



## BEYOND INSURANCE

By Scott Addis

# CREATIVITY AND INNOVATION

*The one-two punch to knock out your competition*

**O**n December 17, 1903, a man walked into a restaurant in Norfolk, Virginia, to announce that “there are two loony Yankees down at Kitty Hawk trying to learn to fly.” Little did this man realize that this curious pair of innovators would achieve the first powered, sustained and controlled flight of an airplane. Orville and Wilbur Wright would survive this flight and many others.

Credit cards first were introduced in the 1920s so that automobile owners could purchase gasoline easily and efficiently. As companies such as American Express and Diners Club made it possible to purchase meals, lodging and merchandise with the swipe of plastic, the concept of the credit card took off.

In 1968, a scientist named Spencer Silver was researching ways to make 3M’s adhesive tape stronger. He failed in that attempt but discovered something new—an adhesive strong enough to stick on many surfaces but that could easily be removed and reused. In 1977, Post-it® notes hit the market. The concept did not catch on immediately, as consumers could not imagine why they would need such a product. Only when 3M distributed free samples did people understand and appreciate the versatility of the little sticky notes. Once this happened, the consumers’ imagination ran wild.

What do the Wright Brothers, the credit card and Post-it notes have in common? Creativity leading to innovation.

Creativity is the act of producing new ideas, approaches or actions, while innovation is a new way of looking at and changing them.

Creativity is always the starting point for innovation. People who have a gift for creative innovations tend to differ from others in three ways:

- Expertise—specialized technical knowledge in a particular discipline
- Creative thinking skills—flexibility and imagination as they relate to problem solving
- Intrinsic motivation

The ability to “think outside the box” is best supported in a flexible, open, nurturing environment with a leader who sees his or her primary role as supporting rather than directing. Creative people require this kind of environment to invent, imagine, problem solve, and create fresh ideas and concepts. Creative ideas emerge when preconceived assumptions are discarded and attempts at new methods that seem odd or unthinkable to others are explored.

### Culture of creativity

Commoditization is a huge issue for the insurance and risk management profession. It is evidenced by ferocious price competition, leading to lower prices, margins and profits for agents, brokers and carriers. Unless an agent, broker or carrier offers something unique or differentiated, price will win every time. In today’s fast-paced, turbulent marketplace, it is critical that industry leaders understand the importance of creating a culture that fosters imagination, originality, diversity of perspectives and fresh ideas.



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*The innovative leader encourages questioning, risk taking, openness and adopting a healthy attitude toward failure.*