

This Management Digest is prepared for the aspiring managers as an update to what they already know. This newsletter is sent monthly to members of the Hong Kong Institute of Marketing and delegates following courses provided through Consort Management Consultants Ltd.

MARKETING

Unlimited Spending – A Dream Comes True

Selling the hardware of a homogenous product is difficult, as a result, creative advertisers have to scratch their heads to find what softer features and benefits could be used to attract customers. Money is particularly difficult to sell. Not only is it a homogenous product, competition in the personal loan market is intense so the amount of advertising dollars spent in promotion is growing fast.

There has to be gimmicks to make promotion effective. What is the theme that can sell personal loans? The 'virtues' of borrowing, the brand of the lender or recommendations of celebrities? Two recent commercials used 'Valentino' and 'Hobbyist'.

'Valentino' was a big spender – candle light



dinners on the beach, piano solo, diamond solitaire and strolls on

the sand on horseback were all unrealistic slavish spending. In the foreground, viewers read 'all these can be tailor-made for 0.32%'.

The 'Hobbyist' or collector was about a girl slaving herself for a house full of teddy

bears – birthday parties, bigger and bigger apartments and overseas



holidays – all bearable, but for the bears.

Exaggerating to beyond the extremes of absurdity, the wayward personalities have been supported by the advertisers' lending. The dreams and concepts of 'living to spend' are in total defiance of traditional moral values of 'spend to live'. Never mind all these if you can afford the cost – just a cool 0.32%!

Morality aside, the producers of these two films are certainly creative, the quality of production is superb, but the theme is unreal. The marketing wisdom gained from watching these films is to learn about jumping away from the traditional square and packaging controversial ideas to make a homogeneous product different from your competitors.



KM Yim, Chairman, HKIM

Pictures extracted from a video supplied by AdMango

Managing Creativity

During the 1980s and 1990s, 46% of the largest US firms on Fortune 500 disappeared from the index.

As Hong Kong walks into a Disney fever, it is appropriate to take a look at Disney's management philosophy.

Scott Milligan of Disney Institute told delegates at the Society for Human Resource Management's annual conference that many corporations disappeared from Fortune 500 "probably because they did not react well to change and failed to tap into the creativity that was there,"

At Disney, all employees are assumed to be creative in some way. The company aims to create a culture that embraces and shares new ideas. It insists that "Yes, and ..." rather than "Yes, but ..." is used in meetings. Milligan says this change in language has contributed to a collaborative culture that encourages people to build on ideas rather than shutting them down.

"When I started at Disney this was difficult for me, as I was an executive used to making quick decisions, but by changing the language we have ended up getting more ideas," he added. "It was also important for these creative ideas to be in line with Disney's organisational identity."

This approach has generated considerable savings. In one case, staff suggested placing spare push-chairs at internal train stations instead of adapting the trains to take them on board, saving an estimated US\$1 million.

This led to the kitchen staff learning this train of thoughts and mixed breakfast pancake batter as painters mix paints to the exact colour (as part of Disney's standards). "We would never have thought of a connection between these two groups if it wasn't for this means of sharing ideas," said Milligan.

The ability and mindset to jump out of the traditional square is an ingredient of creativity.

(Adapted from People Management, June 30 2005)

What is Creativity?

Creativity often grows out of a need for improvement or to solve a problem. If we can see how creative children are, we know we have all been born creative. As we grow older, our creativity has too often been suppressed by education and experience, but it is still there and can be revived. Often all that's needed to be creative is to have the right attitude and to take the time for it.

The Myths

Creative people do not accept that there is only one answer to a problem. There can be many, and there can be improvements on improvements. Ask yourselves these questions and realise that there is no such thing as the LAST solution:

1. What is THE solution to putting words on paper? Fountain pen, ball point, pencil, marker, printing press, typewriter, Xerox machine, the word processor, laser printer? What about voice recognition?
2. What is the solution to transportation? The cart, the wagon, the train, the car, the airplane? What about pneumatic

tubes, hovercraft, or even Star Trek type beams?

There is no last solution. We only have continuous improvements.

Creativity Blockers

“Oh no, a problem!; It can't be done; That's childish; What will people think?; I might fail” are attitudes that will kill creativity.

People lost creativity because they close their minds to new ideas – finding alternatives is too hard and strains the brain. They simply give up:

1. *Prejudice.* Preconceptions often prevent us from seeing beyond what we already know or believe to be possible. They inhibit us from accepting change and progress.
2. *Mental fixation.* Sometimes we see an object only in terms of its name rather than its functions. Find more applications in the products you sell! Did you know that not too long ago, the Xerox technology was used to detect mammary cancer because of its photographing features?
3. *Helplessness.* This is the feeling of not having the right tools or knowledge to do something, so you might as well not try. We have been trained to rely on other people for almost everything. If you are in need of information but don't know who to ask – try the Internet!
4. *Psychological blocks.* Some solutions are not considered and get rejected simply because our intuition didn't like them.

The Requirements

To be creative, we need an attitude and the flexibility to accept change and newness, a willingness to play with ideas and possibilities and an urge to improve. When the Walkman was first 'invented' (or improved from the old cassette players – which itself was an improvement from the

At the 4th UK Management Research Forum, the Chartered Management Institute reported that successful employee creativity relies on having an appropriate leadership. Managers and leaders create the environment in which innovation can occur. Innovation or creativity goes through two main stages: exploration and then commercialisation. Organisational support and rewards for innovation must be tailored to the different stages of innovation.

(Adapted from Professional Management, July 2005)

tape recorder), it was too big to be convenient. In order to impress retailers that the Walkman was small enough for walkers, all the Sony salesmen had a large size pocket on their shirts!

Creative people believe that there is always room for new possibilities and improvement. *'Thou shall not kill an idea'* is their motto.

1. *Curiosity* Creative people want to know things. They take a flexible and imaginative look at things happening around them. They are stimulated by strange and unthinkable thoughts.
2. *See Problems and Enjoy Challenge* They like to challenge the assumptions behind ideas, proposals, problems, beliefs, and statements. They are discontent with things as they are and enjoy making them better.
3. *Patience and the ability to stand against criticism* We have heard many stories of stubborn inventors who finally achieved success although being criticised or even rejected by folks around them. They are patient researcher or thinkers who would go through a problem time and again to find a method to overcome it.
4. *Seeing the good in the bad* Creative thinkers do not through away poor solutions. They want to know what's good about these solutions and then improve.
5. *Optimistic* Creative people are confident that most problems can be solved and they do not see problems as fearful beasts: they are considered worthy opponents and opportunities for improvements.

Problems

Problems are the mother of improvements and they can be solutions themselves too. They may be problems for some, but solutions for someone else. The attitude of constructive discontent has created creativity.

You would have noted that Super Glue could glue your fingers together if you are not careful. This problem – a permanent skin bond – was soon seen as an answer for surgeons in Vietnam to glue wounds together.

3M chemists were experimenting with adhesives and accidentally came up with one that was so weak you could peel it right back off. The product could have been trashed but the glue that won't hold was not a problem. Creativity turned it to the 'Post-it Notes'.



CIGARETTE
TOMB – WINNER
OF JAPAN
CREATIVITY
AWARD

These are situations how solutions to problems are developed:

1. **Evolution** New ideas stem from older ideas. This is an improvement scenario with the new ones slightly better over the old ones. Shortage of beef fat more than 100 years ago forced butter makers to produce margarine from vegetable oil. Problems can be solved and solved again.
2. **Synthesis** Two or more existing ideas are combined into a third, new idea.

Combining a magazine and an audio tape keeps the blind updated.

3. **Revolution** Sometimes the best new idea is a completely different one. Pesticides are used to kill pests, traditionally. The new way is to use baits to cause an epidemic in where pests infest. Pesticides have been revolutionised.
4. **Reapplication** By looking at something old in a new way and going beyond entrenched habits, new applications may be found. Many older drugs (e.g. penicillin) have been found to have properties for other applications.
5. **Changing Direction** A solution for a problem could be too difficult, so could we reach the same goal by going round to avoid the problem? This is sometimes called creative insight.

(Adapted from 'Introduction to Creative Thinking' by Robert Harris 1998)

ENGLISH

Words Worth

WRONG	RIGHT
× Sorry I can't find time to see you.	✓ Sorry I can't seem to find time to see you
▪ <i>The sentence is not wrong, but it would be more polite to say 'seem to'.</i>	
× Sorry the phone was cut-off.	✓ Sorry our call/line was cut-off. ✓ Sorry we were cut off.
<i>In Chinese, 'telephone' refers to the phone set as well as the call. In English, a conversation can be cut off but not the phone.</i>	
× When there is a fire, do not use the lift.	✓ If there is a fire, do not use the lift. ✓ In case there is a fire, do not use the lift.
<i>'If' indicates a condition and uncertainty. 'When' indicates the time that something will happen. So, it is wrong to use 'when' to describe what to do in case of an accident which is not certain to happen.</i>	
× I attended to four interviews last week	✓ I attended four interviews last week.
<i>'Attend' means 'be present at'. 'Attend to' means 'giving attention to'. So 'I attended to my work', and 'I attended the office to do my work'.</i>	