

## **Creativity? Innovation? Are They Different? Do We Need Both?**

**by Ned Herrmann**

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The people I talk to have widely differing opinions about creativity and innovation. Many think that creativity is the original starting point. Some think that creativity is what you do after you innovate. Others think they are the same thing and use the words interchangeably. The more thoughtful say they are different in important ways. I would like to offer my own opinion as to these differences and why I believe we need both creativity and innovation.

If you look up innovate in Webster's Dictionary, you will discover that its root is innovâre--to renew. Today's definition reads: to introduce something new, make changes. I think of innovation as adding something new to an existing product or process. The key words here are adding and existing. The product or process has already been created from scratch and has worked reasonably well. When we change it so that it works better or fulfills a different need, we are innovating on what already exists.

Create, on the other hand, is defined as--to cause something to come into being, as something unique. It is the process that created the product in the first place. The product or process didn't exist before it was created. It is original, unique and usually novel. So, I believe that creativity is a process that produces an original outcome or product, while innovation is the change, modification or improvement of an existing product.

For example, the original 747 aircraft was largely the result of creativity in its design and manufacture. While there had been many airplanes over the years, this huge plane was a daring, novel, risky, and original design. It was much larger than any existing commercial airplane. The numerous models introduced since the original 747 are the result of innovating around the original design such as the addition of the upper deck, the stretch version, and the all cargo version. This also includes the model that was modified to piggyback the space shuttle from one launch site to another--over 20 years of continuing innovations on the original creative 747.

It is important to distinguish between creativity and innovation because the processes are different, the risks are different, the starting points are different, and the climates needed for achievement are different, and there are consequences of these differences. Why is it that American business is very much more comfortable with innovation than with creativity? It's because innovation is a lot safer, it is incremental, it is building on an already established product or process, and it is far easier to achieve success than starting from scratch. Conceiving and making the first post-it-notes was the result of a creative process. Making them of different sizes, shapes, and colors was an innovation based on that original creative idea.

I strongly believe that creativity requires a different executive mindset than innovation, particularly in business applications. For some, even the word creativity rubs the culture

the wrong way. It is considered too soft and "flaky." Creativity, after all, requires a tolerance of mistakes. Creativity requires an acceptance of risk. Creativity requires a commitment of time and resources. Creativity requires the acceptance of possible failure. Creativity must be thought of as an investment. You don't start it and stop it. The organization must have a long term commitment to being creative. Taken together, these requirements affect the management culture of the organization that aspires to be creative.

Innovation, on the other hand, requires a much lower level of risk and since success is incremental, it can be terminated at any desired level. Since the risks are lower, the levels of approval are lower. There is less of a need for long term commitment of resources and money and a less sophisticated management culture. In some organizations, innovative ideas are approved by the Suggestion Plan Committee.

Whereas innovation is often a random event, creativity is much more of a formal, ongoing and complex process. Since the starting point of innovation is the modification of an existing product or process, it is much easier to make meaningful progress towards improvement compared with starting from zero and not knowing the outcome. Think of the automobile industry, it thrives on continuous innovation. Completely new models are rare--and expensive to create. For example, the Ford Model T, Chrysler Air Flow, Edsel, Mustang, Corvette, VW "Bug", DeLorean, and, etc., including the latest version of an all electric car from General Motors. So most of what we buy are innovated improvements on last year's model--if they have survived in the first place, and many don't. Creativity is a risky process.

However, because creativity is a process, it can be taught and learned. There are numerous seminars, workshops and degree granting university courses in creativity and creative problem solving. I know of only one in the field of innovation.

Because creativity can be taught and learned, it is possible for companies to train individuals, teams, and whole organizations to become more creatively effective in their work.

In contrast, innovation is much more informal. There is no specific body of knowledge that could serve as a basis of teaching and learning. Many, if not most, innovative techniques are derived primarily from what we know about creativity.

So what? Is this just another academic exercise or are these differences important to understand? I believe that understanding the differences between creativity and innovation can lead to the optimizing of both--and we need both. To grow and prosper, most organizations and businesses need to constantly improve their existing products and services through continuously innovating needed change; and, for survival of the enterprise, most also need to create new products and services to meet yet unfulfilled needs.

Consequences? I think so. Organizations that rely exclusively on innovation will prosper until their products and services "run out of gas" and become obsolete and non-competitive. On the other hand, organizations that are totally creative will have their new products and services ready to launch, but often too few current products sufficiently up-to-date and competitive to generate the cash needed to fund their creativity. Every industry has its own examples of the costly consequences of this lack of differentiation between the two. Ones that come to mind for me are: automotive, aerospace, electronic, computer, pharmaceutical, photographic, apparel, and there are, no doubt, many others.

Chances are that the very successful leaders of the future will be more likely to make creativity and innovation a strategic priority in their organizations if they better understand the reality of what they really are rather than an unsubstantiated myth. How they are different. Why they are both needed, and how to make them both happen in the right way at the right time in the business cycle.

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