



Using creativity and innovation in your business



What are innovation and creativity and why are they important?

Creativity is the power or ability to invent, to generate and develop ideas and to be original. Innovation is the process by which creativity is implemented or translated into goods or services that people pay for. Creativity and innovation can be vital ingredients to the success of your social enterprise.

Entrepreneurs, by definition, tend to be creative and innovative people. Simply by starting a social enterprise you have probably already identified a need and developed an idea to meet this need which customers are prepared to pay for.

But it doesn't stop there - there is a difference between being a creative and innovative individual and actually translating this mindset into your social enterprise.

There are many ways to be creative and innovative as a business. It can help you stay ahead of your competition, develop new and improved products and services and better answer your customers' needs. Innovative social enterprises also tend to develop more flexible and efficient working practices and even exceed their social and environmental impact objectives.

Creativity is the last legal means to an unfair advantage – Ed McCabe

How do innovation and creativity work?

Creative thinking is a mindset, rather than a set of tools, techniques or frameworks and social enterprises don't just become creative and innovative on demand. However, there are numerous exercises you can do to help direct your attention and get you thinking creatively. The techniques below are well-known examples that you can do on your own or try with your team or your stakeholders.

- **Brainstorming** - a group creativity technique designed to generate a large number of ideas for the solution of a problem
- Edward de Bono's **Six Thinking Hats** - a technique to explore different perspectives towards a complex situation or challenge
- **Mind maps** - diagrams used to represent words, ideas, tasks, or other items linked to and arranged intuitively around a central key word or idea. They are designed to help you think laterally and creatively either individually or in group discussions.

These techniques can help you understand and share ideas and perspectives with others. They can be applied to various aspects of your social enterprise, from improving your products and services to problem solving and strategy development. If you are interested in learning more, there are many authors in the field of creative and lateral thinking; famous examples include Edward de Bono and Tony Buzan.

Innovating as a social enterprise

At times, ideas can change the way an industry operates radically by creating a completely new product or service – this is called a disruptive or revolutionary innovation. One of the greatest examples of a distributor is Thomas Edison. His electric lights replaced gas street lighting the world over – and at the time he knew nothing about street lighting, or natural gas.

Perhaps your enterprise is one of the few that have developed a revolutionary innovation – or maybe it is the way in which you work which is radically different.

Muhammed Yunus's **Grameen Foundation** is a very inspiring example of how disruptive innovation can change lives. The organisation has been truly innovative and introduced ground breaking ideas and translated them into practical services. At a time when no-one would consider doing so, the Grameen Foundation provided micro-lenders in the world's poorest communities with the capital they needed to make small loans to women who are working to develop or grow their business. This foundation has brought access to small loans and technology to hard to reach places, helping people escape poverty in a unique way and paving the way for many other micro-credit schemes. The foundation has since developed other radical innovations, including a partnership with Danone, a model which has successfully married a corporate's financial ambitions with local social needs to the benefit of all parties. Visit the Grammen Foundation's website for further details: www.grameenfoundation.org.

Although what most social enterprises typically do is less radically different, their work will still involve some degree of creativity and innovation. For example, many enterprises will deliver an existing service to a new customer group, adapt an existing product for a new market or even develop a new service to meet other beneficiaries' needs. This is called an incremental or evolutionary innovation.

Fifteen restaurants are a good example of this. The restaurants changed people's perception of fine dining by serving food of the highest quality, made from the best ingredients, which is prepared by chefs who are apprentices from disadvantaged backgrounds. The restaurants are also social enterprises that help young people who were formerly homeless, unemployed, or overcoming drug or alcohol problems to create a new career for themselves.

Thinking creatively to develop new business ideas

Recognising opportunities when they arise

If you see a need or a problem that has yet to be met, whether this is in your sector, in your neighbourhood or in society in general, consider whether you or people you know may be able to do something about it. Recognising opportunities all around us and finding ways to address them is one of the most common and effective ways to develop new business ideas.

Here is a good example of how this works:

A Chinese Community Centre in North West London became aware over time that its lunch club for Chinese elders was well attended. Through close interaction with its beneficiary group, the Centre became aware that a significant proportion of the elderly Chinese community were facing a variety of issues as traditional extended families made way to nuclear family units. One of these issues was that older people were sometimes placed in care settings that were not always culturally appropriate. Seeing this need, the Centre began providing traditional Chinese food through 'meals on wheels' and local care homes. The innovation doesn't end there however. Following its success in meeting this need in the Chinese community, the Centre now provides culturally appropriate food to other cultural groups in the area.

Recognising innovative thinking in your stakeholders

Engage with your stakeholders and develop a conversation with them (e.g. through events, encouraging online feedback and a phone number for suggestions and complaints, focus groups, etc). The people that purchase your products or services (i.e. your customers) or those that use them (i.e. your beneficiaries) may be of particular assistance in helping you to develop a new range of fit for purpose products and services that meet their needs even better.

Here is an example of how this works:

A social enterprise providing massage therapy to members of the public has a customer that works for a large commercial employer. During a session, this customer brings up the stress he has been under at work and the tension headaches and neck pain that have ensued. He said that some of his colleagues had developed similar problems following long hours on the computer while trying to meet deadlines. The customer mentioned that his team members would benefit from the massage therapy but could rarely find the spare time to attend sessions.

The masseuse suggested arranging a visit to their office to discuss and assess his colleagues' needs. As a result, she developed a range of services specifically for the team, including weekly head-neck and

shoulder massages at their desk. The service was paid for by the employer as a way to boost morale and keep staff motivated during peak periods. It led to multiple benefits such as reduced stress and tension, as well as increased productivity. Following such a successful pilot with this employer, the social enterprise was able to extend this service into a new market because it was able to recognise a potential opportunity and creatively address new customer needs.

Reaching new markets

Innovative business developments can also take the form of moving existing products and services into new market places through marketing or selling differently.

For example, a social enterprise providing organic and seasonal catering for corporate events and large celebrations traditionally won contracts through business-to-business marketing. The enterprise was promoting its catering services to events management and PR companies who would in turn use them for their own customers' events. This meant that the catering company often operated on very low profit margins and was struggling to meet its costs because it needed to stay as competitive as possible.

The enterprise realised that there could be an opportunity to market its services directly to potential customers by promoting their social, health and environmental credentials as an added benefit. They developed a new section on their website to enable direct bookings from customers. The catering company soon realised that changing the way they marketed their services attracted a whole range of smaller but more lucrative customers.

Tips to deliver a creative and innovating organisational culture:

- Be more innovative in your own personal and professional development and that of your team.
- Stimulate desire and curiosity in your team. Humans are curious by nature; use it to your advantage by encouraging innovative approaches to operations, communication or problem solving.
- Reward creative thinking. While critical thinking is a key skill in business, in everyday life it is only one tool, and not therefore appropriate for every situation, such as coming up with new and innovative ideas and products.
- Promote innovation and creativity through delegation and empowerment. If your team members are assigned problems to solve rather than tasks to work through – that is they are outcomes driven rather than outputs driven – then they are able to explore a variety of solutions instead.
- Invest in technical skills and training. Investing in your staff is a key strategy to increase their ability to deliver innovative solutions.
- Develop a culture where continuing development is expected and rewarded. This is a hallmark of progressive and innovative organisations.

Things to look out for with creativity and innovation

- Think about your attitudes to blame if things don't work out as planned and about how your organisation deals with risk. Fear and constraints decrease innovation and risk taking. In the words of Sir Alex Ferguson, Manager of Manchester United football club, "Play without fear."
- If your customers include the statutory sector you will be aware they are risk averse. In this case you must communicate the message that you are innovative, in as much as you are bringing a new approach to your service delivery, but you are also a low risk.
- Try bringing in change step by step by first securing your customer's trust and building your track record. You will be given more opportunities to be innovative if you are also known to deliver on time and on budget.
- Being too clever. Sometimes enterprises develop a product and service that is so innovative or different that there is no market for it yet.

Further information

Visit Edward De Bono's website:

www.edwarddebono.com

Visit Tony Buzan's website:

www.buzanworld.com

Read our guide on Delivering on time and on budget:

www.blondon.com/SocialEnterprise/Operations/Planning/Deliveringontimeandonbudget.aspx

Read our guide on recruiting people:

www.blondon.com/SocialEnterprise/Operations/HumanResources/Recruitingpeople.aspx