

Creative strategy*

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*William Duggan:
Creative Strategy: A Guide for Innovation
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William Duggan, a professor at Columbia Business School, won an award for teaching excellence in 2014 and has given talks on innovation to thousands of executives from companies in countries around the world. His book titled *Creative Strategy: A Guide for Innovation* is basically a practical guide that describes a method that can be easily used by anyone, and that requires no economic, business or other qualifications: it may be used in both the business and the non-profit world, and the reader can also use it for his/her own personal development. The author recommends us to use the “beginners’ mind” to get acquainted with the method, i.e. we should clear our minds of methods learned earlier and give a free rein to learning this new method. By the end of the book, we can decide whether or not we think it is worth applying the ideas to the rest of our lives.

Creative ideas are required for any strategy, but we should also bear in mind that the world around us keeps changing, and a strategy that was excellent in the past may not suit the new situation. So the question is: how can our strategy keep pace with the constantly changing outside world, i.e. how to ensure the right creative ideas in every case.

Originally, two traditional methods were known: the strategic and the creative. Strategic methods help us to analyse the situations that occur, but do not take us any further. Creative methods help us to come up with new and creative ideas. These two are sharply divided, which means that the analysis of the problem from a strategic point of view is followed by the collection of creative ideas in the course of brainstorming. According to the traditional method, these two are sharply separated, and no connection has been established for the creative solution of the situation. These two separated methods are based on an assumption about the operation of the brain. The left brain as the “analytical part” is responsible

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for analytic ideas, while the right brain is where creative ideas are born, so that is the “playful part”. However, this idea has now become outdated. According to all the scientific facts we know, the operation of the two sides of the brain cannot be separated so strictly, as both sides participate in the generation of each thought and new idea.

The book describes the method of creative strategy step by step and how to use it for the purpose of innovation. Each step has its own complexity, and application requires the possession of various skills. The method described in the book does not refer to a particular situation. The simplified version of the creative strategy is presented, and therefore it is suitable for the management of any situation.

The steps of the usual planning procedure include the setting of objectives and then the defining the deadline, depending on the strategy. As we are already familiar with this traditional procedure, when we complete the usual steps, we often do not consider the most important thing in planning: the need for innovation. Creative strategy helps us to recognise the possibility of innovation.

The new theory mentioned in the book (“learning and memory”) illustrates the creation of new ideas through a number of examples. When we do or learn something, the details are stored in our memory. Later, when we face a new, previously unknown situation, our brain breaks down the problem to tiny details, and finds details from earlier memories that match the new, and they are rearranged. This means that individual small memory pieces are used in a different combination, thus offering a solution to the new situation. The combination is new, but its elements are not. These three steps – breaking down, searching, combination – are significantly different from the earlier two-step theory (analysis and brainstorming). Creative strategy shows the method how the three steps of the “learning and memory” theory work in practice, i.e. how the human brain works in reality.

The learning and the memory methods depict a totally new picture on the way innovation works. Let’s start with the analysis part. Staying with a mathematical example, if we want to divide twenty to two equal parts, we get ten and ten. This is simple and logical. However, in the case of mathematics, it is easy, as it is a simple and closed system. But what happens when we want to assess the performance the company achieved in the previous year? If there are several departments, each department head would consider his own unit as the most important, and would definitely mention his own results. So what is it that counts, and what is it that does not? Each department head brings his own arguments he finds important and logical. In the debate, everybody tries to use logical arguments. But can we talk about a crystal clear logic in this case, as in mathematics?

The answer is given by the learning and memory methods. Each person stores different pieces of information in his mind, as he learned different things in his life. Therefore, staying with the previous example, the right answer to the question how to assess the performance the company achieved in the previous years is different to everybody. All this is done in two distinct way: by using the “experienced intuition” and the “strategic intuition”.

“Experienced intuition” is nothing other than the quick retrieval and application of actions and ideas which we have already gone through and experienced. Let’s just think about the work of firemen, nurses, doctors or soldiers. For example, when a doctor has to make a prompt decision on the site of an accident and say which injured person is in the most serious condition, he will use his “experienced intuition”. The more experience the person has, the faster and better his intuition will work. “Experienced intuition” develops day by day, almost all trainings at the companies are based on that. However, this kind of development does not facilitate innovation. As soon as we detect a situation, we try to solve it in the way we learned. It may happen, though, that the situation is completely new, so it would require a brand new method to solve it. We may make a huge mistake if we apply the old and established method. “Experienced intuition” does not help in the solution of a creative or strategic problem. Only “strategic intuition” can help in that case. In this method, we do not simply utilise already experienced events. In our mind, the actually experienced events are mixed with the information we saw, heard and learned, and with the learning and memory method, these pieces are mixed in a different way, creating innovation. This process usually takes place when the brain is not tired, but relaxed enough. Surprising and new ideas may be born in this process. Returning to the assessment of the company’s performance achieved in the previous year, we definitely have to use the strategic intuition, because no-one knows each and every detail of the operation of the company last year, so it is necessary to apply strategic intuition to decide which piece of information is important and which is not. This is especially true in the formulation of the future strategy of the company, because in that case, obviously no-one has any experiences about the future.

The book offers lots of practical and hands-on knowledge, as on the one hand, it describes in detail the operation of the creative strategy in corporate practice, and on the other hand, it examines each of the ten most popular management methods – e.g. benchmarking, Balanced Score Card – to find out why they do not result in innovation, and compares the methods with creative strategy.