

## ROLE OF CREATIVITY & INNOVATION IN BUSINESS GROWTH AND SUSTAINABILITY

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### ABSTRACT

*Due to globalization and intense competition every business has to bring creative and innovative ideas to win the market. A company has no chance to win this competitive game in the absence of creativity and innovation. It develops insights in managers to introduce innovation within their organizations and accelerate the growth of creative performance in their staff. The traditional strategies might have been good in the past when the markets were simple and unchanging. Now the strategists have to develop new ways of thinking. It requires a different type of strategic planning; an approach that is insightful, resourceful and forward looking, and one that balances objective analysis with subjective discovery. Innovation is a powerful tool in the hands of firms. It helps them create sustainability as it opens wide horizons for to expand their reach and to excel. Businesses that innovate create more efficient work processes and have better productivity and performance.*

**KEYWORDS:** *Productivity, Creativity, Innovation, Invention, Innovative Strategies.*

### Introduction

In order to sustain and transform a business into success in the era of cut throat competition an organization needs to adopt creativity and innovation as an essential element of its corporate strategy. Creativity does not necessarily mean finding new ways of doing business rather it also includes leaving behind the outdated means or processes to ensure growth and sustainability for the business. Organizations those are risk takers and committed to establish innovative culture need to learn how to manage creativity and innovation. Creative management consists of new ideas, new directions, new methods and new modes of operation. Innovative management is involved with those innovation processes that implement creative ideas and move successfully in new directions. All organizations can innovate, some will flourish but others may die. So as innovation typically changes value, it may also have a negative or destructive effect as new developments clear away or change old organizational forms and practices. Organizations that do not compensate effectively for innovative forces (mainly from outside) may be destroyed by those that do. Hence managing innovation in an organization typically involves risk. Whether innovation goals are successfully achieved or otherwise depend greatly on the environment prevailing in the firm.

### Concept of Creativity and Innovation

#### Creativity

Creativity is a function of knowledge, curiosity, imagination, and evaluation. It is based on knowledge and level of curiosity that results into more ideas, patterns, and combinations to create new and innovative products and services. In order to ensure success these ideas must be evaluated and developed into usable ideas.

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The process of creativity involves three important levels including discovery, invention, and creation.

- **Discovery**

It is the lowest level when you become aware of something. For example an idea concerning- instead of offering common detergent, detergent can be particularly designed for machine washing.

- **Invention**

Discovery follows invention. Discovery may drive an innovative idea and invention suggests how to apply the discovery. Continuing the same example, an idea of producing machine wash detergent that is safe for cloths as well as effective for washing comes under innovation. If you discover something but do not invent it, other will take the benefit.

- **Creation**

Creation is the uppermost level of creativity. Here, the innovative idea is transformed into a product or service i.e. something never seen before.

In this way the three levels of creativity can work together.

### **Innovation**

Creativity means generating new and original ideas while Innovation refers to the application of that idea. So in other words, innovation is applied creativity.

In general terms, innovation means anything new. It may involve an entirely novel idea, or a concept grabbed from another area that may have an exciting new application. Innovation is not limited to product development but includes improvements in processes, organizational structure, business modeling and marketing. Current information and communications technologies are inputs in this process. These inputs allow better interactions between sciences, technology, market and organization that support innovation process. For a knowledge economy, technology and innovation become key drivers of increased growth performance. Thus, innovation becomes more market driven, more rapid and intense, more closely linked to scientific progress, more wide spread throughout the economy.

Generally, creativity and innovation are used together and denote the same meaning. Over the last decades, innovation and creativity have become essential skills for leading the market in developed as well as developing economies.

### **Principles of Innovation**

- Innovation should be differentiated with creativity. Merely bringing new ideas is not innovation rather they need to be worked upon to get desired outcome. The involvement of top management plays an important role in establishing a culture of innovation in the organization.
- Innovation should not be restricted to the selected areas in the company. It should cover every area including new products, processes, strategies, business models, distribution channels & markets.
- Innovation should be organised, widely spread and involve continuous search for new opportunities. Everyone in the company should be involved in the process of innovation. The company should encourage everyone in the company to bring new ideas and work upon them. Rewarding the workforce in return would develop an effective culture of innovation in the organization.
- Innovation must be customer focused. An organization must understand the psychology of customers and develop its strategies according to customers' preferences.

### **Innovation Management**

Initially, innovation management is meant to provide an efficient managing system for Research & Development (R&D), but it has now spread far beyond this area due to the importance of innovation in various fields of business. A key challenge in management of innovation is maintaining a balance between the current processes and business model. The process of managing innovation is driven by:

- improvement in quality
- formation of new markets
- enlarging and modifying product range
- lessening production costs
- adopting superior production processes
- environmental protection
- lower energy consumption
- conformance to Government regulations

The above stated goals range from improvements in products, processes and services and dispel a popular myth that innovation deals mainly with new product development. All these goals could apply to any organization whether it is a manufacturing firm, service firm or local government.

### **Role of Creativity and Innovation in Business Growth**

Innovation and creativity have become critical skills for achieving success in business, and the need for creative problem solving has arisen in order to find suitable solutions.

- **Growth in Business**

According to The Deloitte Innovation Survey 2015 businesses that innovate are able to grow and add more employees. That allows them to take on more customers and grab a bigger share of the market. Innovation can increase the likelihood of the business succeeding. Businesses that innovate create more efficient work processes and have better productivity and performance. Innovation makes it easier to grow, regardless of the size of the business. Whether it is a small startup or a huge corporation, if you innovate, you can grow your business.

- **Gaining Competitive Advantage**

To gain competitive advantage inside of a specific niche or industry, a firm needs to adopt differentiation strategy. It can be done through innovation. The right innovation can only allow the firm to offer something unique to the customers. Top innovators take popular products and make them even better. That makes brands stand out in the market and makes it easy for companies to increase revenue.

- **Meeting Customer Needs**

Customer needs are constantly changing. Innovators predict changes in the market and provide solutions before people even realize they need them. A firm cannot meet the customers' needs on a constant basis unless it is habitual to innovate. If you remain stagnant, your business will eventually flounder. You have to come up with new ideas that excite your customers and meet their needs if you want to sustain your business.

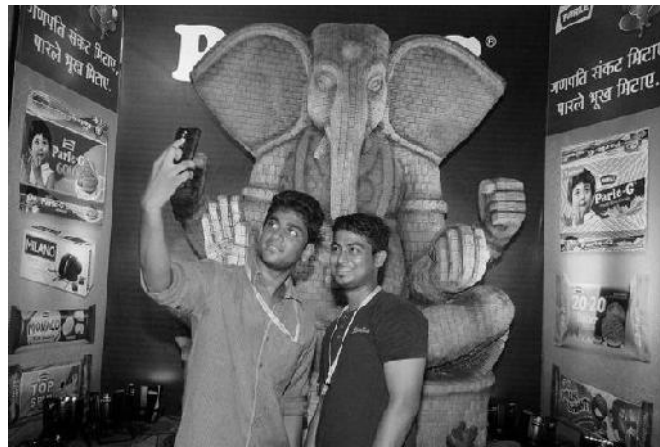
- **Attracting and Retaining the Best Talent**

Talented, innovative people always want to work for innovative companies. If a company has a history of innovation, the people desirous to prove their talent will be attracted to the company. Those who want to be challenged and encouraged to create on a regular basis, need a culture of innovation in the company. Innovators from all over will want to work with such type of companies. It will help the companies to be even more innovative. They will experience more growth, stand out from competition even more, and meet the customers' needs in ways they never imagined. That's when your company will reach an entirely new level.

### **Recent Examples Showing Innovative Business Tactics**

Innovation is a wide idea which isn't constrained up to manufacturing new products, however it additionally incorporates the reconciliation of advertising and knowing client and arousing them to obtain a product and raise the client's general involvement.

- FMCG brands centers around innovation as methods for promoting their products. FMCG organizations by and large utilize penetration promoting to advertise their products.



Source: www.afaqs.com

**Figure 1: Example of Innovative Marketing Strategy**

Parle-G currently used innovative promotion; it came up with an unusual Ganesha made of Parle biscuits, at Mumbai's most famous Ganesh Pandal, Lalbaagcha Raja. Every year, the Lalbaagcha Raja witnesses millions of devotees. Labeled as India's first crowd sourced Biscuit Ganesha, an eight-foot tall Ganesh idol made out of Parle Biscuits was placed at the waiting area in the pandal. Devotees were asked to participate by sending in their tweets or comments using Biscuit Ganesha on Twitter and Facebook. For every social media mention, users got a customized response that showcases a dedicated Parle biscuit being put up in their name on the idol. People participated by taking a selfie opportunity with biscuit Ganesha.

- According to L'Oréal promotion team that providing pre-purchase for digital-era consumers, is just as important as allowing them to sample products at makeup stands and counters. For this reason an app has been designed by L'Oréal. The Makeup Genius app allowed users to use their phones to do a digital makeover. The brand recruited the same team behind the makeup of "The Curious Case of Benjamin Button" to provide the realistic visual effects needed. Consumers took it positively; the app was downloaded 7 million times.

### Driving Innovation

The below mentioned drivers of innovation can put an organization on the path to become an innovative organization.

- Keep on trying something new. It should be a continuing process.
- An innovation may fail. Learn from the mistakes, and move on.
- Do experiments, but on a small scale. When something looks promising, seize the opportunity. These small experiments can create a channel of would-be innovations.
- Allow and motivate your employees to bring new ideas and reward them suitably.
- Create practices and tangible mechanisms to try out new ideas and innovate.

### Conclusion

Businesses all around the world require new ideas and concepts to create a differentiation in the industry and gain a competitive edge over other players. They are unique in their source and impact and create revolutionary changes in the conventional understanding of business. Innovations could occur in the technology or the processes that drive the business. Encouraging new ideas and risk taking are not only factors for breakthrough innovation but making deeper business models changes is also significant. It may also happen that the entire business model could change to create a new perspective on a given consumer need or niche in the market. The skill to innovate is an essential core competency that every business leader must possess in order to build sustainable and profitable business. It can lead the organization to immense heights. But managing innovation is not a simple task. It is the combination of high risk and high return, mission-critical importance and huge challenge that makes innovation and innovation management so challenging.

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