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Modeling Creative Processes for Business Performance

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ABSTRACT

The main aim of the paper is to explore the use of creative processes, primarily in service-providing businesses. Creative processes could be considered one of the ways to improve the company's performance, as well as increase the motivation of employees. A company's performance not only depends on routine work processes, but also on the ability to use the creative resources in the most efficient way. In this case, is it true that creativity is widely used in large companies? Is it more beneficial to be creative when the competitiveness is tough? What are the attitude towards creativity as a tool for boosting business development? Implementation of new ideas, resource reallocation, improvement of product line efficiency and other activities can be optimized with the help of creative processes. This paper studies the implementation of creative processes in business development, covering theoretical and practical business aspects for innovation and entrepreneurship.

Keywords: Creativity, innovation, business processes, entrepreneurship, idea development.

1 INTRODUCTION

The goal of this study is to explore the use of creative processes in organizations as a tool for achieving innovative business practices. The original study was conducted in three countries, Latvia, Italy and the US, to provide a cross-cultural perspective across firms of varying sizes. This paper presents a subset of the research conducted, the findings reflect the US only.

We begin with a definition of creativity and entrepreneurship, followed by a review of creative approaches used by one large, very successful company, Facebook. Next, qualitative data was collected using personal interviews with managers, with the aim of investigating creative tools used by each firm. Specifically, we want to identify creative processes in the not-for-profit service sectors, and how these might be applicable to other firms.

In the last few decades, creative new businesses have emerged. So the concept of "success" has evolved with the rise in creative business strategies. Financial success has extended to public goodwill, corporate social responsibilities, employees' satisfaction and customers' loyalty. When competition heightens and resources are limited, creativity is vital not only to success, but often the

survival of the firm. Whether this creativity is applied in the period of start-up developing, or during decline in sales and/or production, an offbeat approach to resource usage as well as work process organization provides companies which maintain creative business processes as a core element in their operations a considerable advantage within their designated fields.

This paper focuses on the use of new processes for maintaining and developing business. It provides some theoretical concepts, and presents some examples of existing companies which have successfully integrated creative processes into their corporate culture and mission.

2 LITERATURE REVIEW

In the course of writing this research paper, both scientific and educational literature, articles in periodicals from both United States and Europe were investigated. The main sources that reveal the theoretical foundations of "Entrepreneurship" and "Creativity" are derived from the texts of Cunningham & Lischeron (1991) and Franken (1994), in which the authors argue the definition and proper use of the key terms in the corporate world. Robert E. Franken in *Human Motivation* reflects that "creativity is defined as the tendency to generate or recognize ideas, alternatives, or possibilities that may be useful in solving problems, communicating with others, and entertaining ourselves and others" (1994:48).

Although there is no single, widely accepted definition of entrepreneurship in the research community, historically there have been two primary theoretical perspectives which we considered while conducting our research. One considers entrepreneurship to be a very specific occupation, related to Schumpeter's creative destruction, while the other focuses on Kirzner's emphasis on the pursuit of opportunity. Most assessments are unified by the notion that entrepreneurship focuses on the creation of an innovative concept or product. Gartner, Bird & Starr (1992) describe entrepreneurship as "an individual or organizational behavioral phenomenon, or a process of emergence ... such as organizational formation and innovation". They further differentiate entrepreneurship from non-entrepreneurship which refers to "existing or customary activities" (1992:8).

Entrepreneurial development today has become very significant; in view of its key to economic development.

The objectives of industrial development, regional growth, and employment generation depend upon entrepreneurial development. Therefore, entrepreneurs play a major role for state economies. Entrepreneurship involves the creation and use of innovative ideas, maximization of output from given resources, creation of new jobs, invention of new technologies, and all these factors are essential for the economic development of a country. In light of long-term forces, such as the rise of digital technology infrastructures, that are reshaping the global business landscape, a more applicable definition might be someone who sees an opportunity to create value and is willing to take a risk to capitalize on that opportunity; some elements of this are opportunity spotting, risk taking, and value creation (Hagel, 2016).

2.1 Creative Process Models of Facebook, Inc.

Facebook was founded in the United States in 2004, by Mark Zuckerberg, the chief executive officer and chairman of the board, in a grassroots structure (his college dorm room). The social network corporation has since grown into a large company headquartered in California (Liley, 2012). The company employs about 17,048 employees from a range of diverse backgrounds and fields. The highly influential and far-reaching site can be translated into 70 different languages with profits stemming primarily from advertisements. Liley states, "Facebook's engagement or interactive advertising may be the future for the industry where people are encouraged to have a conversation or dialog on a product" (2012:85).

Zuckerberg remains highly involved in the creation process. He sits at a desk with his employees and when at home is constantly on the site. He wants to keep the company flexible like a typical start-up a company. He engages in product creation and test the products before they are made available to the public. To describe such a structure, Zuckerberg coins the phrase "move fast and break things" (<https://www.entrepreneur.com/article/>).

One of Facebook's effective processes is to keep their employers happy. Their offices are designed purposefully without dividers or walls to promote the company ethos of openness. Each branch of the Facebook offices features outdoor basketball courts, a game room, a large lunch room with healthy, free menu options, and a laundry room. The Silicon Valley building includes a rooftop grill with musical entertainment. Zuckerberg believes the employees need time to relax and take a break from looking at computer screens and provides breaks through the use of creative work spaces. Keeping employees happy helps them work efficiently and creatively.

2.2 Apple Park

Apple announced back in February that it would begin moving in employees to its new Apple Park headquarters in Cupertino, California starting in April 2017.

The scattering of thousands of Apple employees across more than 100 sites in Silicon Valley has rendered more difficult the collaboration necessary for innovation. Apple places great importance on employees being physically together at work, face-to-face communication

is essential during the beginning of a project, when an idea is sprouting, they say. Once a model emerges from a series of conversations, it draws people in and gives focus. Envisioned by Steve Jobs as a center for creativity and collaboration, the goal was to create an environment to where many people can connect and collaborate and talk.

3 METHODOLOGY

This paper posits that promoting and effectively using creativity in business processes translates into business success. A semi-structured in-depth interview was designed to collect information for each company to better understand their:

- offerings or services
- industry demand for innovativeness
- company requirements for innovativeness
- details of processes employed to encourage creativity, including contexts, experiences, financial implications, challenges, successes and applicability to other organizations.

We propose that some of these processes and findings can be applied universally. They can serve as a model for future companies to use in order to achieve the highest rates of success.

4 FINDINGS

Following are insights garnered from this exploratory research.

4.1 Manager Interviews

Six interviews were conducted in three countries: Latvia, Italy, and the US. These interviews were designed by to examine the various creative processes each selected companies utilized, and their benefits and challenges. The company managers discussed their feelings about the universal application of their methods. Results presented here represent those interviews conducted for two not-for-profit companies in the US:

4.2 Little Flower Children and Family Services of New York (US): Regional New York non-profit organization serving the most vulnerable children and families. Little Flower Children and Family Services of New York: they use team initiatives, generative discussions, respectful disagreement is encouraged and strategic planning is done very collaboratively.

(Excerpts from interview with Corinne Hammons, CEO)

- "Little Flower provides residential and community based programs for over 300 individuals with disabilities, and foster care to 500 children in Brooklyn and Queens, among other services... our ultimate goal is an increase in safety and well-being for our clients."
- "Our industry changings rapidly and one way we stay relevant and competitive is to ensure our programs are innovative and our operations are efficient, and that we tell our story of success to potential clients and donors."
- "Open dialogue and brainstorming always lead us to good ideas ... Many of our programs do go through a pilot phase and we only go forward with viable ones."
- "Teamwork and joint problem solving have given us better results and created better organizational cohesion."

- “We have launched several matrixed teams in the last two years (e.g. Risk Management, Health Care Management) ... we have seen a significant improvement in both in internal communications and effective planning which have prevented problems and also led to new initiatives.”

- “We do work closely with peer organizations to collaborate on projects and share best practices. For example, we are part of one collaborative where we are co-owners of a Children’s Health Home, one of just a few chartered by New York State.”

- This work is essential for our future financial sustainability, because our innovative new program ideas allow us to expand our services and bring in new revenue.”

4.3 Rotacare (US): Non Profit Primary Care Medical Services. Rotacare believes in dividing large groups into smaller working groups that can build a core group to effectively bring about change. Of critical importance are the links across the various organizational units, such as merging teams of doctors with nurse and practitioners in order to find effective solutions.

(Excerpts from interview with Dennis Greely, Treasurer)

- “The Mission of Rotacare is to facilitate free health care for the relief of pain and suffering to those who have the most need and the least access to medical care. Rotacare has a team of 100 + volunteers that includes MD’s, Nurse Practitioners, Nurses, translators, social workers and others who facilitate patient access to medical care. In addition, we refer patients that need specialized care or services to medical partners to treat our patients.”

- “Their main goal is to keep their patients out of emergency situations and improve their quality of life.”

- “In the medical service industry, one needs to be creative to be able to listen and diagnosis ailments. The industry is always changing with medical advances and insurance/regulatory changes.”

- “Rotacare needs to be creative to forge partnerships with hospitals and other doctors’ offices to provide care

- “We foster communication and teamwork where appropriate by realizing that sometimes dividing large groups into smaller working groups can build a core group to effectively bring about change.”

- “Medical services is one of the fastest changing and complex businesses. There are ever changing public and private insurance. There are new medicines, new treatments, changing population demographics etc. We need to be creative to adapt to the changing environment.”

- “We have recently set up working sub-committees on our Board. These committees are smaller and nimbler than the large Board group meetings. The initial benefit has been to identify organizational strengths and weaknesses. Next step is to create a plan and action steps.”

5. DISCUSSION

Having garnered greater insight into the use of creative processes in Little Flower and Rotacare, we have determined creativity to be highly necessary for both non-profit organizations. As such, it is crucial that creativity be streamlined in both companies as to maximize its

positive effects on business performance. We found that as companies in the small to medium sized business range, both Little Flower and Rotacare did not practice the structured creative business processes more popular in larger companies, and believe that if these two corporations were to adopt such practices, they could prove to be more innovative, and function more efficiently. For example, as many of the larger companies our research focused on structured creative business processes into formats such as bi-monthly meetings to discuss new ideas in differing management levels and divisions, so too Little Flower and Rotacare could adopt a similar practice, perhaps dedicating a monthly meeting for lower-level volunteers to address concerns specific to their work and offer ideas for solutions to problems upper-level management may be unaware of. Following the compilation of this research, our future work aims at offering suggestions to both Little Flower and Rotacare as to how they can make their use of creative processes even more effective through structuring processes, especially at lower-levels in the company. We believe that the implementation of structured creative processes would prove to be the most effective use of the resources for each of these companies.

6. CONCLUSIONS

Following the preliminary research and field interview portions of our study, we affirmed our initial hypothesis that effective implementation of creative processes is essential to the successful performance of any business attempting to compete in the current market. The modern successful business is one with the ability to adapt to the ever-changing business environment and consumer population. Successful businesses regularly brainstorm, implement, and evaluate new processes as well as allocate adequate funding, research and development, and time to such processes. As these processes and their implementation are often considered secondary by businesses in both the for-profit and non-profit sectors, by creating new processes, companies gain the ability to differentiate themselves from competitors and plan for long-term goals. These processes also aid in allowing companies to better serve consumers. The most sustainable processes were analyzed in relation to three constraints: feasibility, questioning whether the technology needed to power the design solution is available or within reach, desirability, determining if the solution is desired and suitable for the customer, and viability, predicting if the design solution aligns with the business goals. Creativity must be implemented on every level, from assembly to advertisement, with definitive structures on each level to allow for the most efficient processes. Each of the company’s members must work in cohesion toward a shared common goal, while avoiding internal discrepancies.

The cost and time required for the implementation of creative processes in businesses should not be underestimated, but companies that believe in their creative element often achieve success and stability in their market field. The LEGO Company, for example, made a complete recovery from the brink of bankruptcy in less than ten years through combining creativity with

effective management. Following unsuccessful attempts at bringing the classic toy into the twenty-first century, LEGO shifted its innovation team from a group of elite design-school graduates to recruits of loyal “biggest fans” of the brand.

<https://www.entrepreneur.com/article/284609>

<http://innovationexcellence.com/blog/2017/01/09/6-innovation-tool-kits-to-drive-business-growth/>

For the two not-for-profit cases presented here, there is an element of pride that each display when discussing how they incorporate the use of creative elements in the daily operations of their companies. We believe this affirms the relevance and importance of the use of creativity across diverse businesses and industries for success in formulating solutions, and planning long-term goals.

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