

PROLOGUE: WHEN STRATEGY MEETS CREATIVITY

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CHAPTER

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False Separations and Creative Connections

*'One fine day in the middle of the night
Two dead men got up to fight.
Back to back, they faced each other,
Drew their swords and shot each other'*

Anonymous

Creativity and strategy are much discussed but poorly understood. And whilst there is no shortage of advice on how to apply innovation in business or on how to apply strategic thinking to creative enterprise, much of this is poorly directed. Too often it relies on stereotypes which ignore the complexities and interactions of real creative and strategic processes. Or else it amounts to little more than window-dressing, talking up a particular business idea as 'creative' or a creative initiative as 'strategic'. Most damagingly though, creativity and strategy are seen to be at odds, with out-dated conceptions facing off and taking pot-shots at one another, much like the two dead men in the poem above.

This book aims to peel away these stereotypes and misconceptions to reveal how creativity should be at the heart of strategy and how strategy should be at the heart of creativity. The approach or framework we develop in this book is at once a creative approach to strategy and a strategic approach to creativity.

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Having surveyed organizations with concerns ranging from theatre to computer games, from novels to noodles, from baseball to barcodes, from fashion to fighting, we have found that the most successful of these are both creative and strategic. And, moreover, the processes that drive effective creativity and strategy in these diverse organizations are very similar. Rather than appearing like comical combatants, strategy and creativity should be bedfellows.

During our investigations of 'creative strategy' across these many domains, we have discerned a process that applies, more or less, across them all. This process is based on a series of inter-related and paradoxical couplets. Whereas 'paradoxical thinking' is established as a key element in creativity, strategy has tended to pursue clarity and simplicity at the expense of paradox and complexity. In this book, we will consider the paradoxes which lie behind the four generic elements of creative strategy: innovation, entrepreneurship, leadership and organization.

First though, we must establish the parameters for the book as a whole. We offer a three part definition of creativity, we consider why strategy has tended to be 'uncreative', we offer a broader view of strategy, and finally we explain what we mean by *creative* strategy. But before we get to that, we must dispel five false separations, or imagined differences, which have obscured a more integrated understanding of strategy and creativity and we will identify five creative connections that we believe will drive successful organizations in the 21st century. It is these false separations and new creative connections that give purpose to this book.

Overcoming Five False Separations

The first false separation that *Creative Strategy* seeks to dispel is the notion that strategy is a stand-alone business discipline, much like accounting or marketing. We believe that this view may be traced back to the very first texts that sought to define what strategy was. The approach of early pioneers, such as Chandler and Ansoff, was to see strategy in terms of what was happening 'over and above' the operational units of a corporation. Viewing organization as a triangle, as was the norm, strategy was seen to exist at the top, to be the 'capstone'. There were then two approaches one could take: the first was that strategy was about the fruitful integration or bringing together of an organization's parts, business units or functions or regional offices, so that the whole might indeed be greater than the sum of those parts. The second view (and the one that prevailed) was that strategy was something separate that was done at the highest level of an organization just as marketing and accounting were discrete activities performed in other parts. The distinction is subtle, but its effects have been damaging.

After much mental effort, there are now many different philosophies or schools of thought as to what a distinct strategy process should be (rational, cultural, deliberate, emergent, and so on). But none of these focusses on the practicalities of strategy as being that which connects and gives purpose to an organization as a whole. As a result, strategy can be (and often is) disparaged as where 'the rubber meets the sky' (to twist a popular phrase). We believe that it would be useful to reconnect with that first view of strategy: to recognize that strategy only starts to make practical sense as an approach that integrates and gives collective creative purpose to the many and varied

aspects and philosophies that co-exist in an organization. In other words, we think it would be better to think of strategy not as the capstone but as the *keystone* that coordinates and makes the organization create in concert.



This brings us to a second false dichotomy: the idea that creativity and strategy are fundamentally different modes. Business leaders often equate creativity with novelty, individualism and originality – an unplanned, spontaneous eruption of new ideas.

This view, when taken to its extreme, suggests that the two ways of thinking even occupy different sides of the brain. Creativity is unfettered, dynamic, borderline-crazy, right-brain thinking; strategy is stolid, rational (even overly-rational), left-brain. Creativity is mythologized as Dionysus (or Bacchus); Strategy is Apollo.

But we argue that any substantial creative act requires the incorporation and integration of both of these types of thinking. Creative flights of fancy generally only amount to anything when framed by a series of more rational and deliberate thinking styles. This is not an original claim, it follows a thesis put forward by Friedrich Nietzsche nearly 150 years ago. And in perhaps the first book in modern times to seriously investigate human creativity, Arthur Koestler similarly concludes that invention or discovery takes place through the combination of different ideas and angles. 'The Latin verb *cogito* for "to think", Koestler informs us, 'means "to shake together" ... the creative act, by connecting previously unrelated dimensions of experience is an act of liberation [and] defeat[er] of habit.'

Creativity, we believe, is another keystone. It integrates aspects of experience and intuition that might otherwise go unconnected in order to change human experience. Koestler describes this as 'bisociation'. The act of creation is productive or enjoyable because it comes from and results in a different way of seeing the world around us. In its process and in its outcome, creativity makes a connection. A creative act reverses what a physicist might see as the natural entropy of things – just like a strategic act.

Of all the areas of business then, strategy should be especially wedded to a 'creative' approach. Strategy is (if we accept the argument above that strategy is an integrative keystone not a stand-alone discipline) the realm in which all of the myriad parts of an organization come together, clash and compete, compromise and work to solve collective problems to move forward. But, unfortunately, we are inclined to see creative and strategic thinking (and 'creative' and 'ordinary' industries) as polar opposites, with 'strategists' and 'creatives' facing off like the two dead men at the start of this chapter. And rather than combining and learning from each other, an earnest pursuit of what is perceived to be 'creative' or 'strategic' has driven them further apart. Why?

It could be that they have both been looking in the wrong direction. Artists and creative professionals tend to equate strategy with systems of control and accountability, while underselling the

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importance of decision-making and strategizing in their own work. Business leaders see creativity as a metaphor for inspiration and unpredictability, without analysing some of the analogies between creative and strategic thinking. On both sides, 'creativity' and 'strategy' are seen as extraordinary opposites, rather than as integral to each other. We look for them outside our experience, rather than recognizing them in our own reflections.

Consequently, 'creative' and 'strategic' initiatives are too often framed as external interventions. In the so-called creative industries and in the arts, 'strategic' frameworks and strategic management styles have been imported from business, often at the behest of senior managers or external stakeholders. 'Strategy' in the arts thus comes to be resented as an external imposition, rather than acknowledged as an integral part of the creative process. Similarly, 'creativity' in business tends to be seen as peripheral rather than integral to core strategic processes. It is not unusual for a business to invite an arts organization to run training workshops to improve discretionary motivation or presentation skills among the sales and marketing team. But 'creativity training' tends to be individualized and compartmentalized rather than applied to the overall running of the organization. Despite some apparent interest and enthusiasm, such initiatives promote a feeling that strategy and creativity are alien, exotic or extraordinary to each other. Managers and artists mimic each other's language or dress codes without exploring the underlying substance; and strategic and creative thinking remain sharply divided.

Rather than marking out the differences between 'creative thinking' and 'strategic thinking', we argue that all industries are creative and all creativity is, in some way, strategic. This book will attempt to uncover some of the underlying similarities and sympathies between creativity and strategy in the arts, in business and in sports, in order to demonstrate that 'creative strategy' can add value to *any* organization.



The tendency to treat creativity and strategy as peripheral to each other encourages the notion that creativity and strategy will be less important (or different) in times of recession than in times of growth. The third false separation we seek to dispel in this book is the assumption that recession and growth require radically different strategies.

In macro-economic theory, growth and recession are stages in a continual cycle of creative destruction. Just as unplanned growth can trigger recession, a recession can open spaces for innovation and eventual recovery. Whether markets are contracting or expanding they are always changing and this change creates opportunities for any organization, whether a big multi-national or a small start-up, to think creatively about how they might go about their business more effectively. Indeed, it may be that a recession causes greater entropy or stagnation; as established firms pull back into more defensive positions, markets converge and contract around them, opening up gaps in between. These spaces provide *new* opportunities (and *new* impetus) for creative strategizing. When asked how the recession might change the relationship between the 'creative' and the 'commercial' in his industry, Aaron De Mey, artistic director at Lancome, said: 'I think [it will] separate talent from mediocrity. It [will actually] motivate

people to be more creative, original and focussed'. A recession can help reconnect business and innovation.



A fourth division that needs to be surmounted is the popular view that 'young people today' somehow form a separate generation (sometimes referred to as Generation Y, the Millennials or the Net Generation) that is fundamentally different from, or opposed to, the mindset of previous generations. A corollary of this is the idea that this generation is not so interested in things like business, strategy, entrepreneurship and organization. For example, a recent article coined the phrase 'antipreneurs' to describe an emerging group of young people who want to promote sustainability, eco-consciousness and fair labour practices. However, we argue that it would be much more accurate to describe this new group as entrepreneurs who are seeking to use their entrepreneurial energy to further different aims from those normally associated with past models.

This generational split reinforces our previous dichotomy – young people are seen as creative and spontaneous, leaving the older and presumably wiser heads to worry about strategy. We argue that creativity and strategizing are fundamental characteristics of all generations. The failures and successes of the Net generation are often attributed to their 'creativity' and their disrespect for the rules of strategy. While it is true that more recent generations have grown up with new technologies that may cause them to operate in ways that appear unique, they are still, we believe, using these tools to integrate creative ideas and strategic methods. Indeed several recent commentators have argued that the Internet encourages personal interaction and integration – the kind of things that we argue facilitate creative and strategic mindsets – to a greater extent than the one-way communication provided by broadcast television and other mass media. They may go about it in particular ways, but creative or strategic thinking cuts across the generations. In this book we will combine recent and historical examples to illustrate that 'creative' or 'strategic' approaches cannot be separately attributed to a particular generation or period.



The last separation that we challenge might be better described as an artificial specialization. This specialization has seen aspects that should contribute to creative strategy dissected and treated as specific disciplines in their own right. Search for books with *Innovation*, or *Leadership* or *Entrepreneurship* in the title and you'll find thousands. The biggest surprise to us, when we started researching this book, was that there wasn't one called *Creative Strategy* already.

This book builds out from a fundamentally different approach: any substantial or lasting approach must view creative strategy as an integrative cycle of elements that are often viewed in isolation, a cycle whereby *Innovation* creates the potential to add value to people's lives, but for *Innovation* to effectively 'get to market', *Entrepreneurship* provides the necessary impetus; but in order to build upon the Entrepreneur's market beachhead, *Leadership* must convert short-term opportunities into long-term direction; but for *Leadership* to be developed the right *Organization* must provide a framework for connection and change; and for that *Organization* to be refreshed, *Innovation* is

required. And so the cycle begins again. This book does not aim to offer the last words on any of these four elements, but to offer a guide as to how an effective orientation to each in combination with the others can help an enterprise to survive and thrive into the future.

5 FALSE SEPARATIONS THAT *CREATIVE STRATEGY* COLLAPSES

- *Strategy is a discipline distinct from other business disciplines* We don't think so: Strategy should not be thought of as a discrete 'over and above' capstone but as an integrative keystone.
- *Creative thinking and strategic thinking are very different* We don't think so: Creativity and strategy are more similar than different, they are both integrating processes. All creativity is potentially strategic; and all strategy should be creative.
- *Growth and Recession call for fundamentally different approaches* We don't think so: Creative Strategy is important in times of growth and in times of recession.
- *Generation Y is essentially different from everybody else* We don't think so: All generations (if such a categorization actually makes sense) have an interest in creativity and strategizing.
- *Innovation, Entrepreneurship, Leadership and Organization are separate domains* We don't think so: Creative Strategy is about the effective integration of such pursuits.

Five Creative Connections for the Future

One of the characteristics which marks the transition from modernity to postmodernity is an acceptance of paradoxes and contradictions which in a modernist era we might have attempted to choose between or resolve. So, instead of discovering whether the world is globalizing or becoming more locally oriented, we might now begin to appreciate that both things are happening (looking at how the 1980s phrase 'think global' has morphed into 'think global, act local', to Coca-Cola's mantra in the late 1990s, 'think local, act local,' to Toyota's more recent 'learn local, act global' provides a nice insight into how we may be moving from either/ors towards appreciating paradoxical both/ands). Is technology leading to a dumbing down or a wising up? Probably both. Does technology provide greater freedom now than ever before? Yes. And no.

If the ability to embrace apparent contradictions is characteristic of a postmodern approach, then *Creative Strategy* may be described as a postmodern book. It attempts to show how creative strategy, paradoxically, requires incorporating what might have once been seen as incompatible approaches to the same thing. Having cleared away some of the assumptions and misconceptions identified with the five false separations set out above, we can turn to the emerging connections which underpin and give purpose to *Creative Strategy*.

The last of our five disconnections – the false separation which sees innovation, entrepreneurship, leadership and organization as separate domains – provides the starting point for our five connections. The success of a creative strategy cannot be attributed to an exciting innovation any more

than it can be attributed to a solid organization (or, indeed, good entrepreneurship or leadership). Creative strategy means innovation *and* entrepreneurship *and* leadership *and* organization. Then, there are paradoxical connections to be embraced within each of these integral parts.



While there has been a great deal of debate about whether *innovation* is more likely to be borne out of an active emphasis on creation or a more passive focus on discovery, we argue that innovation is advanced by both approaches in concert.



Next, we argue that creative strategy is furthered by an approach to *entrepreneurship* that requires the seemingly contradictory characteristics of focussed diligence and a meandering or unfettered dilettantism.



Further, the sort of *leadership* required to build something from an initial innovative and entrepreneurial spark into something more lasting requires an ability to both envision and communicate simple pictures of the future, and to lead by doing what might be seen as the smallest of practical tasks in the present. (We also question the popular debate about whether leaders are born or made and add a third alternative to this 'either/or' choice.)



And, lastly, we posit that the sort of effective organization required to ensure that an innovation is not a one-hit wonder, to create an environment where the original innovation will be refreshed or new innovations created, requires an ability to simultaneously loosen and tighten the organizational reins.

THE 5 CONNECTIONS THAT *CREATIVE STRATEGY* BUILDS UPON

- *Creative Strategy requires the integration of innovation and entrepreneurship and leadership and organization.*
- *Creative Strategy incorporates an approach to Innovation that harnesses both creation and discovery.*
- *Creative Strategy utilizes an approach to Entrepreneurship that promotes both diligence and dilettantism.*
- *Creative Strategy draws upon an approach to Leadership based upon being able to envision the big picture for the future and interact in the present.*
- *Creative Strategy involves an approach to organization that focusses the activities of others and encourages them to roam into pastures new.*

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In summary, we argue that the key to creative strategy lies in the recognition and reconciliation of apparently contradictory or opposing characteristics or capabilities: a process that we call 'bisociative', and we propose a bisociative thinking framework that can aid the development of creative strategy. But, having outlined how this book is different and where we would like to take the reader, there is a danger of moving ahead of ourselves. We shall expand upon these paradoxes and bisociative thinking soon. However, before leaping any further we should step back and look more closely at the nature of creativity, the reason why strategy may not have been as creative as it should have been in the past, and at the subsequent gap that *Creative Strategy* seeks to fill.