

Commercivity: The business perspective

By Rod Fountain and Peter Childs

For business people creativity presents a fascinating challenge. It is an absolute requirement but it is hard to define, hard to manage, and very distracting. Creativity of real value, as Arthur C Clarke suggested, is essentially a piece of magic striking at an emotional chord. How do businesses cope with such a strange beast?

There is a powerful paradox worthy of our attention: as design consultant Ralph Caplan notes: “One of the hallmarks of a creative person is the ability to tolerate ambiguity, dissonance, inconsistency, things out of place. But one of the rules of a well-run corporation is that surprise be minimised. Yet if this rule were applied to the creative process, nothing worth reading would get written, nothing worth seeing would get painted, nothing worth living with and using would ever get designed.”

Sir George Cox, in his review, found SMEs failed to make enough use of the creative talents of their staff, and he thought the reasons were not hard to come by:

- Lack of awareness and experience;
- Lack of belief in the value of, or confidence in, the outcome;
- Not knowing where to turn for specialised help;
- Limited ambition or appetite for risk;
- Too many other pressures on the business.

In summary, they didn't know anything about creativity and they didn't much like the smell of it. And anyway, they were too damn busy!

Commercivity is not easy. One of the lessons for intelligent people in commerce, seeking to innovate and expand their enterprise, is to focus hard right at the outset on understanding what the idea is, what is at its heart, how deep does it go? If we return briefly to the question: what is commerce? we can start to understand the idea that got us from the birth of civilisation to the 21st century, from the cave, via the brown cafes of Amsterdam and Leiden to the Starbucks of New York and London. The idea of commerce is to civilise mankind. If you have something I want, and I am not capable to creating it for myself, I no longer have to kill you in order to have it. I can give you something for it – money or goods – and you can now repeat this process to obtain something you desire or need. Once this idea is embedded, appreciated and honoured it is possible to enrich it further with another idea – one that would not have been possible without the first. This further idea is capitalism. If it is possible to determine value and exchange it (commerce) then it must also be possible to store it, accumulate it, and capitalise on it by bringing forward the future value of cash to the present (equity) so that society can grow more quickly.

So far so good, but by embracing the ideas of commerce and capitalism we have created a further idea: the idea of taking risks. The idea that progress is not linear; that up and down, boom and bust are beneficial to the idea of growth in society. The implication that faster (better?) progress is obtained if we embrace failure along the way. The implication that it's actually *safer* to be risky? This is the 'depth' of the idea of capitalism; the bit we are fuzzy on.

It is entirely possible that it is desirable – and even necessary – to remain fuzzy on this. The paradox of creativity may be that it is something we need to foster but that cannot be fostered. We decided to ask a number of people in business for their take on what creativity means to them and their organisations. We tried to keep the conversations as open as possible. We were interested to hear their views on what counted as creativity for them and what they tried to do, if anything, to foster it in their organisations. They are big and small companies, manufacturers and service industries. We will see whether they have much in common. Here is the list of interviewees, in no particular order, followed by some of their thoughts on creativity.

Johnnie Moore – you have already heard some of Johnnie’s thoughts in the opening chapters. He is a writer and open space facilitator who works with big companies to help them access the strengths and desires of their workforce.

Roger Neill – he is director of the Centre for Creativity in Professional Practice at City University, London, and a former director of Saatchi & Saatchi.

B V Pradeep – he is Vice President Asia, Unilever Plc, Consumer and Market Insight.

Jaroslav Cir – he also works for Unilever at the sharp end of marketing consumer brands in Prague.

Bob Pinkett – he is a partner at the engineering consultancy Peter Brett Associates.

Dan O’Donoghue – he is the worldwide strategic planning director at advertising agency Publicis Worldwide.

Dr Carlos Zwikker – he is senior director with responsibility for marketing strategy and intelligence in the lifestyle incubator at Philips in Holland.

Dr Tim Bradshaw – he is head of the innovation, science & technology group in the Economics and Enterprise Directorate at the CBI in London.

Ed Smith – he is a cricketer turned writer and former captain of Middlesex and an England international.

Hugh Baker – he is head of operational architecture at Barclays in London.

John Kearon – he is the CEO of on-line market research company Brain Juicer plc.

Kieron Monahan – he is Global Strategy Director at advertising agency Lowe Worldwide.

Lionel Lopez – he is former risk director at Barclays UK Retail Bank and now works for Standard Chartered in Singapore.

Paul Feldman – he is chief technology officer at Barclaycard.

Lisa Ohlin – she is the former global head of insight at Cadbury’s.

Marc Lewis – he is a mobile technology entrepreneur and is re-launching the School of Communication Arts in London in 2010.

Lucian Camp – he is chairman of London-based financial marketing agency Tangible Financial.

Marc Lewis: You have to recognise that creativity happens because it is part of human behaviour and there are all sorts of ways to restrict human behaviour. In order to be creative one needs to take risks but also have patience and knowledge. You need to be prepared to invest time and energy to become expert in your field and often in our society that is a privilege that business people are not given. I think organisations that allow creativity to flourish in their environment are probably also those that allow managers or facilitators to take chances and to express themselves and to acquire knowledge and share knowledge. Organisations that are less creative are more strictly structured and faster to promote and therefore people have less time to acquire knowledge on their way up the tree.

Rod: There is the possibility that creativity is cognitively complex, requiring a great deal of practice and no little skill to master. To master creativity, as with mastering anything, may well require the application of Malcolm Gladwell's 10,000 hour rule: the need to spend 10,000 hours practising something before you are likely to become very good at it. If this is the case, then only very few people will be able to achieve this because, as Gladwell says, 10,000 hours equates to four hours a day of concentrated practice for ten years and this requires the backing of an institution or other source of support.

Marc: My first point is that in order to provide valuable innovation you kind of need to know what you're doing within a domain if you are going to influence that domain. So it is no accident Dyson is a phenomenally creative engineer who is also a phenomenally proficient engineer. It would be crazy to think that I could come up with something of that ilk because I know didley squat about engineering and structural design. Creativity often requires a depth of experience and assumed knowledge. You can use technology to help but it can be a hindrance because people may use it as shortcut to acquiring knowledge and get hold of it without really understanding or having empathy with the data. Knowledge on its own can be dangerous. It's only when you really understand what that knowledge means in its domain that you can use it to shape the domain. A part of creativity is the feedback loop. Ideas have to be qualified by experts in a domain to say whether the idea is valid or might be valid in the future or if adjusted in some way. What technology provides is a transport mechanic to accelerate and provide transparency for and democratise the feedback loop. Often people are too precious about ideas. Sharing ideas doesn't lead to any significant harm.

Carlos Zwikker: At an abstract level creativity is required to survive. SMEs don't talk about creativity they talk about how quickly they can adapt. It is about coming up with quick solutions to allow them to survive. As an entrepreneur in an ongoing business you have to apply creativity in terms of maintaining your existence – survival. The outside world changes and you have to adapt or you die. I am a biologist and the same is true of biological evolution. In biology genetic changes are

the result of time and luck. External parameters determine which changes will survive. In business we don't have so much time. Creativity has to come up with a number of opportunities for change which takes over the role of time and genetic misprints. Creativity comes up with likely and unlikely ideas and depending on the pressures outside those ideas survive or die. In big companies creativity has to be sort of institutionalised. In small companies creativity has to be embedded in their mindset. You have to have a positive attitude. If you have been dealt a blow as a company you have to move on. You have to unlock positive energy in order to move on. We have to look at how we are going to survive in the future and create that future. It is about how companies cope with change: creativity and change are very close. Instead of saying this is my business and it's what I do, you should be thinking the outside environment is going to kill you off.

Hugh Baker: In a bank creativity can never be unfettered. Everything is about a check and a balance. There is a community of business people who are trying to drive value and there is a community of risk people who are trying to make sure they do it in a way that keeps everybody safe.

Rod: That tension should be quite a positive thing, yet it seems to have let us down badly.

Hugh: There is a concentration of culpability for the banking crisis that you just wouldn't believe. In investment banking it is typically a few traders on a few desks that have gone a bit mad on credit derivatives that have really done all the damage. All the rest of the bank still makes good money. In the retail space the management of the balance sheet is a very very concentrated activity. 99% of people don't have anything to do with it. We have credit executive committees that manage the risk associated with our balance sheet and they are more effective at controlling this than other banks. We got away with it.

Rod: So this was creativity that almost destroyed the banking system. Does this mean banks are unlikely to be so keen on creativity in the future?

Hugh: Sometimes ideas just come but you need to keep on pushing them if you want them to become a reality. There are three different types of incentives on people: financial, moral and social. Financial wins out here a lot but there is still the moral and social. There is hero worship to be had by people who manage to come up with an idea and push it through to change something real for customers and producing a product that noone has ever seen before. The moral incentives about trust and providing a service for community lending have been undermined recently. It will take a long time to build up again. It is rock and a hard place time.

Rod: It seems to me that unlike a car manufacturer, for example, a bank doesn't recognise innovation as a function. It doesn't have an R&D department. Instead, it seems that creativity is reserved either for the top brass or for the plucky few employees with enough bottle to fight for something they believe in and a good enough business case to substantiate the profit potential. Is this the case at Barclays?

Hugh: You could argue that banks don't innovate much compared to other industries but there are incremental changes and there are new products particularly in the

channel space – mobile for example. Broadly there are two types [of innovation]: one is changing what we do for customers and the second is changing how we run our own business. Ideas can come from anywhere in our imaginary innovation value chain. We tend to operate more virally. We operate across 23 different markets and people have ideas all the time but only a few survive to become reality. Banks don't have a large powerful functional group whose remit is design for the future. People in banks have a reasonably high proportion of their remuneration which is variable. That is determined by a list of explicit expectations over the year, called our professional development objectives, and those by and large have nothing to do with innovation. A bank is a heavily regulated environment. About 80 per cent of people are here to make sure we do what we are meant to do; the rest are here to make things better. It is a risk averse culture. The FSA really holds us to task if we are not quite on top of the rules. Thinking of new things and better ways of doing things is a relatively elite thing. It tends to be the more senior people who indulge in it and it is very clear in my mind that these are the guys who are most incentivised to do it.

Rod: This seems rather old fashioned and not at all in keeping with our networked, ideas-driven, sharing economy. Are banks really operating in this way? Surely banks have to grow their profits and their share price year on year in order to survive. Without growth, the large shareholders and pension funds on which they depend will take their money elsewhere. The need for innovation would appear absolute.

Hugh: We could be profitable but if our profit doesn't grow our share price won't grow. You have to deliver increased earnings every year in order to grow your share price and that is why all businesses are obsessed with doing whatever it takes to grow their business. Until you blow up capitalism it is going to be like this. Creativity in business is about the growth of profit and share value and that is primary.

Lionel Lopez: The best risk leaders need to be innovative and creative, driven to make decisions based on data – based on the facts – and they should be strong people managers. At the centre of this triangle are execution – getting things done – and passion.

Rod: This seems to go against what Hugh is saying about senior managers calling all the shots in banks when it comes to new ideas?

Lionel: Too often those trying to make a case for some new idea rely almost exclusively on their experience – 'what they think and what they think they know' – ignoring valuable data. They distort the past and try to apply it to the current environment even if times have changed and the market has changed. The data gives you a perspective on what is really happening today. What do we know about the past from the data point of view and how can we use this to formulate what the future is going to be. The trick is how to extrapolate your past based model to look at the future. I don't think the use of data is as strong as it should be. At Barclays I saw many situations where people presented the facts but these were not recognised because they had not come from the senior leadership. I think leading from the top has to be done by example so if the top people are seen to use data then others will follow but if they just say my experience tells me this or that then you kill the opportunity for creativity before it really starts growing.

Lucian Camp: In the financial services industry there is not any rationale as to why being creative is better than not being creative. Many of the successful firms in the market are not very creative at all and many would be very uncomfortable about being called so. Does creativity which is done without the customer in mind and with no real understanding of what the customer needs, have any chance of success. If you take all these derivatives that have brought the world to its knees they are the result of a great deal of mathematical creativity by very bright young people with degrees in mathematical concepts. Some of the brilliant innovative work about what you can do with mathematics may have brought about the end of civilisation as we know it. So thanks a lot guys, that was a great exercise in creativity. Meanwhile my bank can't pay my direct debits without losing half of them most of the time. In the financial world there is a feeling that if even half the energy that went into unnecessary and sometimes dangerous creativity had gone into delivering a solid day to day service to ordinary people with ordinary products then the world would be a much better place.

Rod: I have a lot of sympathy with that. But historically the financial services sector has been a vital wealth creation vehicle for Britain, helping us to the top of Europe's wealth creation league in 2007 and responsible for more than ten per cent of our GDP – whilst grappling with rapidly increasing regulation. Its love/hate relationship with creativity makes it an irresistible target for our attention. If banks can get to grips with creativity, then surely any company can? Edward de Bono summed it up for me when he said: 'Without creativity there is only repetition and routine. These are highly valuable and provide the bulk of our behaviour – but creativity is needed for change, improvement and new directions. In business, creativity has become essential. This is because everything else has become a commodity available to everyone. If your only hope of survival is that your organisation will continue to be more competent than your competitors, that is a weak position. There is nothing you can do to prevent your competitors also becoming competent.' At Barclaycard, the self-proclaimed innovative part of Barclays, all staff are being inculcated into having an objective to think about how they can change things. For example, an internal programme called Obsessed allows call centre operators to spend some time talking to customers about how they think things can be improved. Hardly ground-breaking stuff, you may think, but perhaps it's a small step on a long road. What counts as creativity in business has never been any concern of call centre teams until now.

Paul Feldman: I spend a lot of time trying to work out how to change an organisation to be innovative. One of my guys suggested we have an innovation session where we get all our people together to be creative but it just doesn't work that way. You just cannot tell someone you now have permission to be creative so come up with creative ideas. My own view is that creative ideas come out because of some stress in the system. Real innovation comes about because someone has a problem they need to solve. My belief is you can't get your 10,000 staff creating ideas that the organisation has any hope whatsoever of following through on. You have no way of sorting them so those ideas will get lost. Innovation in a business is no different to ideas nationally in that good ideas in a business will come through a Dragon's Den type process where somebody somewhere will have enough belief in an idea and bash on enough doors that someone will pick up on it. Most ideas will go nowhere. An organisation can only ever capitalise on its creativity through people.

Rod: Again I have some sympathy with this but it is not responding to the call to arms that governments and business leaders are issuing with regard to the need for more creativity in business. It seems as if creativity is regarded as a happy accident caused by someone in the company with amazing patience and persistence.

Roger Neill: Many companies see innovation as a process of funnels and gates: you have to get through the many gates in the innovation process with your idea. But managers have misunderstood that it is the first hurdle at which the biggest ideas fall because somebody says show me the market footprint for this or something idiotic. So gate one is just the beginning of the process that is highly likely to screen out breakthrough ideas. Senior people love to prove they are smarter by finding holes in other peoples' ideas. They pick on an aspect of the idea and ask people to go away and test it and then six months later they come back with the answer and the gatekeeper has forgotten they asked the question, and it wasn't a very important question anyway, and they have wasted six months and in the meantime someone else has gone and successfully launched the product. The innovation process in many companies reminds me of the Grand National course: the chances of a decent horse winning the race are rather low. It is a lot of high jumps and boggy ground and stuff and a good horse might win but it would be luck. These apparently enabling processes are actually disabling processes.

B V Pradeep: We have been through many journeys on the issue of creativity. One of the things we believe is that creativity is at the heart of innovation and innovation is at the heart of growth. You can't keep selling the same products and services for decades and expect to keep growing. We need to embed creativity as a part of how we work. We don't believe creativity is a one-off thing where you just call some people together and hold a workshop. We believe it is part of our culture and about how you allow your teams to work. The need for creativity starts from the need for solutions and that need starts from the ambition of the business. If you have a category or a business that has a growth ambition of 15% and the market is growing at 5% then you are not going to achieve the growth without doing something different. So the objective translates into a strategy: so maybe you have to grow consumption in order to get your return. Then the question is how do I do that and in which markets? Then you have to ask yourself why the consumers in your chosen market will start consuming more tomorrow just because I say so?

Rod: This seems logical. How do you embed creativity and make it part of the culture without creating a corporate process – the antithesis of creativity?

B V: I keep telling my team that creativity is not the other person's job. It is everyone's job. It is a mental state: you have to be better than you were yesterday. So I ask my team to look at what they were using five years ago in terms of their phone, their car, the gadgets they have. If things have changed but in your own place of work you haven't changed anything, what makes you so special? It comes back to why creativity is important: for an individual to be alive and kicking you need to be aware of what is happening in the environment and you need to be responding, no matter how comfortable you are today. People in comfortable positions don't ask themselves what they are contributing to anything.

Rod: Roger, you have a view about creativity at Unilever I think?

Roger: I think Unilever historically was a highly creative company and it was partly creative because it was so de-centralised. So people all over the world would have pipe dreams that they could follow up and try out in their markets and then if stuff worked they had a rather rickety system for internationalising it. I think it was an open and acknowledged part of their culture. People at the centre would wander around and say oh gosh that's new, and they would spread the word to other units around the world. Then of course the problem would be there were always a thousand and one reasons why it's different here. So that was always very frustrating. So around the late 80s and early 90s they decided they had to up their game in innovation and they connected with some people from Harvard Business School who had just written a book. It was a very logical book on the process of innovation and they decided to implant this process into the company and to set up centralised innovation centres – originally about 60. Around that time I was commissioned to do some research for Unilever to research how they had developed major innovations in the previous decade. So we went around and identified things that had made a big positive difference and we interviewed everyone who was even vaguely connected with these innovations and got their stories. One of the results was that all the big ideas had come from the periphery of the company – outlying markets. The research was buried because they had already decided to run innovation through big central units. After a while I decided to go to see the chairman but it was obvious I was doing the equivalent of farting in church. He just didn't want to know. The consequence of these innovation centres was they really became brand management centres where people came together to make mini innovations that could be rolled out worldwide and had a positive effect but were highly effective at screening out breakthrough innovations which very often start out sounding rather absurd. Einstein said if at first the idea does not sound absurd there is no hope for it. The boss of IBM once said he thought the maximum number of computers the world would need would be six.

B V: Consumer connectedness is very important. We need to have a very good feel for the target consumer we want to reach. We encourage each and every manager to have a feel for the consumer and what they want and need. You have to get out and talk to them and go to their homes and see what they actually do with your products. In India when we started this programme on consumer connectedness we used to have situations where people in finance would question why they should take part in the programme, they thought it was something for the people in marketing. They thought the whole process was just another stupid idea from the people in marketing! But when the financial controller came back from his session in the marketplace he was talking to me for an hour about how this woman was so poor but was buying the most expensive baby oil from Johnson & Johnson. It made him more sensitive about putting up price increase proposals. If you want to give a gift to one of your best friends, the more you know your friend the easier it is to give an appropriate gift. So there is a lot of thrust for project teams – marketing guys, R&D guys and supply chain guys – to work as a team on a project and go and meet the consumers. People have to realise what the need is. What kind of ideas will work. That is the hotbed for springboarding creativity. For me personally one of the sources of thinking about ideas is when you see problems or things that are not working very well. Problems are a springboard for thinking. The second way is to look externally at what others are doing. People think of creativity as being random idea generation which is

nonsense because at the end of the day people see what you bring to market not what you are thinking.

Rod: This is what commercivity is all about of course, but it is intriguing that business people have very different views about how to go about both the generation of ideas and the further development of them.

BV: The creative ideas that flow should address either the concerns or aspirations of the consumer or combinations of these. These tasks have to land in the project teams. They have to connect with the consumers. Ideas only come alive when you meet the consumers. We have a process called Insight Activator. It is a workshop process where we convert our consumer knowledge into real insights that will trigger consumer response. If I have to find one sentence to say to a consumer that will result in her saying ‘Wow is that true, then I have to go to buy it today’; what is that? There is no point in telling her loads of stories: we don’t have time. We have to find what the trigger itself is. That is where idea generation comes in. This model is used all over the world by Unilever.

Dan O’Donoghue: What you have to do to get more creativity out of the people you have in your business is two things: you have to have a very tolerant management style to do with people and their difficulties; and you have to be absolutely obsessively determined to force focus on what is the idea – and is there an idea. So the people in our business that are really good have a benevolent view of their staff, they don’t care if they are late; the business is a bit messy but within that there is an obsessive focus on what is the idea and is there an idea and does it make sense and is the idea working in the market. That kind of person has been driven out of our business in the last 20 years. Clients now have procurement departments where they know the price of everything and the value of nothing. The messy management style still exists in smaller companies but once you get to our size we are now machines for churning out material. The creative department is now very good at stopping ideas. They are paid the most. The digital guys are fast moving and relatively cheap. The creatives aren’t going to give up their power to these guys.

Rod: It is back to people power then – those with the power or who shout the loudest are going to be the innovators. I know you have been trying to get Publicis’s offices around the world to work harder on defining ideas before ploughing into creative execution. Is it working?

Dan: I am facing resistance in the four major markets of Britain, France, Germany and the US. They are the most old fashioned and arrogant beyond belief. But we have been brilliantly well received and successful everywhere else – Bulgaria, Ireland, Colombia, Brazil, China, India. If you want innovation at the moment then in Eastern Europe or Asia people will go for it. They really want to do interesting stuff. The UK is boring, hierarchical, old fashioned, political, refusing the facts of life about what kind of economy we have.

Rod: Not all companies in Britain are like this. Independent digital media company Magic Lantern has found award-winning success, including a 2007 BAFTA, by refusing to do the same thing twice. CEO Anthony Lilley knows there is competition from quite a few technical companies, but few who see themselves primarily as story

tellers. He admits his company takes risks and sometimes goes a bit too far, chasing too big or too innovative an idea, but rather than take on a project that can be completed without innovation. And at engineering consultancy Peter Brett Associates, the company's 600 staff are free to dream.

Bob Pinkett: We don't get precious about innovation and we don't talk about it, we just get on and do it. The whole management accepts we have to keep reinventing and repositioning ourselves. We are moving away from trying to make better widgets to much more about the process and ideas. We are rebranding our whole R&D as IP – Intellectual Property. We have a small R&D budget and I work with our partners to think about strategy. I spend time thinking about the ten to twenty year vision stuff. We do try to give people the opportunity to develop ideas. They have to make a case for it and what benefits it will bring but it is in the cultural genes of the business that we are allowed to do this. Every time we engage with staff the culture of lets try things is just there. We encourage the bright 22-year-olds just as much as the experienced 50-year-old. There is a very open culture. The reason we get hired time and again is that we come at problems from an oblique angle and say maybe we should try it in a different way. With ideas I am happy for people to chase a whim but I want them to think it through to the next stage: how does it add to the business. Sometimes people say it may not ever help us but it will be interesting to see where we can go with this. If it is about a person's ego or just a passing fancy then that is not very helpful. We are asking: what keeps us at the top in our business? There are no barriers to talking to a partner. Some junior staff may think they can't talk to the partners but if we hear about this we go along to them and tell them we will listen to them any time. We are happy to take risks and maybe lose a bit of money on things occasionally if it takes us to a different place.

Rod: This is an unusual admission, to be prepared to lose money in this way.

Bob: We have to be commercial and we have to make a profit but we don't have to make excess profits necessarily at the expense of what we do and what we feel is right for the company. We pay bonuses based on financial performance but also about other things. If people come with a really good idea that might be the reason for getting a better bonus. We have learned it is not about the size of your R&D budget. I have spent a lot of time talking to staff about bringing ideas through. A lot of businesses think that the only way of bringing through innovation is by having an R&D budget and responsible officers for it. Innovation just happens. Sometimes people turn up to meetings that weren't even invited because they felt they might have something to add. We don't use fixed techniques but we are thinking about trying some. A slight reservation is things are happening naturally and we don't really want to get into a false creativity exercise.

Ed Smith: In sport if you don't try and win too hard, if you don't try too hard to make profit, you may be more likely to succeed. If you go too much down the 'we're going to win, we're going to win, we're going to win' line not only can it inhibit your chances of winning but it also puts the brakes on people. If you play your game as well as you can play it with no fear and with as much self expression and enjoyment and absorption as you possibly can, then you will probably win. I was very well coached as a player. I am very thankful for that but later on as my career went on I was a bit too concerned about technique. I became much more interested in problem

solving and finding the most efficient way and getting the ball into the middle of the bat and hitting it away from the fielders. Bowling has been damaged by technique more than batting. When I played as a batsman an unconventional bowling action was the hardest thing to deal with. But it tends to get coached out of you. It was a way of people coming up with ways of winning games at street level. Somehow you should try not to interfere with peoples' natural ability. Bowling is very bad for your back so they have introduced this injury prevention method of bowling but do you really want to have ten years of being average?

Rod: Do you think there is a lack of creativity in sport?

Ed: I suppose sport has an inbuilt prejudice against ideas. It's a practical sphere evidently. It's non academic and non-intellectual. Practitioners need to be very very convinced that an idea is going to help, so they need to see the link between an idea and improved performance very clearly. They are not just going to take it on trust. It is a sceptical area sport and a very conservative world. Sport moves very slowly and the sporting establishment moves more slowly than the players. Innovation happens all the time but sporting institutions are quite Stalinist and tend to follow very slowly. Some people – the best coaches – are able to incorporate ideas about creativity and the connected concept of inspiration to help you get in touch with your creative player without talking about it implicitly. When I captained I tried to get away from some of the straightjackets that hold people back. Ultimately I found it quite hard to get a lot of support not just from the team but from the institution.

Rod: What might more creativity in sport look like? What could be achieved?

Ed: No-one ever had an idea by thinking I want to have an idea. You have ideas by trying to solve problems. The way to be creative in sport is to set your mind to the challenge of being better. This is the problem: I want to kick the ball between these two posts, how do I do it better and more consistently than the other guys and than I am doing at the moment? The times I made innovations in my game that helped me to play better was when I was thinking about how am I going to get the ball there with less risk more often and in the middle of the bat? Kevin Pietersen is very creative. It didn't start with him saying he wanted to be a problem solver, it started with him saying I want to score more runs. It goes back to interest, absorption, engagement. How interested are you. More often than not if people are told it's a training session and they turn up for the training session with that mentality – it's a training session and we have been told we have to train. It is a minimum requirement for all of us to train more than we need to. Therefore we will go through the motions and at the end we are going to have a Gatorade, sit around tell jokes, get in the car and go home, never having woken up for the whole session mentally. Waste of time. An amazing amount of professional sportsmen tell you that all the important practice they did was on their own. So why are we practising in a group? We're doing it because there is a base level of team practice required. The best coaches free people from the straight jacket of conformity and say I want to solve this problem and help them to do that.

Rod: Many big companies also struggle with creativity. Chocolate and confectionery maker Cadburys is currently wrestling with the subject and has an internal programme called Insight.

Lisa Ohlin: Insight is an attempt to come up with connections and links for the business that others don't necessarily see. It is not that easy. It requires creativity. If you do it properly it can open up very interesting opportunities. I don't think Cadburys is very good at Insight. Unilever is a lot better at it partly because they managed to role it out throughout the organisation from top to bottom: everyone has to do a minimum of consumer connects a year. In Cadburys people are aware of a process but are not necessarily using it or they are using it in a different way so that they don't take full advantage of the process. In Cadburys there isn't a culture that allows people to take risks and fail. There are lots of examples of safe options of brand extensions. There may be a lot of people within the various businesses with the right mindset to be creative but it doesn't come out because they are not being stimulated to do so.

Carlos: We collect ideas internally and externally. New brilliant ideas are out there in the world on a daily basis. That is bottom up. Top down is we want to go in this general direction lets see if we can get someone to come up with ideas. That is our deal flow. We capture something and decide whether it roughly fits the area we want to move into in the next five to ten years; is it potentially a substantial market; has it got an identifiable consumer need that is addressable; is there some way to differentiate it in the competitive environment; and crucially who's behind it? We try to take on ideas with the passionate owner. If there is no owner of an idea then experience shows the idea does not work. It hasn't got a chance of surviving.

Kieron Monahan: An idea is something that is very simple, differentiates you from everyone else and is capable of getting people to be highly motivated towards it. I don't think you can train people to be creative. I want to work with the companies or the people that can produce the magic; I'm just not interested in working with people who can't produce the magic. Google is an amazing example; the number of people who say it must be great to work at Google. The initial insight of Brin and Page was to make Google's mission to organise the world's information and make it accessible and useful. It doesn't get much simpler than that. Creativity means doing something completely new and that is a big risk. The key thing to generate an effectively creative response to a problem is you have to have people who can really define the problem in the first place. The briefing is critical if you are to get creative people to respond to the challenge. The best person to do this might not be someone who has spent 30 years trying to find the solution. On the other hand there may be such people who are being driven mad by their failure to find a solution after so long and they might just be open minded enough to provide the right briefing. You have to be able not to be fearful of a potential creative solution to a problem. If I see a creative idea and am immediately comfortable with it then I am immediately suspicious of it. I need to start by not fully understanding it.

Lucian Camp: Creativity does sit quite uncomfortably in a world of commerce where the motives behind creativity are not necessarily consumer friendly and not necessarily in their interest. The biggest problem consumers have is there is too much choice. There are just too many. There used to be a time when I could go to the supermarket and quickly survey all the cereals on offer whereas that would now be a morning's work. I wanted to buy a small television for my son's bedroom the other day and there were sixty to choose from. I didn't need sixty to choose from. Now there are hundreds of firms wanting to insure us. In recent years the growth has been

in price comparison sites because people were being so confused about the choice facing them that they needed a place to unconfuse themselves. So the first price comparison site was quite a creative response to that but what's happened since is there are now 30 price comparison sites and what we now need is a comparison site to compare the price comparison sites. These sites are now part of the problem not part of the solution. The commercial world just can't help flogging a horse until it's dead.

Rod: Ideas, by and large, tend to come from the competition, because being a 'fast follower' is much in vogue. This is perceived to be less risky: you just wait for a good idea to come along and prove itself in the market and then copy it as fast as you can.

Lucian: In business the huge majority of people, even very good and successful people, are not innovators they are fundamentally risk managers. In the last ten years the only kind of organisations who wanted to take lots and lots of risks were the banks. Most organisations will decide what to do or not to do overwhelmingly on the basis of what provides the greater or lesser risk. 'I don't like the idea of that very much but everyone else seems to be succeeding so we ought to have one.....' Decision making is fundamentally about how confident I am that we are going to make money out of it. We are most confident about things that are working elsewhere. In a lot of big organisations creativity is being separated out and put in some sort of skunkworks and the reason is ultimately the same: it is a way of allocating a budget to creativity that ultimately we don't mind losing.

Rod: The greatest confidence booster is often success itself, which may have come rather fortuitously. But are you saying that some companies don't really believe in the likelihood that creativity will bring them anything worthwhile, so they just pay it lip service?

Lucian: Even when you look at some really great innovators quite often you see that they did something quite often early on in their careers hit the spot big time, made them an absolute ton of money and they more or less just kept on doing it. We worked for St James's Place which is run and largely owned by Sir Mark Weinberg and Mike Wilson a very successful and highly regarded management team in that world. Mark came over from South Africa in the mid '60s and launched a new financial firm at that time that was very very different from anything that had happened before, he launched a firm called Abbey Life, a new kind of direct sales model which was incredibly successful so he sold it for about half a billion quid and then he did it again, he bought a firm called Allied Dunbar, modified the business model a little bit, made a few minor changes, but basically it was the Abbey Life model. Ten years later he sold that for just under a billion quid and then he did it again with what is now St James's Place which refined the model a little bit more and sold a small percentage of it for 800 million a few years later. So he has done the same trick three times but he has also done one or two other innovative things that have sunk without trace. He came up with something in the motor insurance market a few years ago, invested about thirty million quid of his money and it sank like a stone. He had one great idea that hit the spot and despite wasting a little bit of time and money on one or two side bets he has been clever enough to stick to what he knows works in the market place. You could say the same about Peter Wood at Direct Line who invented telephone based insurance in the mid-'80s and then did the same thing

with Esure 15 years later doing it on the internet. If you are a creative person and also a business person what you are looking for is a formula that works so you can repeat it. In commerce creativity is about throwing money at things until one hits the spot and then keep doing it.

Rod: Major companies like Unilever, Philips, and Procter & Gamble would beg to differ.

Lucian: I'm not convinced that even Procter & Gamble, which is probably the most interested in producing new products that offer superior performance for the consumer, does anything fundamentally different from throwing a lot of stuff at the market, wait for something to stick and then do a lot more of it. Take Head & Shoulders shampoo, there are now 50 Head & Shoulders variants. What happened there was P&G did ten or twenty innovations in hair products that sank without trace but this dandruff one hit the spot and they just piled in behind it with 14 brand extensions.

Rod: So a lot of commercivity is luck? You are the head of a creative company; would you say that all your ideas are mainly down to luck?

Lucian: Well I have yet to come up with any game-changing idea and I've been trying for 30 years! I am working on something at the moment that has a lot of potential and if I'm right, and this idea leads to lots and lots of new business, I won't need to come up with any more creative ideas for a while. Why would I bother? I don't see myself as a creative artist I see myself as being creative in the cause of business. Creativity in the context of business success is utterly different from creativity outside of this. Were the guys who founded Google really that much more determined to get very rich and have a different level of aspiration and intention than the rest of us or was it their approach was the right approach at the right time and just hit the spot. Were they that different? Well they are different now. In the context of creativity and innovation luck is important. William Goldman the screenwriter wrote books about Hollywood and says in his first book that nobody knows anything: nobody knows which script is going to work and which is going to bomb. Probably the idea you have least confidence in is the one that will fly. Don't think too hard about what business development idea to do and what not to do. If anything half decent occurs to you and you can afford it just do it because something will happen. Don't wait around for another idea, just do the first one.

Johnnie Moore: I think in some ways we have made this massive cathedral out of creativity and innovation and it is mostly bollocks. I feel like saying there is no problem having creative ideas, we are always having them and most of them go unnoticed. We are always creating things and creating meanings out of what is put in front of us, not always very helpful and meaningful. Innovation for what? If it's growth lets talk about growth. We might as well talk about breathing: if we don't breath we'll die. There are lots of people going around telling people what they should be doing but they are not quite so good at embodying it themselves. All this stuff about we should be creative, sorry am I not being creative enough for you? If you have a need to be creative then go and be creative, don't lecture me on it. The higher up an organisation you go the more of this abstract language you get. 'I think this organisation should be more....insert meaningless adjective here. Conversations

that really boil down to other people should be doing things differently and we're going to tell you what they are. It's a disguise for do what I want, obey me. The call for innovation is often a mucked up version of a demand for obedience, which is actually not creative at all.

Rod: I assume you are referring to politicians trying to score points?

Johnnie: Why doesn't Gordon Brown take a risk and talk about something specific. Why do so many people go around saying focus, focus. Well I say YOU focus and then think about the impact of your words. It's like saying we need to be more creative: well you be more creative; don't go round admonishing others. All this thinking can be very over rated. People saying oh we could have done it this way or that way. Thinking, thinking thinking. Just do it. It is much more about noticing more and changing less. Notice more of what goes on and some ideas will come naturally. Pay attention to what your customer experience is and be interested in what doesn't work. Think about it. The IDEO experiment where they pretended to be a patient in an accident and emergency ward and filmed it: basically 15 minutes of ceiling. It is impossible not to have ideas when confronted with this observation. There are so many things you could do with the ceiling and how unpleasant for patients to have to just stare at the ceiling. Creativity isn't something you do separately from everything else. You just have to notice more. We sometimes mistake people talking about things as having a contribution to make. Bankers are like that. Managers are like that. They don't make anything; they don't beat metal or dig carrots out of the ground, they just intellectualise things and turn things into processes. Those processes mostly don't work that well and they get paid enormously well to do it.

Marc: I don't think the government knows what it means by promoting creativity and innovation. It talks a good talk about wanting to foster and provide catalysts for creativity and entrepreneurship but it is generally just talk. Government can influence the trend by playing at the margins with things like tax incentives and grants which can help with momentum. The British have a culture that is a mix of our history, climate, geography, media, parents, our parents' parents. It is going to take more than a bit of Government nudging to change the way we behave. It is going to require re-exploring our education system and restructuring it from the ground up which will take one or two generations. It will require long term changes to tax laws so companies are encouraged to invest in R&D and encouraged to fail. In the US companies are rewarded sometimes for failure through the realisation that failure isn't about the end game it is about finding the right way towards the eventual destination. I am absolutely certain the Government hasn't worked out where to go with creativity.

Rod: The Government does seem to want to encourage creativity but nobody seems very impressed with this, or perhaps the Government isn't really relevant to this debate?

Dr Tim Bradshaw: Not many SMEs have come to us and say they have a problem with creativity. They need support that helps them focus on growth. They were very taken by some work we did with Massachusetts Institute of Technology (MIT). In the UK you are twice as likely to get business support from government than if you were a similar company in the US. That sounds good but if you get support in the US you

get five times as much as you do in the UK. We try to be very politically correct with no picking of winners. In the UK the money doesn't really have much impact on what companies are doing. In the US it is deeper rooted. There are problems with discrepancies between different regions of the UK and the extent to which funding is available for companies to help them implement new technologies and R&D. The Government is not seeing the UK in its global position it is still seeing it as lots of different regions competing with each other which is nonsense. The big thing government should be doing is putting more effort into the pull side of innovation. It is very good at putting small amounts of money spread thinly into the push side. You can get grants for R&D, you can get proof of concept money, you can get innovation vouchers. But what moves companies more is if they have a contract to deliver goods or services. The government now spends £175bn a year on public procurement so we have been saying that a chunk of that must be spent on trying to pull through innovative new ideas. The MOD is setting challenge funds up whereby the MOD says to its supply chain we will buy products that meet the following needs: for example we will buy equipment that can see through concrete walls.

Rod: Getting the connection between ideas and value – the profitable insight – is probably the Holy Grail of commercivity. A lot of people are hunting for better ways of making that connection.

John Kearon: At Brain Juicer we are breaking current boundaries between disciplines. We are in the business of squeezing people's brains until they confess something interesting for our clients. All it is is about understanding humans. We are trying to reinvent market research by blending qualitative and quantitative research. We have developed a number of juicy products which are meant very deliberately to be challenger brands for the way things are done at the moment. So stop doing it that way, start doing it this way. If there is an area we specialise in it's the rather fragile fuzzy front-end of innovation. We are building a number of products to cater for the needs clients have in that area. Everything from how do you generate a good insight to how you test it.

Rod: What are you challenging? What are the things you want us to start doing differently?

John: My prejudice is that really good ideas are the product of individuals first and foremost and then they can be shaped by the group. So it is possible for something as beautiful as Wikipedia to emerge and it seems like a crowd activity but you rely on the individual contributors just as you do for open source software. It looks like it is created by the crowd but that is to miss the actual process. Groups of people do not create anything much. A series of individuals building on one another can. It also turns out that market research is not much use when you are working with game-changing innovation. Market research can't help with are new category brands. Things like Magnum ice cream: it creates a new behaviour – up until then adults would not buy hand held ice creams. In the case of Magnum it was not done by Unilever's innovation centre, it came from the fringes of the business. Another example is Bailey's, invented in the '70s. They did test it in focus groups but it bombed. People said there was no way you could have a sweet coffee liquor. It was almost childish. And yet they did notice people asked for a second glass, so they launched in anyway. It is now the world's largest liquor.

Carlos: As far as idea generation goes, we tap into the creativity that is within individuals. We don't look for the creativity but we tap into the people who come up with ideas. An important part of Philips is Philips Design which looks at trends and generating new ideas of where particular aspects of consumer lifestyles are developing into. Creativity is not just about a product or a plan but it is about business. You have to be creative about how you set up and run a business. One of the key things we look at are different types of business models; different ways of monetising. So far we are happy with the level of creativity within the business but great ideas don't always translate into a great business idea. The issue is how good are you at identifying a spark and translating that into a business. When people bring ideas to us we have to apply a hard-nosed approach to interrogating them and asking questions like: what is the need that this idea is addressing?

Roger: A lot of bosses of big companies feel that getting hold of the process and reorganising is the answer. Whereas had the boss of Unilever done any sort of appreciative enquiries he would have discovered where it is and how it is the company is already innovating and try very hard to get better at it. Another unintended consequence for Unilever of setting up innovation centres was that offices that used to come up with innovations didn't do innovation any more. The innovation centres developed a scoring system that was very good at letting incremental innovation through but always scored breakthrough innovation very low. They used to use virtual test markets and these were also good at validating incremental ideas but they were absolutely hopeless if you are looking for breakthrough ideas. Post-it notes would never have got through such a scoring process because the chap who had the idea for 3M – an American church goer – was thinking of sticky bookmarks for use in church and it was not easy to see a global market for bookmarks. In fact Post-its were knocked back at every stage of research. Consumers couldn't see any point in it; there was no consumer insight that was going to drive it and it was only when they batch produced it and circulated it round the office did they find there so many uses for it. They went the extra mile because they have this 15% rule that goes a long way to preventing them killing off good ideas at birth. The guy who thought of the idea was allowed to pursue it with passion, for up to 15% of his working hours.

Rod: It is so hard for big companies to resist throwing out ideas that seem absurd at first, even though they know they shouldn't. It is a combination of human nature and clunky corporate processes working together. I can't imagine Edison giving up on a crazy idea.

Roger: Absurd ideas are threatening to those of us who are experts in the field. But if they are not absurd at first then we would probably have tried them out before. Lots of people have tried for a long time to make things happen without success – such as making planes fly – but until one person succeeds the notion seems like an absurdity. I think Edison should be taught in school. He encompassed so many different aspects that are important. He would walk down a street and get this idea that he was going to light the world. His idea wasn't that he was going to produce a light bulb but he was going to light the world. He had to get funding all the time for his research. He wouldn't do five or ten experiments he would do thousands. He was succeeding all the time. I think the Alan Sugar school of telly innovation management has been incredibly damaging because all of these types of programmes are about finding the

fatal flaw and making people go through hoops. My perception of Alan Sugar's business track record is that he has made his money imitating other peoples' ideas and producing them cheaper and his management style is a rather ferocious 'I've got all the answers and you don't' and that is the polar opposite of what you need to get ideas from people. It sends out a signal that destructive negative behaviour is somehow helpful to anything.