

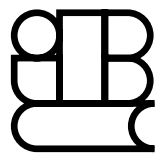


Creativity at Work

Developing the
Right Practices to
Make Innovation Happen

Jeff DeGraff
and Katherine A. Lawrence

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**University
of Michigan
Business
School Management Series**

INNOVATIVE SOLUTIONS TO THE
PRESSING PROBLEMS OF BUSINESS

The mission of the University of Michigan Business School Management Series is to provide accessible, practical, and cutting-edge solutions to the most critical challenges facing businesspeople today. The UMBS Management Series provides concepts and tools for people who seek to make a significant difference in their organizations. Drawing on the research and experience of faculty at the University of Michigan Business School, the books are written to stretch thinking while providing practical, focused, and innovative solutions to the pressing problems of business.

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Executive Summary



Creativity has always been an essential way for organizations to make progress and, in turn, create value for stakeholders inside and outside the organization. The focus of creativity may be innovation in the traditional sense—the invention of outstanding products and services—but it may also be the development of new processes, new ways of communicating with customers, or new ways of attracting and retaining the best talent. Creativity as a core competence can help a company create products, services, processes, or ideas that are better or new.

Unfortunately, many companies and managers try to adopt a one-size-fits-all “best practice” for creativity, usually with disappointing results. The reason that these efforts fail is that each new endeavor needs a different approach to creativity. Your “best practices” and competencies will be different depending on what you need to achieve in your particular situation.

This book provides a comprehensive map of creativity at work that will help you recognize your creative situation and act accordingly. With this systematic approach, you can diagnose and assess what practices will work best for your circumstances. We provide examples from a variety of firms and tools that meet the requirements of each type of situation. Whether you are a

top executive steering your firm or a manager responsible for a single unit, this book is for you.

Chapter One defines creativity and introduces the four major types of creativity on our map, which we characterize as profiles: Imagine, Invest, Improve, and Incubate. Each profile is best suited to certain kinds of business purposes, and each has its own distinctive practices. Furthermore, the four profiles can help you understand the creative preferences of organizations, departments, work groups, and individuals.

The creativity map helps you locate your current profile, understand where you need to go, and navigate toward your purposes. To achieve specific purposes, you have to use the right practices, and to accomplish the right practices, you need the right people. Chapter Two explains how to diagnose your situation and assess where you are with respect to creativity. Two main dimensions shape each profile: *focus* (internal versus external) and *approach* (divergent versus convergent). The combination of these dimensions produces two secondary dimensions of creativity: *magnitude* (big versus small) and *speed* (fast versus slow). The chapter ends with an assessment that allows you to identify and compare the profiles that describe your purposes, practices, and people.

The four core chapters of the book take an in-depth look at specific creativity practices for each profile. Imagine practices (Chapter Three), such as jump-starting and forecasting, are externally focused and produce big, breakthrough results by taking a divergent approach. Invest practices (Chapter Four), such as partnering or portfolios, are externally focused, yet they produce results quickly by taking a convergent approach. Improve practices (Chapter Five), such as modular design and development or process improvement systems, are focused on internal capabilities and produce smaller, incremental results with a convergent approach. Incubate practices (Chapter Six), such as talent scouting and idea spaces, are internally focused and tend to

produce long-term results at a slower pace but allow a divergent approach to solutions.

Chapter Seven addresses how to blend creativity practices to meet the complex needs that characterize most work situations. The chapter discusses three steps for managing these different needs: set your direction, create an action plan to integrate the creativity practices that are appropriate to your situation, and develop the required creative abilities in your team and in yourself.

We suggest that the real art of creativity management and leadership is in blending the four profiles. After reviewing your personal and organizational creativity profiles, you will be capable of encouraging appropriate creativity in yourself and in others. No matter what your level of responsibility, you can use the creativity map to guide, manage, and integrate creativity practices within your organization, division, department, or team. Together you can move purposefully toward creating future value.



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Published by



JOSSEY-BASS

A Wiley Company
989 Market Street
San Francisco, CA 94103-1741

www.josseybass.com

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Library of Congress Cataloging-in-Publication Data

DeGraff, Jeff.

Creativity at work: developing the right practices to make innovation happen/Jeff DeGraff and Katherine A. Lawrence.—1st. ed.

p. cm.—(University of Michigan Business School management series)

Includes bibliographical references and index.

ISBN 0-7879-5725-9 (alk. paper)

1. Organizational change. 2. Organizational effectiveness.
3. Creative ability in business. I. Lawrence, Katherine A., date.
- II. Title. III. Series.

HD58.8 .D438 2002

658.4'063—dc21

2002005663

FIRST EDITION

HB Printing 10 9 8 7 6 5 4 3 2 1

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Series Foreword



Welcome to the University of Michigan Business School Management Series. The books in this series address the most urgent problems facing business today. The series is part of a larger initiative at The University of Michigan Business School (UMBS) that ties together a range of efforts to create and share knowledge through conferences, survey research, interactive and distance training, print publications, and new media

It is just this type of broad-based initiative that sparked my love affair with UMBS in 1984. From the day I arrived I was enamored with the quality of the research, the quality of the MBA program, and the quality of the Executive Education Center. Here was a business school committed to new lines of research, new ways of teaching, and the practical application of ideas. It was a place where innovative thinking could result in tangible outcomes.

The UMBS Management Series is one very important outcome, and it has an interesting history. It turns out that every year five thousand participants in our executive program fill out a marketing survey in which they write statements indicating



the most important problems they face. One day Lucy Chin, one of our administrators, handed me a document containing all these statements. A content analysis of the data resulted in a list of forty-five pressing problems. The topics ranged from growing a company to managing personal stress. The list covered a wide territory, and I started to see its potential. People in organizations tend to be driven by a very traditional set of problems, but the solutions evolve. I went to my friends at Jossey-Bass to discuss a publishing project. The discussion eventually grew into the University of Michigan Business School Management Series—Innovative Solutions to the Pressing Problems of Business.

The books are independent of each other, but collectively they create a comprehensive set of management tools that cut across all the functional areas of business—from strategy to human resources to finance, accounting, and operations. They draw on the interdisciplinary research of the Michigan faculty. Yet each book is written so a serious manager can read it quickly and act immediately. I think you will find that they are books that will make a significant difference to you and your organization.

Robert E. Quinn, Consulting Editor
M.E. Tracy Distinguished Professor
University of Michigan Business School

Preface



When we began working on this book, we knew from personal experience that attempts at creativity don't always work as planned. Though plenty of people have analyzed and described how to be creative more easily, these prescriptive approaches never seem to look at the connection between creativity as an activity and the particular characteristics of the task at hand. Psychology, music, education, and many other academic disciplines have made major contributions to the study of creativity, but the kind of creativity these disciplines usually consider is biased toward the fine arts or radical new ideas. The study of creativity in business is somewhat unique in that its singular purpose is to produce superior performance for customers and investors.

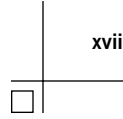
We brought together complementary experiences and skills to look more deeply into the dynamics of creativity in organizational settings. Jeff's interest in creativity began twenty-five years ago when he was a student of Rudolf Arnheim, the father of visual thinking. Arnheim suggested that creativity resulted from learning to see in a holistic way. Jeff has continued to study creativity as a manager, consultant, and teacher working with



hundreds of leaders who have shared their insights and methods. For a dozen years he has offered courses on creativity at the University of Michigan Business School. Katherine brought her hands-on experience of creativity in the arts and education, working on projects ranging from documentary filmmaking to graphic design to educational software development. Our shared goal was to formulate a theory of creativity practice: an integrated mind-set with accompanying strategies and methods for using creativity to produce valuable results.

We wrote this book for managers who want to develop their people and practices to be more creative at work. What we have seen again and again are businesses desperately trying to make their products, services, and processes more valuable by making them better or new. Although leaders acknowledge and invest in creativity, we seldom see creativity hold a credible place in the business development process. We suggest that this is primarily because creativity often fails to create value. Today's leaders demand that their people produce value, and we believe that creativity can be the path to this end.

This book is unorthodox in three ways: First, the tone of the book is not particularly playful or kitsch. This is because this is not a book about how you can be more like an artist or how you can find your inner child. It is about how you can use creative practices to help yourself and your colleagues produce more valuable results. Second, we suggest that creativity appears in many different forms and produces many different forms of value. Innovation is only one of the valuable outcomes—albeit an important one—produced by creativity. Particularly in business, the manifestations of creativity vary quite a bit, and creativity is most successful when organizational practices are tailored to the specific situation. Third, we propose that creativity occurs at many stages in the process of generating, developing, making, and selling new products, services, and processes, not just in the creation of new ideas. Our point is that if you can't



transform a great idea into something tangible, there is little chance that the idea will prove valuable. Isn't this the goal of your business?

Jeff's fieldwork developing creativity practices in firms has taken him to most regions of the world, often where the formulas for creativity that charm American business publications are conspicuously absent. Many new product developers—from Japanese automobile engineers to Finnish cell phone designers—continue to produce industry-leading inventions using practices that Americans would consider to be the antithesis of creativity. These direct encounters with creativity in action have led us to reconsider our cultural biases about creativity and to develop a more multidimensional view. We have discovered that approaching creativity with a comprehensive view requires more work than following a grocery list of best practices, but the payouts are far more substantial.

This book puts creativity within reach of anyone who wants to produce business value. It applies creativity to environments where strategies, performance goals, and processes don't seem to encourage creativity. Most important, it offers a shared language and mind-set to introduce the right approaches for creativity at *your* work.

■ Acknowledgments

We would like to give special thanks to Robert Quinn, who offered us the opportunity to write this book together and whose research is the foundation for this book. The University of Michigan Business School, where we work, provided ongoing resources for our research and writing.

Along the way, many people have jumped in to provide help. We would like to thank, in order of appearance: David Farmer, who gave us moral support, ideas, and organization in



the early stages; Sue Reck, Ollie Thomas, and Riza Trinidad, who helped keep us connected; Kim Hannon Parrott, who provided her gifted writing support and a fresh outside perspective; Jim Channon, James Goebel, Rich Sheridan, and James Miller, who loaned their time and expertise; and our helpful reviewers, Robin Glickstein, Mark Jones, Suzanne Merritt, and Michael Thompson. Special mention should go to Darryl Weber, who patiently read the entire book, some parts more than once. His helpful insights and astute feedback strengthened our weakest spots.

The staff at Jossey-Bass Publishers have been remarkable in their support of this series. Their terrific crew includes Cedric Crocker, Kathe Sweeney, Byron Schneider, and Tamara Kastl, ably supported by Pauline Farmer-Koppenol at the University of Michigan Business School. They were especially wise in providing the support of our developmental editor, John Bergez. Everyone should have an editor like John, who is eloquent, insightful, and tireless.

Finally, we thank both our families for their ongoing support. Jeff gives special thanks to Staney for all the hours she spent listening to ideas, asking great questions, and supporting Jeff in his efforts. Katherine thanks her parents, who have supported and encouraged every one of her creative endeavors, from her earliest finger paintings through her first “publishing” ventures and filmmaking escapades to her present pursuits.

May 2002
Ann Arbor, Michigan

Jeff DeGraff
Katherine A. Lawrence

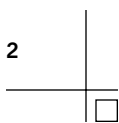
Creativity at Work

The Creativity Map

Discovering *Your* Best Practices for Creativity at Work

It has become a truism that organizations today are facing a wider array of competitive pressures than ever before. Businesses believe they cannot afford to do what they have always done. They must be constantly changing and innovating, reinventing themselves at Internet speed to stay ahead of technological change, new competitors from around the globe, and the continually shifting demands of customers and potential employees.

Although no one can deny the accelerated pace of change, in one sense the challenges we face today are nothing new. Organizations have always faced multiple and disjointed—sometimes even opposing—pressures to create value for their customers and

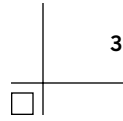


stockholders. For centuries, businesses have felt the need to create new products that would succeed in the marketplace. Today's high-tech start-ups and biotech firms are the equivalent of yesterday's automobile inventors or Hollywood pioneers. In every age, the fundamental equation is that creativity creates progress, and progress creates value.

The historical constant is this: what allows a company to respond proactively to diverse pressures is *the development of creativity as a core competence*. By core competence, we mean a well-developed ability or characteristic that is central to your firm's ability to succeed. The focus of creativity may be innovation in the traditional sense—the invention of outstanding products and services—but it may also be the development of new processes, new ways of communicating with customers, or new ways of attracting and retaining the best talent. *Creativity, in short, is the core of all the competencies of your organization because creativity is what makes something better or new.* Creativity is your best path to creating value.

People do a lot of things to try to be creative and to create value. For example, your organization may have trained its employees in creative thinking, or implemented a portfolio system for monitoring projects, or introduced a rapid prototyping system to improve the product development process. These practices may have been helpful on some level, but you may still feel that these efforts have left your company in even more of a muddle. And did they really help you create value? Oftentimes, well-intentioned initiatives lead to unsatisfactory outcomes:

- Creativity programs that leave people feeling good but don't produce tangible results
- Good ideas that can't be commercialized
- Extensive development systems that don't produce breakthrough products or services
- New ventures that don't make sense as a business



- “Flavor of the month” initiatives for quality, change, or culture
- Enterprises that are misaligned with strategy and goals

This book helps you sort through the excess of creativity “solutions” from which your company might select. There are hundreds of approaches to and books on creativity and innovation, many of them based on credible research. Yet most of the published advice on creativity has a key shortcoming: in presenting a set of “best practices,” it implies that there is one tried-and-true route to innovation or some other outcome of value. Unfortunately, when companies and managers try to adopt these one-size-fits-all approaches, they usually produce disappointing results. *The truth of creativity is that you must handle each new endeavor differently, selecting an approach to creativity that appropriately matches the situation.* As you will see, different situations are defined in large part by the outcomes you need to produce. The “best practices” and competencies that you use will be different depending on what it is you need to achieve.

This book provides a comprehensive framework—what we will call a map—of creativity at work that will help you recognize your creative situation and act accordingly. With this systematic approach, you can diagnose and assess what competencies and practices will work best for your circumstances. You can identify where you are and navigate toward where you would like to be. Rather than offer a one-size-fits-all list of best practices that may or may not work in your particular situation, we will provide examples from a variety of firms that have used different practices to be creative in different situations. In addition, we will provide tools that you can use to develop the kind of creativity that your own situation requires. Whether you are a top executive who wants to ignite creativity in your firm or a manager wrestling with appropriate creativity practices for your group, this book is for you.