

INDEX

BUSINESS CHAPTERS

| | |
|---|--------|
| Incorporating Creativity into Business..... | 2 |
| Reinventing Business Model..... | 6 |
| Business Model Canvas..... | 14 |
| Design Thinking..... | 18 |
| Business Structures..... | 49 |
| Directors and their Financial Capacity..... | 50 |
| Role of Accounting..... | 58 |
| Creating Value I & II | 61, 65 |
| Market Segmentation and Target Marketing..... | 71 |
| Differentiation and Brand Positioning..... | 81 |
| How to Pitch a Brilliant Idea..... | 90 |
| Measuring Progress..... | 149 |
| Communicating and Reporting Value..... | 153 |
| Strategy as a Wicked Problem..... | 156 |
| Innovation Strategy..... | 163 |

LEGAL CHAPTERS

| | |
|---------------------------------------|----------|
| Introduction Legal System..... | 24 |
| Australian Court System..... | 28 |
| Law of Tort..... | 36 |
| Contract Law I..... | 93 |
| Contract Law II..... | 102 |
| Contract Law III..... | 112 |
| Consumer Law I & II..... | 128, 139 |
| Intellectual Property Law I & II..... | 143, 145 |

CREATIVITY - NEW ECONOMY

Narelle Hooper and Rodin Genoff

HARVEST BUSINESS REVIEW

A. CONNECTING YOU

- Creativity is bringing something into being that wasn't there before and making connections between people, knowledge and ideas.
 - Creativity is a core competency for business success, yet it is not yet widely recognised.
 - It is an 'intangible' asset like brand and reputation which does not show up on the balance sheet.
 - IBM's survey of CEOs found that the most popular response for the 'most valuable management skill' during the GFC was creativity.
 - Whilst 91% of businesses agreed creative thinking was critical for the success of their business there is a mismatch between perceived need and reality.
 - Just 26% of employees believed their work culture encouraged creative thinking.
- Today we find creativity and corporate performance to go hand-in-hand.

1. HOW DOES CREATIVITY WORK?

- It is vital part of the innovation cycle because it is the most flexible renewable resource we have.
- Creativity gives us capacity to make connections between random things a develop peripheral vision – not to only see what is around us but what's coming.

2. CREATIVE FLOW

- Creative flow isn't just about individual creative genius. R. Keith Sawyer found that creativity emerged within an ensemble of people – that it had an 'interactional dimension' where creative ideas was fostered through 'long, extended process over time, where mini-insights occur and are then integrated into ongoing work'.
- Great creative team is 'trust, familiarity of members with each other and shared commitment to same goals'.
- Creativity is just as much a social activity as an individual one and cognitive neuroscience research reveals 'creative behavior activities the entire brain'.

B. CREATIVITY IS SOMETHING YOU CAN DEVELOP

- Creativity is something you can cultivate.
- Bruce Nussbaum contends that deep domain knowledge and the ability to collaborate creatively is integral to thriving in the New Economy.
- Creativity comes down to personality traits such as intellectual curiosity, openness to experience and unconventionality.
- The key word is curiosity – having an inquisitive mind and being open to new experience.
- Creative individuals have been found to have lower ‘latent inhibition’ – inability to suppress irrelevant thoughts.
- Creativity can be nurtured via deliberate interventions, especially over a long period of time.

C. FIVE CREATIVE COMPETENCIES

- Nussbaum believes creative intelligence allows organizations to ‘join the dots’ on disparate types of knowledge through five key competencies.

KNOWLEDGE MINING

- A person uses their deep domain knowledge to develop new products and services by connecting new sources of information.

FRAMING

- Ability to understand how you see the world around you – become aware of your own reference points and question your assumptions so they don’t limit your ability to be open and ‘come up with more creative strategies’.

PLAYING

- Giving yourself permission to adopt a ‘playful mindset’ to explore without paralyzing in the fear of failure.

MAKING

- This encapsulates a uniquely New Economy phenomenon where technology allows anyone who wants them the tools to design, make, manufacture or repair products.

PIVOTING

- Taking an idea and making it happen – adapting it to suit changing conditions or needs. To executive you have to be agile, responsive and open.

D. THE POWER OF SMALL THINGS

- Small everyday changes can improve your creativity capacity.
- Balance differences and similarities – high performing teams have similarities in values but differences in style.
- Make sure everyone gets an input not just introverts.
- Reduce the fear factor so people can embrace a ‘fail and learn fast’ approach.
- Give constructive feedback to close the gap between competence and confidence.
- Give people tasks they love – we do better when we work to your strengths.

DAY BY DAY

- Day to day in your organization and in your work you can help creativity cause in small ways – allowing casual collisions and inadvertent contacts that help people and ideas connect.
- Ending the habit of eating at your desk and having shared meals to chat fosters an environment where people can share information and thoughts.

SPACE RACE

- Creativity also has spatial, cultural and political dimension, fused together by openness, democratic values and purpose.
- Creative places called ‘creative milieu’ are places which create opportunities for ordinary people to think, plan and act with imagination – and when that happens ordinary people can make the extraordinary happen.

E. VALUING CREATIVITY

- Charles Landry has worked with cities such as Taipei, Bilbao, Seoul and Adelaide to build creative milieus.
- His approach is to ask the question – what is the cost of not thinking about creativity and imagination.
- Landry proposes that countries with strong arts participation feature at the top of global innovator lists and places that don't use creativity tend to be unsuccessful in all sorts of senses and without it they can't take the next step and cement their place and one of the top performing economics in the world.
- However, it is not something that can be done by government decree.

F. HUMAN DESIGN

- Creativity gives us the means to navigate a world of uncertainty – it fuels the new economy and simultaneously building human capital and delivering return on investment.
- This is why 'design thinking' and 'human-centered' design are being used by companies and organizations all over the world.

CONCLUSION

To make Creativity a core competency requires effort. In small and large companies, you need agile and participative systems that encourage creativity to flourish. Systems to nurture collaborative behaviors that enable people to work effectively in the first place.

REINVENTING BUSINESS MODEL

Johnson, Clayton, Christensen and Kagermann

HARVEST BUSINESS REVIEW

A. IDEA IN BRIEF

- Great business models can reshape industries and drive spectacular growth.
- To determine whether your firm should alter its business model:
 1. Articulate what makes your existing model successful – What customer problem does it solve? How does it make money?
 2. Watch for signals that your model needs changing – new competitors etc.
 3. Decide whether reinventing your model is worth the effort.

B. SUCCESSFUL BUSINESS MODEL

- Customer value proposition – the model helps customers perform a specific ‘job’ that alternative offerings don’t address.
- Profit formula – the model generates value for your company through factors such as revenue model, cost structure, margins and inventory turnover.
- Key resources and processes – your company has people, technology, products, facilities, equipment and brand required to deliver the value proposition to your targeted customers.

C. IDENTIFY WHEN A MODEL NEEDS CHANGING

| An opportunity to... | Example |
|--|--|
| Address needs of large groups who find existing solutions too expensive or complicated | The Nano's goal is to open car ownership to low-income consumers in emerging markets |
| Bring a job-to-be-done focus where it doesn't exist | FedEx focused on performing customers' unmet "job": receive packages faster and more reliably than any other services could |
| A need to... | Example |
| Fend off low-end disruptors | Mini-mills threatened the integrated steel mills a generation ago by making steel at significantly lower prices |
| Respond to shifts in competition | Power-tool makers Hilti switched from selling to renting its tools in part because 'good enough' low-end entrants had begun chipping away at the market for selling high-quality tools |

D. APPLE

- The iPod/iTunes combination was very successful in 2003 and became a nearly \$10 billion product accounting for 50% of Apple's revenue.
- However, they were not the first digital music players to market – the Rio and Cabo 64 were introduced in 1998 and 2000 respectively and were stylish and portable, so why did the iPod succeed?
- Apple took good technology and wrapped it in a great business model. Apple's true innovation was to make downloading digital music easy and convenient.
- The company built groundbreaking business model that combined hardware, software and service.