

## CHAPTER 3. CREATIVITY AND INNOVATION: KEYS TO ENTREPRENEURIAL SUCCESS

### *Part 1: Learning Objectives*

1. Explain the differences among creativity, innovation, and entrepreneurship.
2. Describe why creativity and innovation are such an integral part of entrepreneurship.
3. Explain the 10 “mental locks” that limit individual creativity.
4. Understand how entrepreneurs can enhance the creativity of their employees as well as their own creativity.
5. Describe the steps in the creative process.
6. Discuss techniques for improving the creative process.
7. Describe the protection of intellectual property through patents, trademarks, and copyrights.

### *Part 2: Class Instruction*

#### *Introduction*

One of the tenets of entrepreneurship is the ability to create new and useful ideas that solve the problems and challenges that people face every day. As Chapter 1 discussed, entrepreneurs can create value in a number of ways. For example, entrepreneurs invent new products and services, develop new technology, discover new knowledge, improve existing products or services, and find different ways of providing more valuable goods and services with fewer resources.

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## ***Creativity, Innovation, and Entrepreneurship***

### ***LO 1***

***Creativity*** is the ability to develop new ideas and discover new ways of looking at problems and opportunities. A study conducted by the U.S. Small Business Administration reports that small companies produce 16 times more patents per employee than their larger rivals. The secret is to apply creativity and innovation to solve problems and exploit opportunities that people face every day.

***Innovation*** is the ability to *apply* creative solutions to problems and opportunities that enhance or enrich people's lives. Entrepreneurs succeed by *thinking* and *doing* new things or old things in new ways. Some create innovations *reactively* in response to customer feedback or changing market conditions, and others create innovations *proactively*, spotting opportunities on which to capitalize. Innovation is *evolutionary*, developing market-sustaining ideas that elaborate on exiting products, processes, and service.

Entrepreneurial innovation encompasses not only new products and service, but also new business models.

Entrepreneurship is the result of a disciplined, systematic process of applying creativity and innovation to needs and opportunities in the marketplace. Innovation must be a constant process because most ideas do not work and most innovations fail. Table 3.1 "The Five Dimensions of Discovery-Driven Leadership" can be used to differentiate between delivery-driven and discovery-driven leadership.

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## ***Creativity – Essential to Survival***

### ***LO 2***

Creativity is an important source for building a competitive advantage and for survival.

Companies that fail to become engines of innovation are more likely to lose ground to their more creative competitors and ultimately become irrelevant and close their doors.

Making the leap from what has worked in the past to what will work today (or in the future) requires entrepreneurs to cast off their limiting assumptions, beliefs, and behaviors and to develop new insights into the relationship among resources, needs, and values.

A creative exercise, shown in Figure 3.1, "How Creative Are You?" can be used to explore aspects of creativity.

**Can Creativity Be Taught?** Research shows that anyone can learn to be creative. Author Joyce Wycoff believes everyone can learn techniques and behaviors that generate ideas. Not only can entrepreneurs and the people who work for them learn to think creatively, but they must for their companies' sake!

**Consider using You Be the Consultant “10 Keys to Business Innovation” at this point.**

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### *Barriers to Creativity*

### *LO 3*

There are limitless barriers to creativity—time pressures, unsupportive management, pessimistic coworkers, overly rigid company policies, and countless others.

The most difficult hurdles to overcome are those that individuals impose upon themselves. In his book, *A Whack on the Side of the Head*, Roger von Oech identifies ten “mental blocks” that limit individual creativity. They are as follows:

1. Searching for just one right answer
2. Focusing on being logical
3. Blindly following rules
4. Constantly being practical
5. Viewing laughter and play as frivolous. ***Myopic thinking*** is a common killer of creativity; being narrowly focused and limited by the status quo.
6. Becoming overly specialized
7. Avoiding ambiguity
8. Fearing looking foolish
9. Fearing mistakes and failure
10. Believing that “I’m not creative”

Questions to spur the imagination are presented in Table 3.2. Questions to Spur the Imagination include:

1. Is there a new way to do it?
2. Can you borrow or adapt it?
3. Can you give it a new twist?
4. Do you merely need more of the same?
5. Do you need less of the same?
6. Is there a substitute?
7. Can you rearrange the parts?
8. What if you do just the opposite?
9. Can you combine ideas?
10. Are customers using your product or service in ways you never expected or intended?
11. Which customers are you not servicing? What changes to your product or service are necessary to reach them?
12. Can you put it to other uses?
13. What else could we make from this?
14. Are there other markets for it?
15. Can you reverse it?
16. Can you rearrange it?
17. Can you put it to another use?
18. What idea seems impossible, but if executed, would revolutionize your business?

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#### *How to Enhance Creativity*

#### *LO 4*

**Enhancing Organizational Creativity.** Creativity doesn't just happen in organizations; entrepreneurs must establish an environment in which creativity can flourish — for themselves and for their workers. New ideas are fragile creations, but the right

organizational environment can encourage people to develop and cultivate them.

Ensuring that workers have the freedom and the incentives to be creative is one of the best ways to achieve creativity. Entrepreneurs can stimulate their own creativity and encourage it among workers by:

- Including creativity as a core company value and make it an integral part of the company's culture.
- Hiring for creativity
- Establishing an organizational structure that nourishes creativity
- Embracing diversity
- Expecting creativity
- Expecting failure and learning from it
- Incorporating fun into the work environment
- Encouraging curiosity
- Designing a work space that encourages creativity
- View problems as opportunities
- Providing creativity training
- Eliminating bureaucratic obstacles and providing the support necessary for innovation. **Intrapreneurs** are entrepreneurs who operate within the framework of an existing business and can sometimes transform a company's future or advance its competitive edge.
- Developing a procedure for capturing ideas
- Talking with and interacting with customers
- Monitoring emerging trends and identifying ways your company can capitalize on them
- Looking for uses for your company's products or services in other markets
- Rewarding creativity
- Modeling creative behavior
- Not forgetting about business model innovation

**Enhancing Individual Creativity.** You can enhance individual creativity by using the following techniques:

- Allow yourself to be creative
- Forget the “rules”
- Give your mind fresh input every day
- Take up a hobby
- Travel and observe
- Observe the products and services of other companies, especially those in completely different markets
- Recognize the creative power of mistakes and accidents
- Notice what is missing
- Look for ways to turn trash into treasure
- Keep a journal handy to record your thoughts and ideas
- Listen to other people
- Listen to customers
- Get adequate sleep
- Watch a movie
- Talk to a child
- Do something ordinary in an unusual way
- Keep a toy box in your office
- Take note of your “pain points”
- Do not throw away seemingly “bad” ideas
- Collaborate with others
- Read books on stimulating creativity or take a class on creativity
- Doodle
- Take some time off
- Be persistent

Refer to the “Hands On... How To” feature for more suggestions.

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## *The Creative Process*

## *LO 5*

Although new ideas may appear to strike like a bolt of lightning, they are actually the result of the creative process. The creative process involves seven steps:

1. Preparation to get the mind ready for creative thinking. Suggestions include:
  - Adopt the attitude of a lifelong student
  - Read a lot
  - Clip interesting articles and create a file for them
  - Take time to discuss your ideas with others
  - Join and attend meetings of professional or trade associations
  - Develop listening skills
  - Eliminate creative distractions
2. Investigation. This requires one to develop a solid understanding of the problem.
3. Transformation. This involved viewing the similarities and differences among the information collected. ***Convergent thinking*** is the ability to see similarities and the connections among various data and events. ***Divergent thinking*** is the ability to see among various data and events.
4. Incubation refers to the need to have time to reflect on the information collected, and may include walking away from the situation daydreaming, relaxing and playing, dreaming during sleep, or working on the problem in a different environment.
5. Illumination refers to the proverbial light bulb turning on, and happens sometime during the illumination stage.
6. Verification refers to the steps taken to validate an idea as realistic and useful by asking questions such as:
  - Is it really a better solution?
  - Will it work?
  - Is there a need for it?

- If there is a need, what is the best application in the marketplace?
  - Does this idea fit into our core competencies?
  - How much will it cost to produce or provide?
  - Can we sell it at a reasonable price that will produce adequate sales, profit, and returns on investment?
  - Will people buy it?
7. Implementation refers to transforming the idea into reality. What sets entrepreneurs apart is that they act on their ideas.

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### *Techniques for Improving the Creative Process LO 6*

**Brainstorming.** Teams of people working together usually can generate more and more creative ideas. **Brainstorming** is a process in which a small group interacts with very little structure with the goal of producing a large *quantity* of novel and imaginative ideas. For a brainstorming session to be successful, an entrepreneur should follow these guidelines:

- Keep the group small—five to eight members
- Make the group as diverse as possible
- Encourage participants to engage in some type of aerobic exercise before the session
- Company rank and department affiliation are irrelevant
- Give the group a well-defined problem to address
- Provide the group relevant background information about the problem in advance. Invite them to provide at least three ideas by e-mail prior to the brainstorming session.
- Limit the session to 40 to 60 minutes
- Take a field trip to visit the scene of the problem
- Appoint someone the job of recorder
- Use a seating pattern that encourages communication and interaction
- Throw logic out the window
- Encourage *all* ideas from the team, even wild and extreme ones



- Establish a goal of quantity of ideas rather than quality
- Forbid evaluation or criticism
- Encourage “idea hitch-hiking”
- Dare to imagine the unreasonable

**Mind-Mapping.** *Mind-mapping* is an extension of brainstorming. Mind-mapping is a graphical technique that encourages thinking on both sides of the brain, visually displays the various relationships among ideas, and improves the ability to view the problem from many sides. It relates to the way the brain actually works. Rather than throwing out ideas in a linear fashion, the brain jumps from one idea to another. In many creative sessions, ideas are rushing out so fast that many are lost if a person attempts to shove them into a linear outline. The mind-mapping process works this way:

- Sketch a picture symbolizing the problem in the center of a large blank page
- Write down every idea that comes to your mind, connecting each idea to the central picture or words with a line. Use key words and symbols
- When idea flow starts to trickle, stop
- Allow your mind to rest a few minutes, and then begin to integrate the ideas into a mind map.

**Force Field Analysis.** This technique is useful to evaluate the forces that support and oppose a proposed change. It addresses the problem to be solved, the driving forces, and the restraining forces. **TRIZ.** This is a systematic approach to solve any technical problem and relies on 40 principles and left-brain thinking to solve problems. Refer to Figure 3.2, TRIZ Contradiction Matrix.

**Rapid prototyping** is the process of creating a model of an idea, enabling an entrepreneur to discover flaws in the idea and to make improvements in the design. The three principles of rapid prototyping are “The Three R’s”: *rough, rapid, and right*.

Entrepreneurs must understand how to put patents, copyrights and trademarks to work for them. The World Trade Organization estimates that between 5 and 7 percent of all goods traded globally are counterfeit. Refer to Table 3.3, Top Counterfeit Products Seized by U.S. Customs Agents.

**Patents.** A *patent* is a grant from the federal government's Patent and Trademark Office (PTO), to the inventor of a product, giving the exclusive right to make, use or sell the invention in this country for 20 years from the date of filing the patent application.

- Most patents are granted for new product inventions (called *utility patents*), but *design patents* extending for 14 years beyond the date the patent is issued, are given to inventors who make new original and ornamental changes in the designs of existing products that enhance their sales.
- Inventors who develop a new plant can obtain a plant patent (by grafting or cross-breeding, not planting seeds).
- To be patented, a device must be new (but not necessarily better!), not obvious to a person of ordinary skill or knowledge in the related field, and useful. Refer to Figure 3.4, A Sample (and Unusual) Patent.
- A device cannot be patented if it has been publicized in print anywhere in the world, or if it has been used or offered for sale in this country prior to the date of the patent application.
- A patent is awarded to the first person to file a patent application.
- Before beginning the lengthy process of applying for a patent, it is best to seek the advice of a patent agent or attorney who is registered with the Patent and Trademarks Office.

Refer to Figure 3.3 for Patent Applications and Patents Issued, which graphs the number of patent applications from 1975 to 2015.

A list of registered patent, copyright and trademark professionals are available at:

<http://www.uspto.gov/web/offices/dcom/olia/oed/roster/>

- The Patent Process. To receive a patent, an inventor must follow these steps:
  1. Establish the invention's novelty
  2. Document the device

3. Search existing patents
4. Study search results
5. Complete patent application
6. File the patent application

In addition, the inventor must be prepared to defend a patent against “copycat producers”. This can be expensive and time consuming but often is necessary to protect an entrepreneur’s interest.

**Trademark.** A *trademark* is any distinctive word, phrase, symbol, design, name, logo, slogan, or trade dress that a company uses to identify the origin of a product or to distinguish it from other goods on the market. A *service mark* offers the same protection as a trademark, except that it identifies and distinguishes the source of a service rather than a product. Refer to Figure 3.5, Trademark Applications and Trademarks and Renewals Issued.

*Trade dress* is the unique combination of elements that a company uses to create a product’s image and to promote it. For example, a restaurant’s particular décor, color schemes, design and overall look and feel constitute its trade dress. To be eligible for trademark protection, trade dress must be inherently unique and distinctive to a company.

A trademark prevents other companies from employing a similar mark to identify their goods. The first party who either uses a trademark in commerce or files an application with the PTO has the ultimate right to register that trademark. Trademarks last indefinitely as long as the holder continues to use it.

**Copyright.** A *copyright* is an exclusive right that protects the creators of original works of authorship such as literary, dramatic, musical, and artistic works (e.g., art, sculptures, literature, software, music, videos, video games, choreography, motion pictures, recordings and others). Just as with a trademark, obtaining basic copyright protection does not require registering the creative work, but it is smart to do so. Entrepreneurs file copyright applications with the Copyright Office in the Library of Congress. Refer to Table 3.4, Characteristics of Patents, Trademarks, and Copyrights.

Protecting intellectual property is imperative. Unfortunately, not every businessperson respects the rights of ownership to products, processes, names, and works. The dynamics of the global market makes protecting intellectual property even more challenging. The primary weapon is efficient use of the legal system. Before bringing a lawsuit, an entrepreneur must consider the following issues:

- Can the opponent afford to pay if you win?
- Will you get enough from the suit to cover the costs of hiring an attorney?
- Can you afford the loss of time and privacy from the ensuing lawsuit?

Refer to the “Hands On... How To” feature for more information on protecting your company’s intellectual property.

**Consider using You Be the Consultant: “How Would You Rule in These Intellectual Property Cases?” at this point.**

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### *Conclusion*

The creative process is a tenant of the entrepreneurial experience. Success, and even survival itself, requires entrepreneurs to tap their creativity. The seven steps of the creative process allow the entrepreneur to transform an idea into a business reality.

1. Preparation
2. Investigation
3. Transformation
4. Incubation
5. Illumination
6. Verification
7. Implementation

Creativity results in value and value provides a competitive advantage. Entrepreneurs should protect their creative ideas through patents, trademarks, servicemarks, and copyrights to sustain a competitive edge.

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### Part 3: Chapter Exercises

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#### *You Be the Consultant: “10 Keys to Business Innovation”*

**1. Select one of these businesses and explain which of the 10 types of innovation the company used to bolster its success. (LO 4) (AACSB: Application of knowledge)**

The 10 keys are listed here, with suggestions about which of the three companies in the feature could benefit from the additional types of innovation:

- ***Business model.*** How does your company make money? These are innovations in the value proposition that a company provides its target customers and in the way it delivers value to its customers. (Suggestions: Roadie, Monsieur)
- ***Networks and alliances.*** Can you join forces with another company or entity for mutual benefit? A company may forge a synergistic relationship with another organization in which each company’s strengths complement the other. (Suggestions: Monsieur)
- ***Organizational structure.*** How do you support and encourage your employees’ creative efforts? The most effective organizations use an appropriate structure and culture to align their talent to spark innovation. (Suggestions: Roadie, Monsieur)
- ***Core process.*** How does your company create and add value for customers? These innovations in a company’s internal processes result in superior business systems and work methods that result in benefits for customers. (Suggestions: Roadie, Lee Company)
- ***Product or service performance.*** What are the most important features and functions of your company’s products or services? Innovations in functions and features can give a company’s product or service a significant edge over those of competitors. (Suggestions: Lee Company, Monsieur)
- ***Product system.*** Can you link multiple products into a system or a platform? Bundling products can add value for customers. (Suggestions: Roadie, Monsieur)
- ***Service.*** How do you provide value-added service beyond your company’s products for customers? Some of the most successful businesses set themselves

apart from their competition by providing unparalleled customer service.  
(Suggestions: Roadie, Lee Company)

- **Channel.** How do you get your products or services into customers' hands? Some companies provide extra value to their customers by making their products and services available in many venues. (Suggestions: Roadie)
- **Brand.** What is your company's "identity" in the marketplace? Successful companies use creative advertising, promotion, and marketing techniques to build a desirable brand identity with customers. (Suggestions: Monsieur)
- **Customer experience.** Does your company engage customers and give them reasons to come back to make future purchases? Innovative companies find ways to connect with their customers, creating a loyal base of "fansumers," customers who not only purchase but act like fans who promote the company to their friends and family members. (Suggestions: Roadie, Monsieur)

**2. Explain how the company you selected in question 1 could use at least one of the remaining types of innovation to increase its sales and profitability. (LO 4)**  
(AACSB: Application of knowledge)

Students' answers will vary. The instructor should encourage students to use their right brain to identify examples appropriate to the company they chose for this exercise.

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***Hands On ... How To: "Create a Culture of Creativity and Innovation"***

**1. Do you agree with the top managers in the MDC Partners survey who say that we have entered an "imagination economy"? Explain. (LO 5) (AACSB: Application of knowledge)**

While students may have different responses to the question, the instructor has to prompt them by asking the class to list products that we see today that were not there ten years ago. This should lead to a discussion of how these products were a result of imaginative people exercising their creativity to come up with solutions.

**2. List and describe two additional steps that a company can take to create a culture of creativity and innovation. (LO 5) (AACSB: Application of knowledge)**

The list provided in this profile is quite impressive: ignite passion, encourage courage, fail forward, etc. A step that 3M does – allow their R&D personnel to spend 15 percent of

their working time on no questions asked projects – may be an additional step. The story is the company’s famous Post It notes came out of such an initiative. The second step can be to encourage collaboration with outside firms, whether they are suppliers or customers. This could spur creative ideas to flow from outside the firm.

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***You Be the Consultant: “How Would You Rule in These Intellectual Property Cases?”***

**1. What does a trademark protect? What does a patent protect? What is a design patent? (LO 8) (AACSB: Reflective thinking)**

A *trademark* is any distinctive word, phrase, symbol, design, name, logo, slogan, or trade dress that a company uses to identify the origin of a product or to distinguish it from other goods on the market. A *service mark* offers the same protection as a trademark, except that it identifies and distinguishes the source of a service rather than a product.

A *patent* is a grant from the federal government’s Patent and Trademark Office (PTO), to the inventor of a product, giving the exclusive right to make, use or sell the invention in this country for 20 years from the date of filing the patent application. To be patented, a device must be new (but not necessarily better!), not obvious to a person of ordinary skill or knowledge in the related field, and useful. Refer to Figure 3.4, A Sample (and Unusual) Patent. A device cannot be patented if it has been publicized in print anywhere in the world, or if it has been used or offered for sale in this country prior to the date of the patent application. A patent is awarded to the first person to file a patent application.

Most patents are granted for new product inventions (called *utility patents*), but *design patents* extending for 14 years beyond the date the patent is issued, are given to inventors who make new original and ornamental changes in the designs of existing products that enhance their sales.

**2. Assume the role of a judge in these two cases. How would you rule? Explain your reasoning. (In the Lululemon Athletica v. Calvin Klein case, you may want to search online for images of the two companies’ yoga pants and apply the ordinary observer test before making your decision.) (LO 8) (AACSB: Application of knowledge)**

*Case Summary:* The Christian Louboutin SA (CL) v. Yves Saint Laurent SA (YSL) case was focused on CL’s claim of trademark infringement by YSL over the use of the color red. CL claimed they had the right to trademark use of the color red on the soles of shoes,

as it transformed the sole of a shoe into a work of art. YSL claimed that prohibiting others from using the color red, stating that if CL could claim a monopoly on the use of red on a part of the shoe would have an unprecedented, anti-competitive effect.

Students' responses will likely support both CL and YSL points of view. Instructors should keep the focus on the legal issues of *Trade dress*, which is the unique combination of elements that a company uses to create a product's image and to promote it. For example, a restaurant's particular décor, color schemes, design and overall look and feel constitute its trade dress. To be eligible for trademark protection, trade dress must be inherently unique and distinctive to a company.

A trademark prevents other companies from employing a similar mark to identify their goods. The first party who either uses a trademark in commerce or files an application with the PTO has the ultimate right to register that trademark. Trademarks last indefinitely as long as the holder continues to use it.

*Case Summary:* In the Lululemon Athletica (LA) v. Calvin Klein (CK) case, LA owned three design patents on their yoga pants, including a distinctive waistband, which sells for \$98. LA claimed that CK's "Performance" yoga pants (priced at \$20) are significantly similar to their patented Astro pants waistband. Owners of a design patent must prove that to the average observer the alleged infringer's (CK) design appears to be substantially the same as its own design. This is known as the "ordinary observer test."

Here are links for more information:

<https://www.google.com/search?q=calvin+klein+yoga+pants+lululemon&biw=1600&bih=763&tbm=isch&tbo=u&source=univ&sa=X&ei=aHUxVKLvC5GcyATQ2IC4CA&ved=0CFMQsAQ#facrc=&imgdii=&imgc=cWoWrn1XDiwVvM%253A%3BReeCNtVM8K3jMM%3Bhttp%253A%252F%252Fcdn.blisstree.com%252Ffiles%252F2012%252F08%252Fpants.jpg%3Bhttp%253A%252F%252Fwww.blisstree.com%252F2012%252F08%252F24%252Ffitness%252Flululemon-suing-calvin-klein-985%252F%3B666%3B408>

<http://shop.lululemon.com/products/clothes-accessories/pants-yoga/Astro-Pant-Regular-Full-On-Luon>

<http://online.wsj.com/news/articles/SB10000872396390443696604577645891750143350>

<http://online.wsj.com/news/articles/SB10001424127887324851704578131501425509018>

### **3. Use a search engine to research the outcomes of these two cases. How were the**



**cases resolved? If a judge rendered a decision, summarize his or her reasoning. Do you agree with the judge's decision? (LO 8) (AACSB: Application of knowledge)**

In the Christian Louboutin SA case, the judge ruled in favor of YSL. CL appealed the ruling but lost.

[http://scholar.google.com/scholar\\_case?case=1422674449865697977&hl=en&as\\_sdt=6&as\\_vis=1&oi=scholar](http://scholar.google.com/scholar_case?case=1422674449865697977&hl=en&as_sdt=6&as_vis=1&oi=scholar)

Calvin Klein and Lululemon settled the case out of court. The settlement details will not be disclosed, as that is part of the settlement.

<http://www.businessinsider.com/lululemon-vs-calvin-klein-lawsuit-2012-11>

Students' viewpoints will vary on both cases. A key point to make before ending the discussion is that Lululemon, YSL, Calvin Klein, and Christian Louboutin had to proactively defend intellectual property. By suing they put all other competitors on notice that they will not hesitate to seek legal protection in the future.

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#### ***Part 4: Chapter Discussion Questions***

##### **3-1. Explain the differences among creativity, innovation, and entrepreneurship. (LO 1) (AACSB: Reflective thinking)**

***Creativity*** is the ability to develop new ideas and to discover new ways of looking at problems and opportunities.

***Innovation*** is the ability to apply creative solutions to those problems and opportunities to enhance or enrich people's lives.

***Entrepreneurship*** is the result of a disciplined, systematic process of applying creativity and innovation to needs and opportunities in the marketplace.

##### **3-2. How are creativity, innovation, and entrepreneurship related? (LO 2) (AACSB: Analytical thinking)**

Creativity is a core business skill that develops new ideas and discovers new ways of looking at problems and opportunities, and entrepreneurs lead the way in developing and applying that skill. Innovation is the ability to apply creative solutions to problems and

opportunities to enhance or enrich people's lives. Successful entrepreneurs come up with creative ideas and then find ways to make them work to solve a problem or fill a need. In an ever-changing world, creativity and innovation are vital to a company's success and survival.

**3-3. Why are creativity and innovation so important to the survival and success of a business? (LO 2) (AACSB: Analytical thinking)**

Creativity offers the potential to generate something from nothing. When small business owners cannot outspend their larger rivals, they can create powerful competitive advantages by “outcreating” and “outinnovating” their larger competitors. Today's successful businesses live and die according to the quality of their ideas and the ability to protect them.

**3-4. Can creativity be taught or is it an inherent trait? Explain. (LO 3) (AACSB: Reflective thinking)**

Creativity can be taught. Research indicates that anyone can be creative. Each person can be taught techniques and behaviors that can help them generate new and creative ideas to solve problems and pursue opportunities.

**3-5. Briefly outline the 10 “mental locks” that can limit individual creativity. Give an example of a situation in which you subjected yourself to one of these mental locks. (LO 4) (AACSB: Analytical thinking)**

The ten mental blocks are:

1. Searching for the one right answer
2. Focusing on being logical
3. Blindly following the rules
4. Constantly being practical
5. Viewing play as frivolous
6. Becoming overly specialized
7. Avoiding ambiguity
8. Fearing looking foolish
9. Fearing mistakes and failure
10. Believing that “I'm not creative”

Each student will have a different “mental lock” experience. Encourage them to express

and describe that mental lock.

**3-6. What can entrepreneurs do to stimulate their own creativity and to encourage it among workers? (LO 5) (AACSB: Application of knowledge)**

Enhancing individual creativity:

- Allow yourself to be creative
- Give your mind daily input
- Keep a journal
- Read books that stimulate creativity
- Take a class on creativity
- Take some time off

Ways to enhance creativity:

- Expect it
- Tolerate and expect failure
- Encourage curiosity
- View problems as challenges
- Provide creativity training
- Provide support
- Reward creativity
- Model creative behavior

**3-7. Interview at least two entrepreneurs about their experiences as business owners. Where did their business ideas originate? How important are creativity and innovation to their success? How do they encourage an environment of creativity in their businesses? (LO 6) (AACSB: Application of knowledge)**

Student responses will vary depending on who they interview.

**3-8. Explain the differences between a patent, a trademark, and a copyright. (LO 8) (AACSB: Reflective thinking)**

A *patent* is a grant from the federal government's Patent and Trademark Office (PTO) to the inventor of a product, giving the exclusive right to make, use, or sell the invention in the United States for 20 years from the date of filing the patent application.

A **trademark** is any distinctive word, phrase, symbol, design, name, logo, slogan, or trade dress that a company uses to identify the origin of a product or to distinguish it from other goods in the marketplace.

A **copyright** is an exclusive right that protects the creators of original works of authorship such as literary, dramatic, musical, and artistic works. Examples of these works include video games, software, sculptures, motion pictures, choreography and others.

### **3-9. What form of intellectual property do patents, trademarks, and copyrights protect? (LO 8) (AACSB: Reflective thinking)**

Patents protect new product inventions (utility patents), as well as new, original and ornamental changes to the design of an existing product that enhances their sales (design patent). In addition, patents can be obtained on plants that are developed by grafting or crossbreeding.

Trademarks and servicemarks protect things that identify the origin of a product or to distinguish it from other goods on the market. This includes a firm's distinctive word, phrase, symbol, design, name, logo, slogan, or trade dress. It can also include colors, shapes, colors, smells, or sounds. Other companies are prohibited from using another company's trademark without permission or using a mark that is so similar to another's trademark that it is likely to create confusion about the origin of other goods.

Copyrights can be obtained on video games, software, sculptures, motion pictures, recordings, choreography, computer software programs, and others. It protects only the form in which an idea is expressed, not the idea itself.

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#### **Part 5: Case Studies**

The following text case may be used for lecture and assignments for topics presented in this chapter.

- Case 2: Bark & Co.

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#### **Part 6: Online Videos and Podcasts**

These online videos may enhance class discussion and provide additional insight for the chapter topics.

- From Artist to Entrepreneur (Audio Podcast) 46:17 minutes  
<http://ecorner.stanford.edu/authorMaterialInfo.html?mid=2278>
- Creativity Loves Constraint 1:40 minutes  
<http://ecorner.stanford.edu/authorMaterialInfo.html?mid=1530>
- How to Protect Your Intellectual Property and Trade Secrets 3:39 minutes  
<http://www.youtube.com/watch?v=5t-WOvifb6c>
- The Simple Truths of Change 2:20 minutes  
<http://www.changeisgoodmovie.com/>
- The Paper Airplane Movie 3:30 minutes  
<http://www.youtube.com/watch?v=37TQZyDMEP8>
- Three Factors to Improve Entrepreneurial Success 2:11 minutes  
<http://www.youtube.com/watch?v=W7ubqh1Rkts&feature=channel>
- What Is Creativity? 6:10 minutes  
<http://ecorner.stanford.edu/authorMaterialInfo.html?mid=1187>

*Links to additional online resources are available on the companion Web site at [www.pearsonhighered.com/scarborough](http://www.pearsonhighered.com/scarborough).*