

CREATIVITY AND INNOVATION IN BUSINESS

Julius Abimiku

*Department of Business Education,
College of Education,
Akwanga*

Abstract

This paper takes a look at creativity and innovation in Business. One of the ways to become successful in the world is to start a business. Business consists of a nation's commercial, industrial and service activities aimed at providing goods and rendering services capable of satisfying human needs at a profit. In a world that is changing faster than most of us ever could have imagined, creativity and innovation are vital to a company's success and survival. That is true for businesses in every industry from automakers to fashion designers and all companies of all sizes. Information technology has revolutionized business, making it possible to quickly determine wants and needs and to respond with desired goods and services. With the internet, e-commerce, computer, mobile phones and tablets, the way of doing business has changed. The paper recommends that the practice of creativity and innovation should be encouraged by owners/managers of business organizations in order to ensure success in the ever dynamic and competitive business world.

One of the ways to become a success in the united states, or almost anywhere in the world is to start a business. A business is any activity that seeks to provide goods and services to others while operating at a profit.(Nickels, McHugh and McHugh, 2005).Businesses provide people with the opportunity to become wealthy. Businesses provide us with necessities

such as food, clothing, housing, medical care, and transportation as well as other goods and services that make our lives easier and better.

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To Echu, Goyit and Dakung (2009), business is the sum total of the activities involved in the creation and distribution of goods and services for human consumption at a profit.

Fry and others (1998), defined business as any organization that strives for profits by providing goods and services to meet customer needs. They further observed that Business deals with the exchange of products and services for money. Business is carried out by a set of people called entrepreneurs. (An entrepreneur is a person who risks time and money to start and manage a business). Entrepreneurs conceive, born and carry out their business activities in organized set ups known as business enterprises or organizations. They are able to recognize business opportunities, take risks and challenges in mobilizing their resources to satisfy human needs/wants at a profit

Business Functions

The fundamental tasks of business revolve around the provision of goods and services to meet societal needs. The performance of this core function could be divided into four specific tasks giving rise to four distinct categories of business institutions in our modern society. The functions include:

- The provision of raw materials from which goods are fashioned (extractive function).
- The conversion of raw materials into finished products (production function).

- The distribution of the finished goods into the hands of the users (marketing function).
- The provision of services which include both personal services and those pertinent to business operations such as banking, insurance, communication and the like (service function) (Echu et al, 2009).

How Business Benefit the Community

Mcteer (2003) noted that, under Adam Smith's theory, business people don't necessarily deliberately set out to help others. They work primarily for their own prosperity and growth. Yet as people try to improve their own situation in life, Smith said, their efforts serve as an invisible hand that helps the economy grow and prosper through the production of the needed goods, services and ideas. Thus, the invisible hand turns self directed gain into social and economic benefits for all.

How is it that people working in their own self-interest produce goods, services, and wealth for others? The only way farmers in a given area can become wealthy is to sell some of their crops to others. To become even wealthier, farmers would have to hire workers to produce more food. As a consequence, people in that area would have plenty of food available and some would have jobs on the farms. So the farmers' self centered efforts to become wealthy lead to jobs for some and food for almost all.

The same principle applies to other products as well, everything from clothing to houses to cellular phone. To increase wealth for their families, manufacturers would work long and hard and hire others. As a consequence, nearly everyone in the area would have access to clothes, homes, phones and so on, and almost everyone who is willing and able to work would have a job.

Business add to the Standard of Living and Quality of Life

Entrepreneurs such as Sam Walton (Wal-Mart), Bill Gates (Microsoft), Mike Adenuga(globacom), AlikoDangote (Dangote group), not only became wealthy themselves by starting successful businesses, they also provided employment for other people. Employees pay taxes that the federal government and local communities use to build hospitals, schools, playgrounds, and other facilities. Taxes are also used to keep the environment clean and to support people in need. Businesses too, pay taxes to the federal government and local communities. That money can be used for schools, libraries, hospitals and other facilities. Thus the wealth businesses generate, and the taxes they pay may help everyone in their communities. A nation's businesses are part of an economic system that contributes to the standard of living and the quality of life for everyone in the country.

Creativity, Innovation and Entrepreneurship

Creativity is the ability to develop new ideas and to discover new ways of looking at problems and opportunities. Innovation is the ability to apply creative solutions to those problems and opportunities to enhance or enrich people's lives. Harvard's Ted Levitt says that creativity is thinking new things, and innovation is doing new things. In short, entrepreneurs succeed by thinking and doing new things or old things in new ways. Simply having a great new idea is not enough; transforming the idea into a tangible product, service or business venture is the essential next step.(Zimmerer, Scarborough and Wilson, 2008).

Successful entrepreneurs come up with ideas and then find ways to make them work to solve a problem or to fill a need. In a world that is changing faster than most of us ever could have imagined, creativity and innovation are vital to a company's success and survival. That is true for businesses in every industry-from automakers to tea growers and all companies of all sizes.

Sometimes innovation involves generating something from nothing. However innovation is more likely to result from elaborating on the present, from putting old things together in new ways or from taking something away to create something simpler or better.

In many cases, creative ideas spring up from the most unexpected places. Edwin land, one of America's most prolific inventors, credits his three-

year old daughter with the idea of the Polaroid camera. On a vacation trip in 1943, she asked why she couldn't see the photograph land had just taken of her. During the next hour, as he walked around with his family, land's mind was at work on his daughter's question. Before long, he had worked out the concept of building the camera that launched the era of instant photography.

More recently, one entrepreneur helped solve a problem that plagued U.S. troops in the deserts of Saudi Arabia and Kuwait during desert storm. U.S military experts discovered that enemy aircraft were able to detect the location of troops and equipment by looking for the repeating patterns in the camouflage used to hide them. An entrepreneur began selling the military a special camouflage whose pattern never repeated. He developed it using technology he was already employing to produce multicolored, multi-patterned area rugs.(Each one unique) for the home market.

Entrepreneurs also create innovations to solve problems they observe, often problems they face themselves.(Zimmereretal, 2008).

Importance of Innovation and Creativity for Success of an Organization

Innovation is the process of creating and implementing a new idea. It is the process of taking useful ideas and converting them into useful products; services or processes or methods of operation. These useful ideas are the

result of creativity which is the prerequisite for innovation. Creativity is the ability to combine ideas in a unique way or to make useful association among ideas. Creativity provides new ideas for quality improvement in organizations and innovation puts these ideas into action.

Change and innovation are closely related, even though they are not the same. Change often involves new and better ideas. The new idea may be the creation of a new product, or process or it can be an idea about how to change completely the way business is carried out.Successful organizations understand that both innovation and change are required to satisfy their most important stakeholders.

Strategic Importance of Innovation

For both established organizations as well as new organizations, innovation and change become important in a dynamic, changing environment. When a company fails to innovate and change as needed, its customers, employees, and the community at large can all suffer. The ability to manage innovation and change is an essential part of a manager's competencies.

Types of Innovation

Chand (2015), identified three basic types of innovation as follows:

- i. Technical
- ii. Process and
- iii. Administrative

- Technical innovation involves creation of new goods and services. Many technical innovations occur through research and development efforts intended to satisfy demanding customers who are always seeking, new, better, faster and or cheaper products.
- Process innovation involves creating a new way of producing, selling or distributing an existing good or service.
- Administrative innovation occurs when creation of a new organization design better supports the creation, production and delivery of goods and services.

The various types of innovation often go hand in hand. For example, the rapid development of business to business e-commerce represents innovation. But this new process requires many technical innovations in computer hardware and software. Also, as firms began to use business to business e-commerce, administrative innovation soon followed. Further, implementation of process innovations necessitated organizational change. "Doing something new means doing something differently". Thus innovation and organizational change go hand in hand. (Chand, 2015).

The Importance of Creativity and innovation in Business

Over the last decades, innovation and creativity have become critical skills for achieving success in developed economies. The need for creative problem solving has arisen as more and more management problems require creative insights in order to find suitable solutions.

Creativity goes hand in hand with innovation. And there is no innovation without creativity. While creativity is the ability to produce new and unique ideas, innovation is the implementation of that creativity - that's the introduction of a new idea, solution, process or product. Creativity is the driving force behind innovation and the incorporation of looking at things from a different perspective and freedom of restrictions by rules and written or unwritten norms. (Sokolova, 2015).

Why is Creativity Important in Business?

- Creativity and innovation within a well-run company have always been recognized as a sure path to success. Stimulating creativity and exploring completely new and unknown territories lead to increase in the productivity of an organization. Encouraging the employees to think outside of the box and giving them time and resources to explore new ideas for innovative ideas is the Key to cost effective business solutions.

- Creativity improves the process of solving problems. It doesn't matter if we are talking about developing a new strategy or an innovative way to stay ahead of the competition. Creative problem solving gives that competitive edge that any business is striving to achieve.
- Creative ideas and innovative approaches can come from almost anywhere—from your partners, customers, target groups and employees. They can bring you fresh perspectives and ideas, so show them that you are listening and open to their feedback.

Examples of Creativity and Innovation in Business

There are quite a number of people who still do not understand the concept of innovation in business. They assume that innovation is creating a brand new idea or product. The most successful business innovations are the ones that try to reshape the already existing sales practices for enhanced results and ideas whose objective is to help improve the existing techniques to produce better results. The journey to innovation commences from the sheer desire of a business to achieve better results. Firms and businesses that wish to optimize their products, sales, customer service etc.

- One example of creativity is eliminating. Eliminating time is such a wonderful idea. It is all about-shortening the period it takes for something to be done. The way that messages are carried

from one place to another is definitely one thing that has changed tremendously from the use of courier to pony express, from trains to aircrafts and not to mention the use of electronic mail such as emails and faxes. By using the latest technology for communication, a business can eliminate almost 90% of the time used for communication. Combination is also a good idea for innovation from the platform of blending or combining different things.

- Modification is another perfect example of creativity in business. It is the foundation of any innovation. Innovation in business is all about modifying or magnifying something. Creativity and innovation is a key requirement for business leaders such as managers.

Information Technology

Information technology has revolutionized business making it possible to quickly determine wants and needs and to respond with desired goods and services. The advent of the computer, mobile phones, tablets, internet, world wide web, and e-commerce changed the way of doing business across the world. Here, we shall briefly look at the internet and e-commerce.

The Internet

Computer-based global information system. The internet is composed of many interconnected computer networks. The internet has

brought new opportunities to government, business and education. Companies, individuals, and institutions use the internet in many ways. Companies use the internet for electronic commerce, also called e-commerce, including advertising, selling, buying, distributing products, and providing customer service. In addition, companies use the internet for business-to-business transactions, such as exchanging financial information and accessing computer databases. Businesses and institutions use the internet for voice and video conferencing and other forms of communication that enable people to telecommute (work away from the office using a computer). The use of e-mail speeds communication between companies, among co-workers, and among other individuals. Media and entertainment companies run online news and weather services over the internet, distribute music and movies, and actually broadcast audio, and video, including live radio and television programs. File sharing services let individuals swap music, movies, photos, and applications, provided they do not violate copyright protections. Online chat allows people to carry on discussions using written text. Instant messaging enables people to exchange text messages; share digital photos, videos and audio files; and play games real time. Scientists and scholars use the internet to communicate with colleagues, perform research, distribute lecture notes and course materials to

students and publish papers and articles. Individuals use the internet for communication, entertainment, finding information, and buying and selling goods and services.

The world wide web (www or the web) is a means of accessing, organizing and moving through the information in the internet. Apart from government agencies, travelers, students, and researchers, many merchants do business on the web. Users can shop at the web sites of major bookstores as well as clothing sellers and other retailers.

E-commerce: E-commerce is creating a new way of doing business, one that is connecting producers, sellers, and customers via technology in ways that have never been possible before. The result is a whole new set of companies built on business models that are turning traditional methods of commerce and industry on their heads. Companies that ignore the impact of the internet on their markets run the risk of becoming as relevant to customers as a rotary-dial telephone. The most successful companies are embracing the internet, not as merely another Advertising Medium or marketing tool, but as a mechanism for transforming their companies and changing everything about the way they do business. As these companies discover new, innovative ways to use the internet, computers, and communications technology to connect their suppliers and to serve their customers better, they are creating new

industrial order. In short, e-commerce has launched a revolution. Just as in previous revolutions in the business world, some older, established players are being ousted, and new leaders are emerging. The winners are discovering new business opportunities, new ways of designing work, and new ways of organizing and operating their businesses. Yet one lesson that entrepreneurs engaged in e-commerce have learned is that business basics still apply, whether a company is on the web or not. Companies engaging in e-commerce still have to take care of their customers to earn a profit to stay in business.

Adjusting to the e-commerce era

One of the more significant changes occurring today is the movement toward doing business on the internet. Many businesses are finding the new competition overwhelming. That includes for example, traditional bookstores that now have to compete with e-bay and amazon.com. Who would have thought that garage sales would be done over the internet? Or that cars or homes could be sold online? Businesses are lured to e-commerce by a number of factors including but not limited to:

- Less investment in land, buildings and equipment. E-commerce firms can usually sell things for less because they don't have to invest much in buildings (bricks) and can reach people inexpensively over the internet.

- **Low Transaction cost:** The automation of customer service lowers costs, which may make it possible for a company to offer products at a lower price.

- **Large Purchase Per Transaction:** Online stores like Amazon.com often make personalized recommendations to customers that increase their order size.

- **Integration of business processes:** The internet offers companies the ability to make more information available to customers than ever before. For example, a computer company that tracks each unit through the manufacturing and shipping process can allow customers to see exactly where the order is at any time. This is what overnight package delivery company "federal express" did when it introduced online package tracking.

- **Larger Catalogs:** Amazon.com offers catalog of 3 million books on the internet.

- **Flexibility:** Successful websites are not just glorified mail order catalogs. The internet offers companies the ability to configure products and build custom orders, to compare prices between multiple vendors easily and search large catalogs quickly.

- **Improved Customer Interactions:** Online tools allow

businesses to interact with customers in ways unheard of before, and at almost instant speeds. For example, customers can receive automatic e-mails to confirm and to notify them when orders are shipped.

Despite these many benefits, internet based companies have not captured the retail market as expected, instead traditional retail stores have adapted to the changing environment and have used the internet to supplement their traditional stores. The combination of e-commerce and traditional stores is called click and brick retailing for obvious reasons.

Conclusion

This paper took a look at creativity and innovation in Business. The researcher took a brief look at what business is, the functions of business and the benefits to the society at large. The concepts of creativity and innovation have been defined, the importance of innovation and creativity for the success of an organization has been discussed, also the importance of creativity and innovation in business has been highlighted, and examples noted. The researcher also took note of the fact that technology, especially information technology has changed the way of doing business across the world. It is apparent that the role of creativity and innovation in business cannot be overemphasized. In the ever dynamic, changing and competitive business world, Business organizations must be

creative and innovative in order to succeed.

Recommendations

The following are recommended as possible ways of encouraging creativity and innovation:

- Employees should be encouraged to think outside the box.
- Time and resources should be given to employees to explore new ideas.
- Business owners/managers should listen to their partners, customers, target group and employees for fresh perspectives and ideas.
- Research and development efforts should be intensified by business organizations in order to satisfy demanding customers who are always seeking new, better, faster and or cheaper products.
- Employees/customers should be rewarded whenever they come up with a creative idea.
- Business organizations must constantly keep themselves abreast with current technology with a view to improvement in order to take advantage of the opportunities that might be presented by such window(s).
- Creative thinking should be encouraged at all levels of Education.

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