

Dr. Paresh Shah

ABSTRACT

It's more accurate to say that imagination is an asset that can give a business an edge over its competitors if it's used correctly. If the business doesn't use the tools, it will lose any possible edge in the market. Divergent thinking is a way of thinking that includes being creative.

Innovation is putting creative ideas into action in a useful way. Thinking creatively could be seen as the first step towards innovation. Today's world is very competitive, and things change very quickly. Because of this, imagination and innovation are very important for both small businesses and society as a whole.

It is strongly suggested that new ideas not be put into action right away, or they will fail in mainstream use on their own. In a market that is always shifting and moving, it probably won't work. Because of this, both the Newstream and Mainstream of an organisation must have a strong flow of information and be constantly improving.

Internal new-business processes should be seen as a form of entrepreneurship, and managers who want to start new businesses should be intrapreneurs, which means they are inside or internal entrepreneurs. This means that the organization's structure, control, and culture need to be set up in a way that encourages inventiveness and gives new-venture managers a lot of freedom in creating and marketing new products.

Key words: Divergent Thinking, Entrepreneurship, Innovative, Intrapreneurs, Responsiveness, Mainstreamed, Newstreamed, Strategy

JEL CODE: O31, O32, O33

I. INTRODUCTION

The leaders of a company are working hard to make the best product and/or service in their field. This is measured by how well the product or service is received and how long it lasts. It also has a reputation for being ahead of the curve, putting out the most cutting edge products and services before its rivals. It

also did a good job of stressing how important it is to respond to clients. Cook thinks that creativity can give a business an edge over its competitors(Cook, 1998).

It's more accurate to say that imagination is an asset that can give a business an edge over its competitors if it's used correctly. If the business doesn't use the tools, it will lose any possible edge in the market.

Divergent thinking is a way of thinking that includes being creative. Divergent thinking, which is sometimes called creative thinking (Martens, 2011), leads to new responses to certain events. Divergent thinking is different because it can lead to many different reactions. So, creative thinking is a way to come up with new ideas by seeing things in different ways. Creative thinking could be thought of as putting together associative parts in new ways that meet specific goals or are useful in some other way. More creativity will be added to the method or answer if the new parts are spread out as much as possible.

New to the unit in charge of adopting or organising ideas, methods, or procedures that will help the person, group, company, or society as a whole. This is why creative thought could be seen as the first step towards innovation: innovation is the successful use of creative ideas. Today's world is very competitive, and things change very quickly. Because of this, imagination and innovation are very important for both small businesses and society as a whole.

Creativity:

Like brain and memory, creativity is a trait that all humans share, and everyone is creative to some degree. Coming up with new, useful ideas is what creativity means. This can happen in any area of life, from business and schooling to the arts and science. The ideas have to be original and not done before, but they can't be weird. They also have to be related to a problem or a chance in today's culture and economy.

To put it another way, creativity is how a person or group's skills, process, and surroundings work together to make a product or service that is both unique and useful in a social setting. For products, services, ideas, or procedures to be creative, they must meet two conditions: (1) they must be unique or original, and (2) they must have the potential to help or be useful to a group.

Being creative means coming up with new ideas and thinking outside the box without planning to. Innovation depends on creativity, but the two are not the same thing. You can put innovation into three groups: individual, group, and organisational.

Innovation:

Innovation is the process of making those ideas happen, while creativity is the process of coming up with new ones. The use or creation of something new that has made things better for other people is called innovation. A tool, physical benefit, or aid that solves a problem or gives an edge is the most obvious sign of innovation.

When something changes in a way that can be seen and felt, it's called an invention. Traditional ways of thinking and working have been totally changed and are no longer applicable. New ideas come in four different types: product, process, radical, and gradual.

When new goods or services are put on the market to meet customer wants, they are called product innovations. Often, they are customer- and market-driven. "New elements introduced into the firm's production or service operations to make a product or provide a service" is what process innovation means (Damanpour & Gopalakrishnan, 2001).

There are two kinds of radical innovations: those that create a new technology and a new market structure, and those that break the status quo. If an invention changes things at the world, industrial, or market level, it will also change things at the organisational and customer levels.

Incremental developments are products that add new features, benefits, or improvements to technology that is already on the market. "An incremental new product is one that is made by changing, tweaking, and making existing products and systems for making and delivering them better." Incremental gains are small changes or improvements made to existing technologies. Along with this, there is less of a risk in marketing for small changes or less growth.

II. How creativity and innovation are different?

Innovation is the process of making the best ideas come true. The act of coming up with new and useful ideas is what creativity is. Innovation is a group effort, while imagination, i.e., is something that one person does.

Innovation begins with a need and ends with a creative idea. This creative idea then leads to the creation of a new product (Tanner, 1994). The differences between creativity and innovation are the level of novelty and the way people connect with each other. Innovation, on the other hand, may come from something that happened in the past or from another company. Also, creation is a social process, while creativity is a mental one (Rank et al., 2004).

Creativity is the part of innovation that comes up with new ideas, while innovation is the part that takes those ideas and makes them happen. To put it another way, creativity is the first step in solving a problem; it involves recognising the problem and coming up with solutions. Innovation, on the other hand, is about putting those solutions into action and making sure that everyone in the company and society agrees with them.

III. Role of Strategy:

Figure 1 shows the connection between a business's strategies, its core competencies, and its ability to stay ahead of the competition. The organization's plans are shaped by its unique strengths, which gives it a competitive edge and higher profits. It is important to remember, though, that a company's strategies can either bring in new resources and skills or make the ones they already have better, which increases the company's unique competencies.

Because of this, there is a two-way street between distinctive competencies and strategies: distinctive competencies shape strategies, and strategies help grow and create distinctive competencies. Strategy is reached through the chain of resources, skills, and abilities shown in Figure 1.

Kanter (1989) made a model (Fig. 2) and said that businesses work best when they mix different resources into their main and new streams. 'Mainstream' and 'Newstream' refer to how managers divide up the company's resources so that it can handle both security and change. So that it doesn't have to deal with more than one emergency or crisis at the same time, it needs to figure out what tools it

has. By giving the market the same amount of output, it will also keep it from becoming outdated. It is also suggested that businesses keep funding their Newstreams so that new goods and processes can be added to the current system.

This will make it harder for a group to stray from its main goal, and it will lower the risk of sudden changes. When the two streams talk to each other all the time, the Mainstream will quickly accept the Newstream, which is innovation.

It is strongly suggested that new ideas not be put into action right away, or they will fail in mainstream use on their own. In a market that is always shifting and moving, it probably won't work. Because of this, both the Newstream and Mainstream of an organisation must have a strong flow of information and be constantly improving. Figure 2 shows the idea and how the two are related.

<Figure: 2>

IV. Management of Technology through Innovation:

Every day, creativity and innovation are needed for entrepreneurship at work to create new chances, shake up markets, and bring in more money. The internet would not exist if scientists had only used phones and satellites to talk to each other.

Internal new-business processes should be seen as a form of entrepreneurship, and managers who want to start new businesses should be intrapreneurs, which means they are inside or internal entrepreneurs. This means that the organization's structure, control, and culture need to be set up in a way that encourages inventiveness and gives new-venture managers a lot of freedom in creating and marketing new products. At the same time, business leaders want to make sure that their investment in a new market or sector will pay off. This is because the new industry and the company's main business often have things in common, which means that they can transfer or leverage skills to make money.

Bravo also noted that “creativity doesn’t just come from designers.....ideas can come from the sales floor, the marketing department, even from accountants, believe it or not. People at whatever level they are working have a point of view and have something to say that is worth listening to.” Bravo emphasized the importance of teamwork: “One of the things I think people overlook is the quality of the team. It isn’t one person, and it isn’t two people. It is a whole

group of people—a team that works cohesively toward a goal—that makes something happen or not.” She notes that her job is to build the team and then motivate the team, “keeping them on track, making sure that they are following the vision.”

[Sources: Quotes from S. Beatty, “Bass Talk: Plotting Plaid’s Future,” Wall Street Journal, September 9, 2004, p. B1. Also see C. M. Moore and G. Birtwistle, “The Burberry Business Model,” International Journal of Retail and Distribution Management 32 (2004): 412–422; and M. Dickson, “Bravo’s Legacy in Transforming Burberry,” Financial Times, October 6, 2005, p. 22.]

V. CONCLUSION

Creativity is "the synthesis of new ideas and concepts by the radical restructuring and reassociation of existing ones." Innovation, on the other hand, is "the implementation of creative results."

Innovative thinking is the process of making those ideas work by changing, improving, and applying them. Creativity is the process of coming up with ideas. When you think divergently, you get creative ideas, and when you think convergently, you get things done. People think that ideas are creative when they are new, useful, correct, or important, and when they have clear duties. Creativity is linked to learning and coming up with new ideas, but not always to putting those ideas into action and making them real. The process of innovation starts with creativity, since innovation is the good use of what creativity creates in a business. To sum up, creative ideas are the start of all creativity (Amabile, 1996).

References

- Amabile, T. M. (1996). Creativity and Innovation in Organisations. *Harvard Business Review*.
- Cook, P. (1998). The Creativity Advantage - is your organization the leader of the pack? *Industrial and Commercial Training*, 30(5), 179-184.
- Damanpour, F., & Gopalakrishnan, S. (2001). The Dynamics of the Adoption of Product and Process Innovations in Organisations. *Journal of Management Studies*, 38(1), 45-65.

- Kanter, R. M. (1989). Swimming in New Streams: Mastering Innovation dilemmas. *California Management Review*, 45-69.
- Martens, Y. (n.d.). Creative Workplace: Instrumental and Symbolic Support for Creativity. *Facilities*, 29(1/2), 63-69.
- Mednick, S. A. (1962). The Associative Basis of the creative process. *Psychological Review*, 69, 220,232.
- Mumford, M. D. (2001). Something Old, Something New: Revisiting G. *Creativity Research Journal*, 13, 267-276.
- Rank, J., Pace, V. L., & Frese, M. (2004). Three Avenues for Future Research on Creativity, Innovation, and Initiative. *Applied Psychology: An International Review*, 53(4), 518,528.
- Tanner, D. (1994). Creativity & Innovation in R & D. *R & D Innovator*, 3(7), 101-150.

List of Charts

Fig. 1. Creativity, Innovation, Resources Leads to Strategy Development

STRATEGY, RESOURCES, CAPABILITIES, AND COMPETENCIES

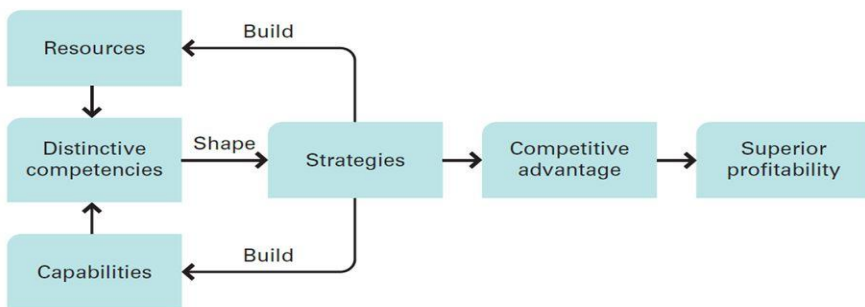
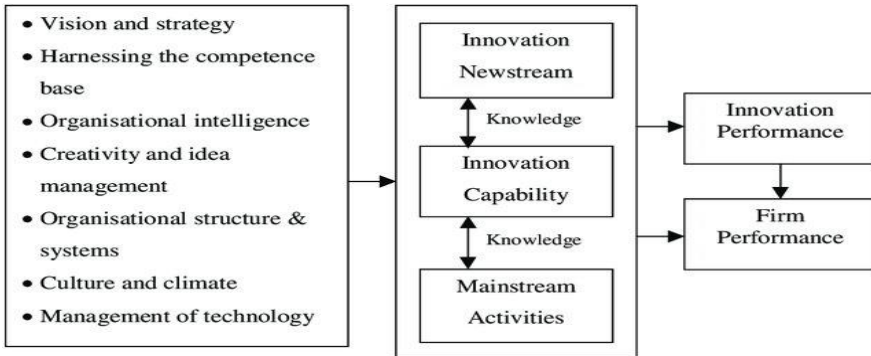


Fig. 2. Kanter’s Model on Newstream and Mainstream Activities Results to Innovation



Author Profile

Prof. (Dr.) Paresh Shah, D.Litt., Ph.D., FCMA, is an IIM, Ahmedabad alumnus with other degrees. He worked for the TATA Group for a decade and has nearly 15 years of total industrial experience. His 30 years of post-doctoral experience include industry and academia. His interests are research, writing, and teaching. He has won national and international awards. The Peter Drucker Management Excellence Award at Oxford University, UK, gave him "Excellence in Applied Research – Accounting" and a Certificate of World Records. He wrote 22 books, five of which are globally acclaimed. He is an Accredited Management Teacher and Researcher.

