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# Harnessing creativity to power up the economy



**Creativity is underrated - at least that is what Fredrik Haren, author of *The Idea Book*, believes. "We want to be thought of as being creative people, but, by and large, companies are not fostering creativity, but practically killing it ... through bureaucracy, through process-driven organisations," Haren told INSEAD MBAs at the school's Asia campus in Singapore.**

The irony, however, is that almost all companies have innovation and creativity in their mission statements or their slogans, he says. But these are all just a marketing exercise, or the mission statement doesn't trickle down to the rest of the organisation.

But why the emphasis on creativity? According to Haren, harnessing creative energy can generate new ideas, which can, in turn, lead to greater economic and social progress.



“Basically my theory is that the world right now is getting access to so many well-educated people, thanks to the explosion of education, (even) in developing countries. It also means people are getting more knowledge ... and that is going to lead to more ideas.”

Citing the example of Cisco, Hären says that because the company had recently hired an additional 4,000 employees to step up its research & development activities in India, there will now be 12,000 minds working on new ideas.

Good ideas can also come in small packages, for example, India’s Tata Nano car. Hären thinks this little car could be a symbol 15 years from now of how a developing country took innovation to a new level.

“I have met the management board of Volvo and they are scared as hell about this car. They are scared because if Tata Nano can build so much car for \$2,000, how much car can they build for \$20,000!”

China, by virtue of its sheer populace, too will have its fair share of creative people. “If you have 1.3 billion people in China and one per cent of them turn out to be really creative ... it’s still 1.3 million of them.”

“It’s not that the Chinese were stupid before. They were intelligent in the rice field; now they’re intelligent at school ... the most creative people I have met have been Chinese people in China,” he adds.

## **Leading by example**

Creativity, Härén explains, emerges from an idea. His concept of an idea is taking two formally known things and combining them in a new way.

True to his word, The Idea Book is borne from two existing things: a book and a notebook. This book is based on the premise that good ideas do not just appear by accident: they need to be drawn out.

“It shows it is impossible to invent something new ... we are all building on previously known things and if you look at creativity that way, it’s not something magical.”

Ideas too, don’t just magically appear. And this is where the internet plays a significant role. “Just because people have knowledge doesn’t mean they have ideas; they also need access to information, hence the internet.”

Härén describes access to information today compared to 15 years ago as ‘mind-boggling.’ “You realise why it’s so important to get new information and knowledge so you can combine that with your new knowledge and therefore have new ideas.”

As emerging economies continue to raise the stakes by acting on their creative ideas to come up with innovative products, Härén says everyone needs to up the ante, or risk being left behind.

“We have to become a little more creative than our competitors because if we’re not, we will be eaten alive, and the history of corporations is full of that, because we were not able to develop fast enough. And just like in nature, if you don’t develop fast enough, you die.”

That, in itself, should be motivation enough for people to get their creative juices flowing.

“There’s never been a better time in history to be a creative person. There have never been more ideas floating around; there’s never been an easier time to find money to realise an idea; there’s never been easier time to find companies to cooperate around an idea. These are very positive times for creative people.”

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