



## **Creativity and Innovation...The One, Two Punch to Knock Out Your Competition**

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From the quiet analytical physician to the superstar professional athlete to the composed musician, self-confident people have qualities everyone admires.

On December 17, 1903, a man walked into a restaurant in Norfolk, Virginia to announce that “there are two loony Yankees down at Kitty Hawk trying to learn to fly.” Little did this man realize that these curious pair of innovators would achieve the first powered, sustained and controlled flight of an airplane. Orville and Wilbur Wright would survive this flight and many others.

The credit card was introduced in the 1920’s for automobile owners to make the purchase of gasoline easy and efficient. As company’s like American Express and Diners Club made it possible to purchase meals, lodging and merchandise with the swipe of plastic, the concept of the credit card took off.

In 1968, a scientist named Spencer Silver was researching ways to make 3M's adhesive tape stronger. He failed to meet his objective, yet discovered something new – an adhesive strong enough to stick on many surfaces but could easily be removed and reused. In 1977, Post-It-Notes hit the market. The concept did not catch on immediately as consumers could not imagine why they would need such a product. It was not until 3M decided to distribute free samples that people understood and appreciated the versatility of the little sticky notes. Once this happened, the consumers' imagination ran wild.

What do the Wright Brothers, the credit card and Post-It-Notes have in common? Creativity leading to innovation.

Creativity is the act of producing new ideas, approaches or actions while innovation is the process of putting an idea into action. Creativity is always the starting point for innovation.

People who have a gift for creative innovations tend to differ from others in three ways:

1. Expertise. Specialized technical knowledge in a particular discipline.
2. Creative thinking skills. Flexibility and imagination as relates problem solving.
3. Intrinsic motivation.

The ability to "think outside the box" is best supported in a flexible, open, nurturing environment with a leader who sees his or her primary role as supporting rather than directing. Creative people require this kind of environment to invent, imagine, problem solve and create fresh ideas and concepts. Creative ideas emerge when preconceived assumptions are discarded and attempts at new methods, which seem odd or unthinkable to others, are explored.

Commoditization is a huge issue for the insurance and risk management profession. It is evidence by ferocious price competition, leading to lower prices, margins and profits for agents, brokers and carriers. Unless an agent, broker or carrier offers something unique or differentiated, price will win every time. In today's fast paced, turbulent marketplace, it is critical that industry leaders understand the importance of creating a culture that fosters imagination, originality, diversity of perspectives and fresh ideas.

Innovation is the successful introduction of a new thing or method or a new way to look at an "old" thing. It involves acting on creative ideas to make a specific and tangible difference in the domain in which the innovation occurs. While creativity implies coming up with new ideas, innovation is bringing these ideas to life.

Innovation is the life blood to a successful business. Without it, there is stagnation. With it, there is energy, excitement, differentiation, value creation, passion and purpose. Innovation is a dynamic process of continually considering alternative means of delivering products and services, improving customer experiences and opening new markets. Innovation is the single most essential element to aggressive top line growth and bottom line results. Organic growth, profitability and agency value are dependent upon innovation.

Seth Godin, the internationally recognized best-selling author of *Purple Cow* and *The Big Moo* states that “The only way to grow is to be remarkable. The only barrier to being remarkable is your ability to persuade your peers to make it happen. You will grow as soon as you decide to become remarkable – and do something about it.” In other words, be creative and innovative.

Establishing a culture of creativity and innovation is not easy. It requires a management process comprised of specific tools, resources, rules and discipline. Think of innovation in terms of planting seeds for a vegetable garden or flower bed. The right combination of soil, water, sunshine and air will determine how well the plants grow. For innovations to thrive, the conditions must be right.

Research indicates that there are five essential ingredients to the recipe for innovation – leadership, acceptance of failure, openness, patience and motivation.

### Leadership

The innovative leader is a fearless visionary committed to backing bold ideas. He or she is keenly aware of the benefits of an environment where people feel comfortable and confident in voicing opinions about the firm’s business model. The innovative leader also understands the implications of rewarding creative thinkers.

The innovative leader encourages questioning, risk taking, openness and a healthy attitude toward failure. He or she encourages the staff to challenge the status quo through questions such as, Is there a better way? What if we...? What would be impact if...? How would the customer react to...?

Many organizations – especially larger ones – have hierarchical structures which impede idea creation. The innovative leader recognizes this and responds accordingly. Innovation cannot flourish unless the barriers to creativity are removed in order to foster a culture of collaboration and free flow of ideas.

### Acceptance of Failure

Even the most beautiful garden has weeds. Innovative organizations must not only water and fertilize, but also kill off ideas that hold no potential for future growth. The acceptance of failure is a necessary step in the process of innovation. The willingness of a senior management team to be open and tolerant of failure encourages people to explore new ideas, take risks and be up front about problems.

It goes without saying that failure can impact the bottom line of an organization. It is for this reason that a “check and balance” system is required to spot potential problems so necessary alterations can be made. Open discussion and dialog is the best remedy to avoid costly failures. In innovative cultures, employees are encouraged to expose their ideas for early feedback and collaboration. If a creative idea does not appear to have merit, alternative strategies should be explored in a patient setting before the idea is put to rest.

### Openness

Fed Ex has a corporate wide initiative that it calls “purple promise” – each employee’s commitment to making the Fed Ex experience remarkable. This shared mission encourages everyone at Fed Ex – from employees sorting and delivering packages to those answering phones, maintaining planes and developing new IT systems – to suggest ideas each and every day.

While innovative breakthroughs sometimes come from a single source, the vast majority of innovations draw on many contributors. Open source innovation – the ability for a person to tap into the ingenuity of others – offers enormous potential for creative output.

Creativity flourishes in a vibrant culture that encourages people to imagine, think about possibilities and have the freedom to innovate. Positive cultures have open channels of communication that encourage people to bring forward new ideas so they may be captured, vetted and prioritized. These channels include, but are not limited to, casual brain storming sessions, strategic planning sessions, suggestion boxes and online tools.

### Patience

The age old adage “patience is a virtue” applies to the process of creative innovations. Patience is required if innovation is to thrive.

In *The Big Moo*, Seth Godin states “There isn’t a logical, proven, step by step formula you can follow. Instead, there’s a chaotic path through the woods, a path that includes side routes encompassing customer service, unconventional dedication, unparalleled leadership, and daring to dream.” In some cases, innovations take time because corporate infrastructure must be tweaked. History taught us that the automobile was a plaything until highway systems were built. The telephone system didn’t work until millions of miles of wires were strung. Innovative leaders demonstrate patience to let creative ideas ripen. “The Purple Cow is not a cheap short cut. It is, however, your best (perhaps only) strategy for growth,” states Godin.

### Motivation

Creative ideas come in spades when people are motivated. An uninspired employee is not likely to wrap his or her arms around a problem. On the other hand, a motivated person can’t wait to find a solution to a challenging issue.

The keys to motivation include intellectual challenge, independence and proper matching with a challenge. When an employee feels that work is meaningful, he or she will explore, design and build. 3M used the practice of letting researchers spend a significant percentage of their time on projects of their own choosing. Google mastered a similar formula. 3M and Google noticed enhanced motivation when the employee was given ownership of a project that was appropriate and intellectually challenging.

The recipe to create an innovation culture – leadership, acceptance of failure, openness, patience and motivation. This combination will create the one, two punch to knock out your competition.

#### About the Author

Scott Addis, CPCU, CRA, CBWA is the CEO of Beyond Insurance and is recognized as an industry leader having been named a Philadelphia finalist for *Inc. Magazine's* "Entrepreneur of the Year" award as well as one of the "25 Most Innovative Agents in America." Beyond Insurance is a consulting firm that offers leadership training, cultural transformation, and talent and tactical development for enlightened professionals who are looking to take their practice to the next level. Since 2007, the proven and repeatable processes of Beyond Insurance have transformed individuals and organizations as measured by enhanced organic growth, productivity, profitability, and value in the marketplace.