

Structure and Creativity

*Understanding your box
before you get out of it*

Andy Havens

<p>Critical credentials:</p> <ul style="list-style-type: none"> ■ Have set-up and executed budgets up to \$21 million ■ Computer analyst and programmer ■ Expert in Excel ■ Writing degree from Cornell ■ Have created/taught Total Quality management programs ■ Read "Harvard Business Review" every month ■ Understand the difference between capital and operating expense ■ Spock is my hero 	<p>Creative highlights:</p> <ul style="list-style-type: none"> ■ Was an arts & crafts "director" for 15 summers ■ Published poet ■ Expert in Photoshop ■ Writing degree from Cornell ■ Certified large-cardboard-box engineer ■ Read "Wired" every month ■ Understand the difference between impressionism, post modernism and cubism ■ Animal (the Muppet drummer for "Dr. Teeth and the Electric Mayhem") is my hero
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Preview of coming attractions

- Lateral v. linear thought

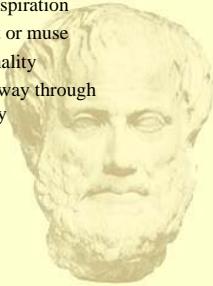
<p>Crossing the moat</p>	<p>Next number in progression</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> <p style="margin: 0;">3 3 5 4</p> <p style="margin: 0;">4 3 5 5</p> <p style="margin: 0;">4 3 6 6</p> </div>
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A brief history of

CREATIVITY

Aristotle

- Creativity = genius
- Closely aligned with madness, inspiration
- Manifestation of an outside spirit or muse
- Not related, necessarily, to originality
- This idea, to some degree, held sway through early 16th c. and still lingers today



The Renaissance

- Copernicus, **Galileo**, Luther
- Science = power to discover new things and disrupt social, cultural and religious paradigms
- Scientists are individuals applying creative tools to understanding nature
- Creativity = discovery
- Creativity = change
- A good scientist tests all intellectual assumptions



The Enlightenment

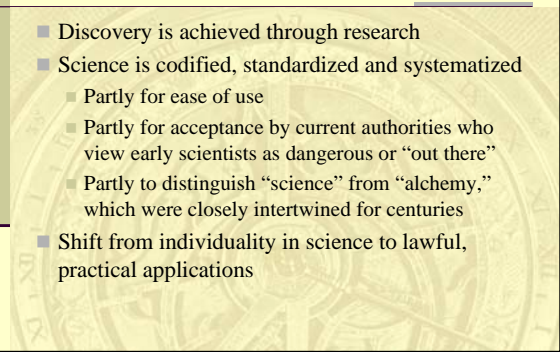
- Descartes, Newton, Voltaire, Locke, Hume
- Attacks on “unwarranted authority” from dogmatic - *unnatural* - institutions
- The individual has the right (Nay! the responsibility!) to explore without permission
- No need for “artificial” authority
- No need for personal restraint
- Particularly popular among artists, writers
- Creativity = personal expression
- Test all assumptions, scientific and otherwise



The Royal Society

of Natural Philosophy (a.k.a. “Science”)

- Discovery is achieved through research
- Science is codified, standardized and systematized
 - Partly for ease of use
 - Partly for acceptance by current authorities who view early scientists as dangerous or “out there”
 - Partly to distinguish “science” from “alchemy,” which were closely intertwined for centuries
- Shift from individuality in science to lawful, practical applications



The big “Creativity Rift”



The big “Creativity Rift”

- **Artists:** creativity is personal, emotional, powerful
 - Genius (individual, innate) married to ideas of talent (natural ability) and skill (craft)
- **Scientists:** creativity is structured, paradigmatic, measured and universal
 - Genius (innate) married to ideas of accepted, past learning, with advances (technology) made as part of a body of knowledge (often categorized)

Creativity separated

- Rational/scientific creativity holds that:
 - Progress is good/inevitable
 - Tech improvements = social improvements
 - Intellectual capacity is key
- Personal/artistic creativity holds that:
 - Progress is not good for everyone
 - Tech improvements can = social dysfunction
 - Emotional / communicative capacity is key

Two models of modern creativity

- Artistic
 - Characterized by individualistic attributes
 - Anti-authority
 - Emotional in nature
 - Recognized by talent, craft, innovation
 - Often proceeds in jumps
- Rational
 - Characterized by specific goals/achievements
 - Supports authority
 - Intellectual in nature
 - Recognized by results
 - Often proceeds in increments

Opposing views

Artists see rationalists as:

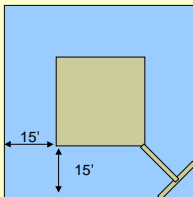
- Dull (nerds)
- Intellectual (geeks)
- Linear
- Uninspired
- Slaves to process
- Robots
- Button-pushers
- Company men
- Judgmental

Rationalists see artists as:

- Goofy
- Unrealistic
- Flighty
- Error-prone
- Slaves to fashion
- Self-involved
- Messy
- Disconnected
- Touchy-feely

Meanwhile...

Crossing the moat



Next number in progression

3 3 5 4

- 1 = "one" = 3 letters
- 2 = "two" = 3 letters
- 3 = "three" = 5 letters
- 4 = "four" = 4 letters

Two kinds of thinking

- Linear
 - Usually related to rational creativity
 - Improvements are logical, formulaic
- Lateral
 - Related to artistic creativity
 - Intuitive "jumps" or "leaps" of imagination
 - Massive possibilities... but unpredictable

QTerm: "Breakthrough" vs. "Kaizen" improvements

Where does this get us?

- Marketing is a business function
- Business is primarily led by rationalists
- The “box” is defined by the leaders
- Creativity is seen as ancillary to the process, not integral to the business
- Creativity is seen as relative mainly in the area of advertising, which is a much more “artistic” function than other areas.

What is our box made of?



in business Creativity requires understanding of:

- The environment
- Your company’s position/goals
- Your department’s role
- Your boss’ expectations
- Your areas of impact

... All from the point of view of \$\$\$

Environment

- Competitors' pricing/strategy
- Maturity of the market
- Trends
- Related industries
- Customer demographics
- History of the category
- Geographic issues
- Key concerns



Your company

- Corporate structure
- Profitability goals
- Cost containment goals
- Department / unit goals
- History
- Temperament



Your department

- The budget plan
- The budget process
- Group / individual goals
- Line-level responsibilities
- Relationship to other departments
- Key measurements of success
- Key timelines
- Internal customers / suppliers



Your boss

- Expectations from above
- Expectations of you
- Internal customers / suppliers
- Key goals, measurements
- Attitude about responsibility
- Firearms preference
- Knowledge of Nazi cryptology



You.

Yes, you.

- What numbers are you responsible for?
- Who is judging your performance?
- What are your specific goals?
- What other players impact those goals?
- When are you measured?
- How/why are you rewarded?
- Who moved your cheese?



Some examples

- Understanding the budget
 - The saga of the "Welcome Brochure"
 - Square vs. rectangular mailer
- Understanding the environment
 - Internet mania... reduced

The Welcome Brochure

- My first budget experience
- 120+ pieces of collateral
- Learning the difference between:
 - understanding the plan (what \$ are in there)
 - understanding the spreadsheet (how they stack)
 - understanding the issues (all the “why” details)
- What was my area of impact?
- Welcome Pack = 25% of collateral budget

The Welcome Brochure

- Original format:
 - 52 pages
 - Saddle-stitched
 - Die-cut section tabs
 - \$1.42/ea x 1.2 MM units = \$1,704,000
- New format:
 - 32 pages
 - Staple-binding
 - No tabs
 - \$.47/each x 1.2 MM units = \$800,880
- Savings = \$903,120

Square vs. rectangle

- Direct mail piece designed by ad agency
- Very cool looking
- Square
- Print = \$0.20/piece
- Postage = \$0.80/piece
- Rectangle postage = \$0.29/piece
- Enabled almost 3x volume at same price

Internet advertising

- 1999: First big Internet advertising push
- WebBoyz came in from NYC
- Couldn't show COA for banner ads
- Midwest went with a more limited web launch
- Standard media mix COA = \$60/line
- When test market data was trued-out to remove Internet advertising, we found that the added COA for web ads = \$6,000/line
- We ate \$1mil over 6mo; Chicago ate \$4mil in two

Does this help my creativity?

- Rules provide structure.
Creativity without structure is chaos.
- Rules come with reasons;
reasons educate on issues
- The more you know about everyone's goals, the more you can execute on multiple levels
- Rational reasons satisfy rational people

Direct mail example

- Want to test customer response to three different give-away benefits
- Plenty of money, large test group
- How many versions of mailer do we need to determine what to offer the base?
- Four:
 - One each for A, B and C
 - One that offers a choice of all three

Ain't that redundant?

- No. It ain't.
- Response rate for single give-away:
 - A = 4.10%
 - B = 3.25 %
 - C = 8.90 %
- Response rate for choice: 14.10 %
 - A = 10 %, B = 5 %, C = 85 %
 - 85 % of 14.10 % = 11.90 % net for C

Linear v. lateral: Listerine

- How to sell more of a successful brand?
- Linear
 - Different flavors (cool mint, citrus)
 - Different sizes
 - Toothpaste?...uh, ok. That's a bit lateral
- Really lateral, though...
 - Listerine gum? Failed. Too strong for too long.
 - Needed gum that didn't last... breath strips!

Two tricks

- Artistic creativity is more often used at the tactical level (e.g., advertising), by folks who don't understand rational strategic requirements.
- This produces dissonance, waste and a disconnect between field people and management.
- Trick 1: Bring lateral (artistic) creativity to the process of linear (rational) improvements.
- Trick 2: Bring rational, linear understanding of strategy to those who execute tactically.

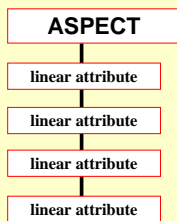
Last example

- Agency didn't fully understand the differentiator we were trying to capitalize on
 - The issue was technical
 - Creative team executed based on their assumptions
 - Final creative was off the mark
- When explained, however:
 - Full linear intelligence provided insight
 - Greater insight = better lateral creative product

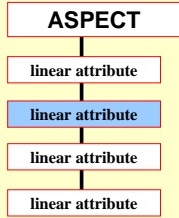
Let's do some improv

- Pick a product /service
- What are its linear aspects?
 - \$\$\$ = price, margin, value over time, costs
 - Customer segment
 - Packaging
 - Volume
 - Venue
- Pick one linear aspect
- Get lateral all over it like a big dog

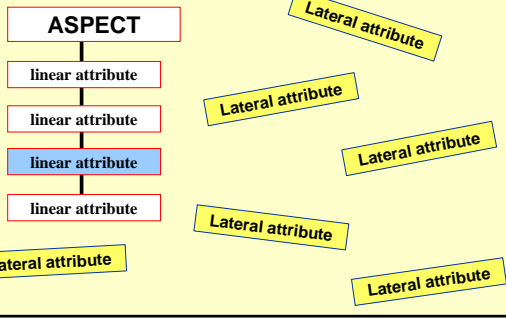
Capture linear attributes



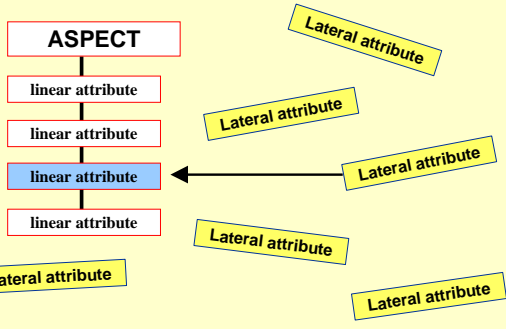
Pick one



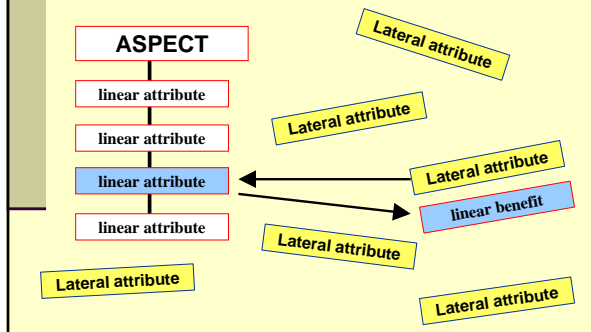
Capture related lateral ideas



Connect them



Explain benefit



Let's do it again... the other way

- Pick a different product /service
- What are some lateral concepts?
 - Where is it used? Where shunned?
 - What color do you associate with it?
 - If an animal were to use it, what would it be?
 - What is the "anti-product" of this product?
 - What are its parents? Kids? Guardians?
- Pick one lateral idea
- Drive it back home to a linear measurement

Take both paths

- Linear and lateral thinking are both valid
- Using both at the same time can be powerful
- Lateral types: remember, "analysis" comes from Greek "ana" meaning "up," and "lyein" meaning "loosen." Analysis loosens up complex structures.
 - Better understanding should be less complicated
- Linear types: remember, all accepted dogma was, at one time, heresy.

Any questions? Any haiku?



Andy Havens
