Creativity & Innovation In An Audit Environment:

Presented by
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Director of Revenue Audit

TOPICS WE WILL DISCUSS....

1. Why should we even use creativity and innovation?

2. What is creativity?

3. What is innovation?

4. Can creativity be learned?

5. If so, how?

6. How does creativity & innovation apply to auditing?
Why Creativity & Innovation?

- An IBM survey taken earlier this year discovered that 60% of 1,500 CEOs in 60 countries & 32 industries said:

“creativity was the most important leadership trait they needed to navigate in an increasingly complex world- ranking higher than integrity, global thinking, management disciplines & vision.”

- Secondly, in a book titled The Future of Management, Gary Hamel shows how an elite group of modern management pioneer companies that have challenged management dogmas are reaping the rewards. What was the difference maker?

“Promoting innovation throughout the organization.”

If companies are to be successful at “out inventing” and “out thinking” the competition, they must learn how....

- to inspire their employees to give the best of themselves every day.
- companies must become as strategically adaptable as they are operationally efficient.
- must become proponents of rule-breaking innovation.

Innovation is the Key!!!!!!
Creativity: What Is It?

• “To be creative you have to contribute something different from what you’ve done before. Your results need not be original to the world; few results meet that criterion. In fact, most results are built on the work of others.”
  
  - Lynne C Levesque, Breakthrough Creativity

• “When all think alike- then no one is thinking.”
  
  - Walter Lippman

Creativity: What Is It?
(continued)……

• “Creative thinking is not a talent; it is a skill that can be learnt. It empowers people by adding strength to their natural abilities which improves teamwork and productivity.”
  
  - Edward De Bono

• “There is no doubt that creativity is one of the most important human resources of all. Without creativity, there would be no progress, and we would be repeating the same patterns.”
  
  - Edward De Bono

• “Creativity is not the finding of a thing. But the making something out of it after it is found.”
  
  - James Russell Lowell
Innovation: What Is It?

- Creativity is thinking up new things. Innovation is doing new things.
  - Theodore Levitt

- “Some men look at things the way they are and ask why? I dream of things that are not and ask why not?”
  - Robert Kennedy

- "Innovation any new idea- by definition will not be accepted at first. It takes repeated attempts, endless demonstrations, and monotonous rehearsals before innovation can be accepted and internalized by an organization. This requires courageous patience."
  - Warren Bennis

In A Nutshell....

“Creativity is thinking up new things.......

Innovation is doing new things.”
  - Theodore Levitt
Remember……..

“Vision is not enough, it must be combined with venture:
It is not enough to stare up the steps, we must step up the stairs.”
- Vaclav Havel

Obstacles to Creativity…..

The key is to make innovation everyone's job.

Easier said than done!

We are facing three major obstacles here…….

1. Lack of organizational support
2. Negativity
3. Your own restrictive attitude
The First Obstacle to Creativity:

**Lack of Organizational Support**

Management has failed to recognize the importance of innovation and creativity.

**Consider the following questions:**

1. What (if any) innovator training have you received?
2. What tools have you been supplied with to be successful?
3. Do you have access to an innovator coach or mentor?
4. Is innovation part of your job description or EPAS?
5. Does your management support your work as an innovator?
6. Also, does your work process promote uniformity, consistency, and standards?
7. Is a parenthetical goal “all work should look the same?”

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**Lack of Organizational Support**

(continued)

The contradiction is that management insists on policies and procedures (which demand uniformity and rules) and then ask for “New Ideas.”
The Second Obstacle to Creativity: **Negativity**

Have you ever heard the comment:

“That won’t work?”

**How do you feel about the following comments?**

- “Everything that can be invented has been invented.”
  - Charles H. Duell, Director of U.S. Patent Office 1899
- “Sensible and responsible women do not want to vote.”
  - Grover Cleveland 1905
- “Who the hell wants to hear actors talk?”
  - Harry M. Warner, Warner Bros Pictures 1927

**Negativity** (continued)

- “The horse is here today, but the automobile is only a novelty, a fad.”
  - President of Michigan saving bank advising investing Ford
- “Ruth made a big mistake when he gave up pitching.”
  - Tris Speaker 1921
- “Video won’t be able to hold on to any market it captures after the first six months. People will soon get tired of staring at a plywood box every night.”
  - Daryk F. Zanuck, 20th Century Fox, commenting on television in 1946
- “What use could the company make of an electric toy?”
  - Western Electric, when it turned down rights to the telephone in 1879
The Third Obstacle to Creativity:  
**Self-Imposed Restrictions**

- The voyage of discovery is not in finding new landscapes, but having “new eyes.”

- You are a creative person- you have the power to transform raw stuff of daily life into something beautiful.

- Michelangelo once said, “Inside every block of stone or marble dwells a beautiful statue- one only needs to remove the excess material to reveal the work of art within.”

- Trust yourself, creativity often consists of merely turning up what is already there.

- Sometimes we are standing in the wrong place to see an obvious answer. Right and left shoes were thought of only more than 100 years ago.

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**Self-Imposed Restrictions (continued)**

Did you hear about the manager who sent two salesmen to a region in Africa to study the prospects for expanding business?

The first one, after just arriving, sends back a telegram,  

“Situation hopeless…no one wears shoes.”

The other one writes back triumphantly,  

“Glorious business opportunity. They have no shoes.”
Creativity Can Be Learned

- There are many folks who feel that creativity and innovation is narrowly defined; a tiny minority who are highly inventive but the inference is that most of us are not.

- The fact is creativity is a human aptitude. Like intelligence, musical ability, speaking a foreign language… it can be developed and strengthened through instruction and practice.

- I like to think of innovation as the never ending pursuit of something better…….

Challenge the Obvious

- Innovation is not a big bang theory; it’s something you do every day, by constantly challenging your status quo- your ideas, systems, processes, policies, behaviors and assumptions.

- Try to develop a habit of challenging the obvious.

- Remember, “Because we’ve always done it that way” is not a satisfactory answer.
Innovation Can Be Borrowed

The greatest innovations are built upon the ideas of others to achieve success.

Borrowing from other great minds is not intellectual theft, but rather the core to creative thinking.

Tips To Promote Creativity...

- **Nurture Neoteny:**
  {it is the state of attitude of perpetual immaturity & playfulness. The retirement of juvenile characteristics.}
- **Be a lifetime learner:**
  Recognize you have human development homework to accomplish personal improvement.
- **Read, read, read!**
  Books and magazines.
- **Seek out the best practices of thought leaders.**
- **Daydreaming:**
  Use daydreaming as a source of energy and ideas.
- **Exercise:**
  walking, running or bike riding can spark inspiration.
<table>
<thead>
<tr>
<th><strong>Listen to music:</strong></th>
<th><strong>Get in touch with your source of inspiration:</strong></th>
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<tr>
<td>It improves your mood &amp; engages both right and left hemispheres of the brain.</td>
<td>What thrills and delights you? What turns you on mentally, emotionally, physically, and spiritually?</td>
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<tr>
<td><strong>Write it (idea) down:</strong></td>
<td><strong>Whatever it is, practice it:</strong></td>
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<td>Have a notepad or journal by your bed or desk.</td>
<td><strong>Surround yourself with creative people</strong></td>
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<td><strong>Promote a change of scenery:</strong></td>
<td><strong>Meditate</strong></td>
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<td>A new way home, different restaurant or new music.</td>
<td><strong>Devote time to silence</strong></td>
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<td><strong>Yoga</strong></td>
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<td><strong>Think of things that never were and ask yourself, “Why not?”</strong></td>
<td><strong>Give away ideas consistently:</strong></td>
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<td>Don’t protect an idea like it was a diamond.</td>
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<td><strong>Create collaboration:</strong></td>
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<td>A brainstorm “house.”</td>
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<td><strong>Stay wide open in your thinking:</strong></td>
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| | When you are 18- the world is open! Each year that passes…one more nail in the coffin- killing your dreams and inspiration. ***BUT ONLY IF YOU LET IT***

**Deal with the slaps:**
Rebel against rejection.

**Master your industry:**
As you learn more, your functional skills will improve and you will build a network.
• **Think outside of the box:**
  Going against the tide.

• **Ask questions:**
  That’s how children learn.

• **Establish a daily regimen of creativity.**

• **Become an idea collector.**

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So...How Exactly Does All This Apply To Auditing?

• From a simple idea like yellow folders, to a more complex solution such as a new audit program.

• Rental surcharge was around since the early 1990's.

• Auditing Aircraft registration fees

• Downloading information

• Use of standard paragraphs

• Implementation of the audit program

• Flowcharting the business process

• Innovation can apply to your managerial approach
Driving Excellence, by Steve Sanghi, presents a new and innovative managerial approach.

10 Steps:

1. Inspire leadership
2. Create a culture of continuous improvement
3. Promote empowerment
4. Encourage teamwork
5. Utilize a systems approach
6. Provide continuous training
7. Promote professional development and succession planning
8. Ensure effective communication
9. Establish a fair appraisal system
10. Model a balance with work and family

Articles:

1. “Need a Great Idea? Feed Your Brain”
2. “Change Your Mind and You Change Your World- Removing Barriers to Innovation”
3. “Finding Inspiration on the Web”
4. Outlining Software: An Essential Tool For Brainstorming, Business Planning and Writing”
5. “Free Creative Thinking Tools on the Web”
6. “Be an Innovator, Confront Your Assumptions”
7. “Where the Best and Worst Ideas Come From”
8. “Managing Change in an Innovative World”
9. “5 Techniques for Tapping Team Creativity”
10. “Encourage the Flow of Ideas, Remember the Three C’s”
11. “Daily Regimen of Creative Thinking”
12. “Innovate. Force Yourself to Take a Different Point of View”
14. “Creativity is 99% Perspiration and 1% Inspiration. What Does That Mean?”
15. “Become an Idea Collector”