

Creativity and cash an unlikely pair?

'Brainfruit', written with the aim to help creative S'poreans develop their careers, is a 'travel guide' for anyone in ideas business

THERE is plenty of literature out there to convince us on the rise of the "ideas industry" and the need to innovate. In the late 1990s, Harvard Business School professor Clayton Christensen famously urged businesses to "innovate or die". Today, this advice is an oft-repeated pithy statement in countless business books and magazines, and at forums and conferences.

There are also numerous stories of how businesses failing to come up with "disruptive technologies" are likely to go from leader to laggard. While most of these cautionary tales come packed with advice on how to recruit the brightest minds, spur innovation and predict trends, they hardly ever go into the practicalities of how bright ideas might be turned into hard cash.

This is what *Brainfruit: Turning creativity into cash from East to West* aims to do – as its title suggests. The book was written by serial entrepreneur Hugh Mason and Mark Chong, an associate professor of corporate communication at Singapore Management University's Lee Kong Chian School of Business.

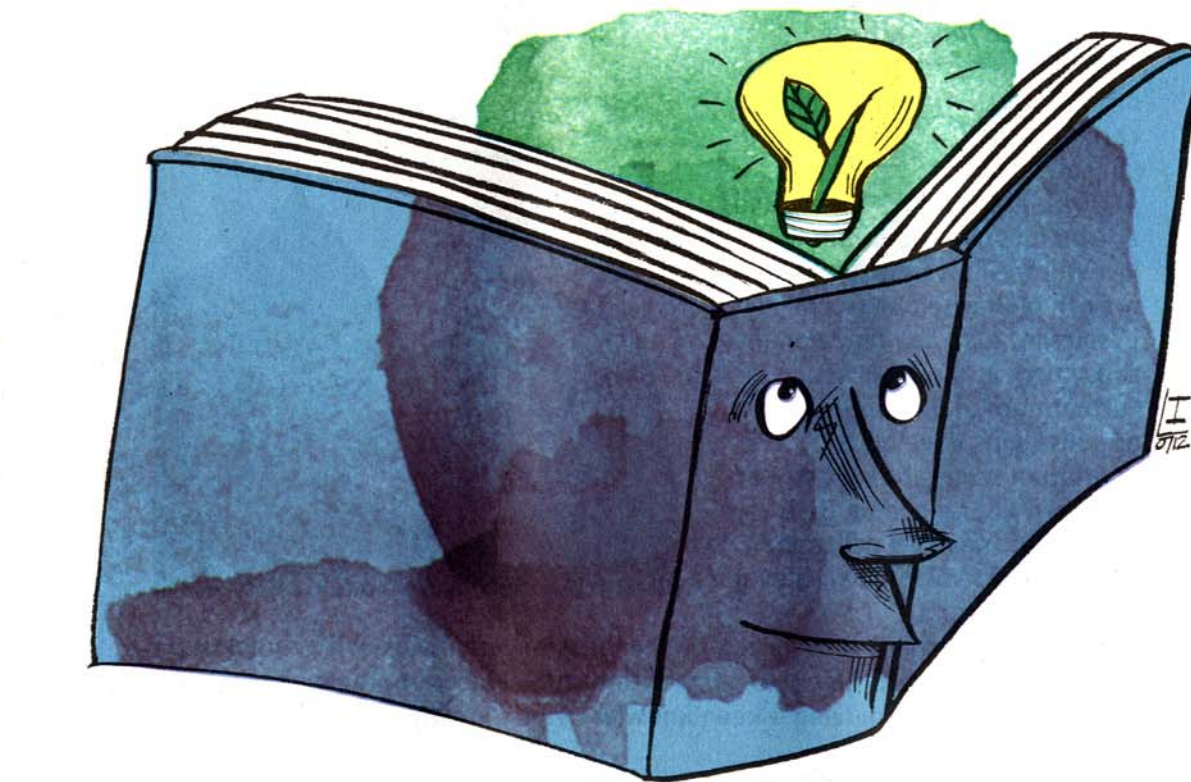
In its foreword, John Howkins, author of *The Creative Economy*, points out that the future of the creative economy has two themes. One consists of the many stories of individuals who use their ideas to fuel personal development and to create their own identities. The second is "the process whereby people move their ideas from their private, inner realm to the market. To do this, they need to learn how to turn an idea into an asset that people know about and want to possess".

Two ideas

Mr Mason describes the book as a "travel guide" for anyone in the ideas business – from newbies starting up a business, to those heading multi-million companies and more. "Even if you don't own the company you work for and, never plan to raise investment, understanding what's going on at the management level can help to make sense of why people are doing what they do. You may not wear a suit yourself but it's good to know how the people who do think," he said.

Brainfruit was conceptualised by Mr Mason and Prof Chong after the pair was asked by Singapore's Workforce Development Agency to define training that would help creative Singaporeans develop their careers. "Mark was thinking of a book telling the stories of Singapore's entrepreneurial heroes while I'd been planning one capturing the essence of know-how that creative people need to understand (in) business. We realised the two ideas would work together," revealed Mr Mason.

The fruit of their labour is encapsulated by an eye-catching book with a green, fleshy, brain-like fruit on its cover – "People told us that they were kind of grossed out by the image" – and the book named after a fruit that actually grows in North America: the *maclura pomifera*.



"Years ago, a friend in the UK described his ideas as his 'brain fruit' and the words stuck in my head. Mark and I loved the image of something beautiful and wholesome sprouting from nothing, being picked and then growing again in abundance," said Mr Mason.

Mr Mason likens this to the ideas industry where "ideas grow all the time and me having one doesn't stop you having one just as good at the same time. There is no kiasu (Singapore colloquial for being 'afraid to lose') in the economy of ideas".

Mr Mason, who has mentored 350 people in the past 10 years, says successful ideas businesses cannot do without both creativity and business savvy.

"Creativity," he explained, "is about people and personal passion, while business is about planning and process. They are Yin and Yang. Businesses that don't innovate will slowly go stale and die while 'ideas people' who are not business-like will forever be holding their hand out to a patron to pay the bills. Every successful business that we have found manages to balance these two forces, usually in two people at the top."

A creative person "is like one blade from a pair of scissors". He cannot cut the cloth of creative enterprise unless paired with the

other half of the blade – a business-savvy partner, said Mr Mason.

The 299-page book draws the reader in with an attractive mindmap that doubles up as the contents page. At a glance, the reader can choose which part of the *Brainfruit* to digest.

The book kicks off with an enthralling tale of how Singaporean serial entrepreneur Ban Yinh Jheow created STIKFAS, a company that sold millions of award-winning plastic action figures. But the chapter ends with a surprising twist and an almost chilling message with the news that the once-successful Ban is now uncontactable. "There will always be a tension when creativity meets cash," the authors concluded.

Captivating stories

The book continues with more captivating stories to illustrate and explain key points, such as the concept of intellectual property and how a business model is created. There are also practical components of the book that help readers reflect and gain insight. They include questions to determine the value of ideas, to exercises to understand one's personal working style.

Part two of the book – "How money flows

to creative people . . . or not" – breaks down the ideas business landscape into four key value systems: of delivering experiences; of being a media business; of providing creative services; and of creating symbolic products or services. Again, stories of individuals or companies are used to illustrate these examples.

An enlightening example comes from MediaFreaks, an animation company based in Singapore. Its founder, Aldric Chang, shares that the turning point came when he realised they were just "living day to day like glorified freelancers masquerading as a company". This was because the company's clients commissioned them to do work and owned all intellectual property, and MediaFreaks had no way to license its work to secure future income through royalties.

Mr Chang dishes out a useful advice: "If you don't own what you create, you don't get to see the big money. The holy grail is to have your own intellectual property that has very strong licensing power."

This vision built on intellectual property guided MediaFreaks to tweak its business strategy. It began to produce its own animated TV series and later worked with local author John Bittleston to create a virtual online world for his successful children's story based on the characters of Wiglington and Wenks.

MediaFreaks' conscientious move to balance creativity and business; to turn intellectual property into cash seems to be more exception than the norm.

Part three of the book focuses on the growth of businesses – "Where do you want to go" – the authors noted a central observation: "the majority of ideas businesses and creative people do not appear to be motivated primarily by making money. They are not setting out to generate . . . economic value. Rather, they see themselves as creating cultural value or social value."

While they claim not to judge those who are driven largely to create cultural wealth, they point out that "many seem forever to struggle. . . Generally speaking, those who spurn the market completely find that money does not flow to them", hence leading creative people to conclude that creativity and cash don't go together and that any creative who gets rich has "sold out" or gotten lucky.

In fact what happens is that ideas people put too much energy into their cost model and too little or nothing into their revenue model – how they are going to make money. Thus, they have only half of a fully sustainable business model. The same goes for those with too much emphasis on creating social value, while neglecting to think about revenue.

Rich insight

Encouragingly, there are entrepreneurs who are aware of the need to balance between economic, cultural and social values. Melissa Clark-Reynolds, founder of MiniMonos, a children's social network for environmental protection, shares her story and business model in a later chapter of the book.

The authors also outline the "staircase" that every ideas business climbs as it grows – from lone stars (individuals running ideas businesses), to club-style (informal partnerships), to family-style (small to medium-sized company run like a family), to becoming a group business, and finally a public company. They are well-illustrated with stories and personal revelations to give readers rich insight. Those who are unfamiliar with mergers and acquisitions, or getting listed for example, will appreciate how the book manages to cover these issues without tripping over technical jargon.

Parts four and five are for those who are seriously looking to understand more about the financing and legal aspects of running a business. Undoubtedly, these would be the toughest chapters for creatives to digest – which is why, as Mr Mason advised, it is better to pair up with a business-savvy partner.

But there are rewards for those who persevere: The chapters give a good introduction to the sources of funding available for all types of ideas businesses, including the latest crowd-funding platform Kickstarter.com. They also provide a good overview of the supporting elements required for business survival, from places and policies, to the hiring of professionals.

The book spans a broad scope, with additional links and references readers can access online using a QR code scanner on their smartphones – a first for publisher McGraw Hill. As Mr Mason reflected, people now constantly multi-task and criss-cross media platforms "so product designers have to understand social media; dance companies that want to make a living from their performances need to understand the economics of TV and musicians must understand how advertising works".

"Our book tries to prepare creative people for that reality," he elaborated. "You don't need to be an expert in all this stuff, you just have to take away the fear and mystery about how other people work. . . The creative economy is complex but also bursting with possibilities for ideas people who can start to get their head around the issues."

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