natural human tendency to be distracted. Too much distraction kills productivity, but a healthy level of distraction fuels the brain – and the firm – to make new connections and to find inspiration in slight divergences from the routine.

“Strategic leadership is about an ability to understand, simplify and loosely outline the big picture, and connect this to the minutiae at every level.”

The workplace itself can embody the sixth virtue, “ambidextrous architecture.” Businesses can benefit from the open-space revolution pioneered by companies such as Apple, but they shouldn’t go too far. Some tasks require privacy, so the best offices provide open and closed spaces to encourage free thought from both quarters. Seventh, an enterprise “poised for change” is flexible and profits from shifts in the business landscape. Companies should resist change for its own sake, but being comfortable with chaos as well as structure nourishes creative strategy.

Organization Itself

The central principle tying this all together is clear organization. Only proper structure enables creative ferment. The profitable production of goods derived from that ferment depends on being organized, scheduling thoroughly and maintaining a tight chain of command. Combining strategic innovation, entrepreneurship and leadership with good organization creates a self-renewing cycle of growth and harvest. The Royal Shakespeare Company does not resolve conflicts as they occur; it incorporates them into the process of creating its shows. Fealty to the whole enterprise outweighs individual discord, and the organization shapes its work from those energies. This is the dynamic of creative strategy, a process that embraces differences and unity.

About the Authors

Chris Bilton, head of the Centre for Cultural Policy Studies at England’s University of Warwick, wrote *Management and Creativity*. **Stephen Cummings**, head of the Victoria Management School, Victoria University, Wellington, New Zealand, wrote *The Business Strategy Pathfinder*.

