

Design Innovation Creativity



Deciphering **Creativity**, **Innovation**
and **Design**

INNOFOCO

Co-creating service frontiers

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Background

'Creativity, design and innovation' are vital to the sustainable development of every society. Yet they often mean different things to different people. This is an attempt to take a more holistic and integrated look at these concepts. We hope this piece can stimulate more discussions on what creativity, design and innovation mean for businesses, educators, the public and the third sectors; and what the development priorities should be for every city.

1. Creativity ≠ Innovation

Human creativity is the ultimate economic resource. The ability to come up with new ideas and better ways of doing things is ultimately what raises productivity and thus living standards.

Richard Florida

- Creativity is the ability to generate new ideas. It is the first step to innovation.
- All people can be creative provided the conditions are right and they have the relevant knowledge and skills.
- The potential for creativity is not limited to any particular role or process within a firm. Successful companies promote creativity in all parts of the organisation.
- Factors that influence creativity include management beliefs, systems, practices and incentives.
- Creativity is vital for each and every facet of the economy and the society. It is not just the creative industries. All industries have to be creative.
- Factors that influence creativity in a society include culture, education, government regulations and competition.

2. Innovation is more than new product or technology

Innovation is the successful exploitation of new ideas.

UK Department of Trade and Industry

- Creativity is about coming up with ideas while innovation is about bringing ideas to life.
- Innovation can be big or small, radical or incremental.
- Most people associate innovation with **product** and **technology**. There are other types of innovation and they are not necessarily mutual exclusive:
 - **Service innovation** is the introduction of new or improved service offerings and user experience. It is relevant to both commercial (e.g. financial services) and public organisations (e.g. education and health care), service and manufacturing industries. Successful manufacturing firms often provide both a physical product and an accompanying service¹ alike (e.g. iPhone and Apps).
 - **Business model innovation** involves changes in the WHAT (the value proposition of an offering), WHO (customers, collaborators or competitors) and/or HOW a firm aligns its resources, processes and profit formula. IKEA, for example, brings together low cost and stylish design.
 - **Process innovation** results in a change in the way a product or service is created, delivered, sold or consumed (e.g. supply chain management).
 - **Management innovation** is the introduction of a new management practice, process, structure, or technique to further organizational goals (e.g. flexi hours).

¹Successful manufacturing firms often provide both a physical product and an accompanying service

2. Innovation is more than new product or technology

- **Social innovation** refers to new ideas that resolve existing social, cultural, economic and environmental challenges. It can take place in the for-profit, nonprofit and public sectors and increasingly in the spaces between these three sectors (e.g. urban farming).
- More and more developed economies have adopted services and non-technological innovation as a strategic development priority.² Leading companies and education institutes are shifting their focus from product to service innovation as 'the next hot area'.³ Innovation in services often involves complementary changes to technologies and non-technological factors (such as skills and organisational culture and structure) and hence the importance of multi-disciplinary collaboration.
- There has also been a significant shift from a producer and technology-centric approach to user-centric innovation, whereby innovation is inspired or even driven by users in a more and democratic manner.⁴

² Council of the European Union, Council Conclusions on a Broad-based Innovation Strategy, Dec 2006

³ "Service Innovation: The Next Big Thing" Business Week, 29 March 2007

⁴ Richard Seymour (a renowned designer) said at the sixth annual meeting of the International Advisory Panel of the Council that Singapore needs to place anthropology before technology.* (Oct 2010)

3. Design ≠ Pretty Stuff

Design could be viewed as an activity that translates an idea into a blueprint for something useful, whether it's a car, a building, a graphic, a service or a process.

UK Design Council

- Design turns creative ideas to become practical and attractive propositions. It is a way of creative thinking, and a structured creative process with a set of skills, tools and methods.



User Research



Brainstorming



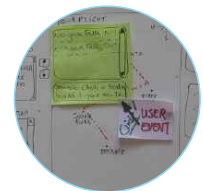
Visualization



Co-creation with Stakeholder



Iteration



Prototyping

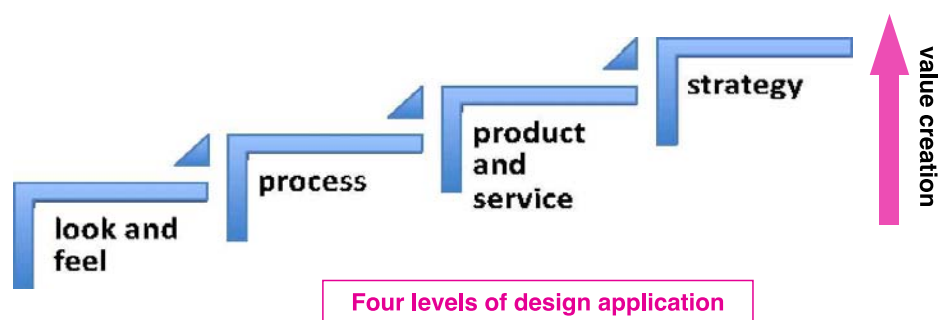
- Good design channels creativity into innovation. It 'matches people's needs with what is technologically feasible and what a viable business strategy can convert into customer value and market opportunity'⁵.
- Design is not art and craft. It creates value for businesses and goes much beyond aesthetic appeal. It can change the value of outputs, costs of inputs, and the efficiency with which inputs are turned into outputs. Design also improves quality of life by providing products and services more attuned to people needs and minimising the impact on the environment.



⁵ Tim Brown, *Design Thinking*, Harvard Business Review, June 2008.

3. Design ≠ Pretty Stuff

- Design can be used to:
 - Differentiate products and services through a range of non-price characteristics from colour, style, ergonomics to performance and user experience
 - Enhance product and service quality
 - Improve efficiency in production or consumption of service
 - Lower production/delivery costs and maintenance costs
 - Manage risk by prototyping new ideas
 - Enhance image of a product, a service and/or an organization
 - Reduce the environmental footprint by reducing resources, waste and carbon emissions
- Design has increasingly evolved to become a strategic tool and process, through which businesses use to identify and develop new market opportunities. The more design is embedded at the strategic level, the greater its impact is on the sustainable growth and development of an organisation. Similarly, design capability has to be developed across the economy and the society.



- Design is as relevant to public as to commercial organisations. Today's public services must respond to new challenges such as an ageing population, social disparity, rising public demand, and the need for sustainable development. Efficiency alone cannot address these pressures.

3. Design ≠ Pretty Stuff

- Traditionally, design has been classified into different disciplines such as graphic, product, industrial, interior and fashion design; and more recently digital⁶ and interaction design⁷. Some design disciplines such as industrial design are closer to sciences while others such as fashion design are arguably closer to the arts.
- Service design is an emerging discipline focusing on the design of strategies, systems, processes and touch points. It aims at providing a unique and desirable experience to the user. It is a cross-disciplinary practice combining skills in various design disciplines, business, technology and the social sciences (anthropology, psychology and sociology).
- Increasingly design can no longer be seen as discrete disciplines, but rather an array of interacting disciplines offering a strategic and total solution at the firm or society level. More and more leading education institutes in the world are offering inter-disciplinary design learning.

Food For Thought

1. Does your organization / city provide the conditions for creativity to flourish?
2. What kind of innovation will create the most value for your organization / city?
3. At what level is design applied in your organization / city?

⁶ Digital design focuses on the communication of messages and experiences that take place on computers, the internet, mobile phones, film, video and other digital technology devices.

⁷ Interaction design shapes the experiences of people as they interact with products, services, people, environments across a variety of contexts.

About InnoFoco

InnoFoco helps organisations identify new service opportunities, create desirable customer experience and build brand equity:

WHAT - InnoFoco designs service offerings for commercial and public sector organisations, from strategy to process and customer experience.

WHO - We are a multi-disciplinary network of catalysts, aspiring to make a real difference to business – and to the world. We work closely with world class design and innovation experts in Hong Kong, London, New York, San Francisco, Copenhagen and Helsinki.

HOW - We identify white space in the market, uncover user needs and leverage on technology. We co-create new service blueprints with clients and their stakeholders, and enable organisations to innovate on a sustainable basis.

For enquiries, please visit us at www.innofoco.com, call 852 2560 5226 or email us at rchan@innofoco.com.

Reference

Creativity, Design and Business Performance,
DTI Economic Paper No.15, 2005

Danish Design Policy, 2007

Victorian Design Action Plan (2011 - 2015), Australia

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