

## **From Creativity to Innovation: An Entrepreneur Strategic Management for Business Development**

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### **Abstract**

*Along with the development of the times, the competition of entrepreneurs will be adjusted to the development of existing businesses. The competition that is carried out does not only occur in the national market either through direct contact or digitally. However, it has covered a wider area such as global articles so that entrepreneurs are required to be able to face a lot of competition by continuing to improve the quality of products and services sustainably in order to realize future business development. In order to survive and win the competition, an entrepreneur needs strategic management and proper business development in starting and developing a business. In addition, the strategic management chosen must also have certain criteria such as creativity, where this creativity refers to a new combination that has a different quality of products and services than before. With this creativity, it is hoped that the new combination of products and services offered by entrepreneurs is something unique and refers to an innovation that can attract the attention of consumers and potential consumers. In this article, the discussion focuses on the strategic management of entrepreneurs for the development of their business by using creativity as an important point in creating an innovation in the products and services offered and can attract the attention of consumers and potential consumers.*

**Keywords: Entrepreneurship, Creativity, Innovation.**

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## **INTRODUCTION**

Tight competition tends to occur in the marketing of products and services offered by entrepreneurs both in the national market and the global market. With this competition, consumers and potential consumers are also facilitated because of the emergence of various choices of products and services with various variations, prices, and qualities and consumers will definitely choose products and services with cheaper prices with good quality. From the characteristics of consumers and potential consumers in purchasing these products and services, entrepreneurs will be required to be able to face various competitions while continuing to improve the quality of the products and services offered. Improving the quality of these products and services must also pay attention to the interests, characteristics, and right prices so that consumers and potential consumers are interested in purchasing products and services, even in large quantities. If this can be done, entrepreneurs can realize their business development on a larger scale. The business development carried out will be able to meet the increasing demand for goods and services from consumers.

To be able to balance the interests, characteristics, and right prices desired by consumers and potential consumers, business development carried out by entrepreneurs must have good and mature strategic management. Strategic management implemented in the development of an entrepreneur's business must have a clear and oriented decision concept, centralized and integrated, and oriented to external factors (consumer interests and characteristics) which are important points in how the business carries out its activities to achieve its goals (Freeman, 1995). By looking at the ever-changing competitive situation in both conventional and digital markets, the strategic management used needs to bring out an added value that is owned by the products and services offered and become a unique point that will be remembered by consumers and potential consumers. Added value or unique points of products and services are not easy to obtain

and usually come from the ideas or creativity of an entrepreneur. Ideas or creativity cannot be directly used and applied to the products and services sold. This creativity needs to be tested and goes through a fairly long process. In this process, creativity will turn into an innovation if it has been applied to products and services. With innovations that develop along with market developments, an entrepreneur can maintain and increase sales of products and services and still have a place in the hearts of consumers and potential consumers. Therefore, the discussion focuses on strategic entrepreneurial management for business development based on creativity that gives rise to innovation for the products and services offered.

## RESEARCH METHODS

This study uses a qualitative approach through literature study, namely analyzing previous theories, concepts, and empirical findings that are relevant to creativity, innovation, entrepreneurial strategy, and business development. The aim is to unify conceptual and theoretical understanding as a basis for developing an entrepreneur strategic management framework. Literature sources: national and international journal articles, classic theory books, and Company case studies. Identification strategy: using keywords such as creativity, innovation strategy, entrepreneurial strategic management, business development in databases (Google Scholar, Mendeley) and snowballing manuals from primary references.

The selected literature must be peer reviewed, relevant, and explicitly discuss the relationship between creativity, innovation strategy, business performance/competitive advantage. Methodological quality is checked through abstracts, research designs, and theoretical contributions. Data is verified using source triangulation techniques and peer review to reduce bias.

The analysis technique uses content analysis, namely identifying main themes such as factors driving creativity, types of innovation strategies, entrepreneurial strategy models, and their impact on business development. The process includes literature coding, categorization, synthesis of theoretical understanding, integration into a conceptual framework of entrepreneur strategic management.

## RESULT AND DISCUSSION

Questibilia (2019) defines business development as part of marketing, some know it as product development, and the rest know it as corporate strategy planning. Business development is the creation of long-term value referring to the company's income and image including customer loyalty or what the company's goals are. According to Brown and Petrello (1976), business development is an effort that produces goods and services needed by the community. If the needs of the community increase, the business will also increase its development to meet those needs. According to Anoraga (2007), business development is the responsibility of every entrepreneur who requires foresight, motivation, and creativity. If this can be done by every entrepreneur, then there is great hope for businesses that were initially small to become medium-scale or large-scale businesses. Business development is carried out to produce products and services needed by the community. According to Fahmi (2013), entrepreneurship is a science that studies the development and development of a spirit of creativity and dares to take risks for the work done in order to realize the results. Hisrich et al (2014) stated that entrepreneurship is the process of creating something new and valuable by sacrificing time and energy, taking financial, physical, social risks, receiving rewards, and personal satisfaction and freedom. Zimmerer and Scarborough (2005) stated that entrepreneurs are people who create new businesses

by taking risks and uncertainties in order to achieve profit and growth by identifying opportunities and combining the resources needed to establish them. Entrepreneurs do not seek risk, but seek opportunities (Alma, 2008). Entrepreneurs tend to have patience in undergoing each process towards success. According to Meredith et al (1995), entrepreneurs are people who have the ability to see and assess business opportunities, gather the resources needed to take advantage and take appropriate action to ensure success. In terms of ability, an entrepreneur is able and sensitive to see business opportunities. In terms of action, an entrepreneur is able to combine or combine resources that have been owned or not owned to realize the ideas they have by building a new business.

Strategic management is a sentence derived from two words "management" and "strategy" which each have their own meaning. Terry (2012) defines management as a process or framework that involves guiding or directing a group towards organizational goals or real intentions where the form is an activity and is carried out against it. Hill (in Rangkuti, 1999) defines strategic as a way that emphasizes matters relating to manufacturing and marketing activities. Wahyudi (1996) concluded that strategic management is an art and science of making, implementing, and evaluating strategic decisions between functions that enable an organization to achieve future goals. Meanwhile, Wheelen and Hunger (in Akdon, 2011) stated that strategic management is a series of managerial decisions and activities that determine the success of a company in the long term. These activities consist of formulation, or strategic planning, implementation, and evaluation. Wheelen and Hunger emphasize more on managerial decision making and actions for the success of the organization in the long term. Innovation is one of the choices of corporations in facing market competition and sustainable management. Freeman (2004) considers innovation as an effort by companies through the use of technology and information to develop, produce, and market new products for the industry. In other words, innovation is a modification or discovery of ideas for continuous improvement and development to meet customer needs. Ahmed and Shepherd (2010) suggest that innovation of a company or business can produce R&D, production, marketing approaches, and lead to the commercialization of the innovation. In other words, innovation is the process of realizing new ideas that are different from the past by means of production or by making them real. New and different methods and technologies are used to improve production with lower cost quality to meet company targets. The innovation carried out is not limited to the products and services offered, but also includes attitudes, behaviors, and movements towards the process of change in all forms of social life. In general, innovation means an idea, product, technological information, institution, behavior, values, and new practices that are not yet widely known, accepted, and used by some people in a particular locality and can be used to encourage changes in all aspects of community life and the realization of improvements in the quality of each individual or community concerned.

According to Rogers (2003), innovation can provide several benefits such as improving the quality of human life through new discoveries that help in the process of fulfilling human life needs, allowing a company to increase sales and profits that can be obtained, increasing the ability to distribute creativity into a container for creating something new, and the diversity of products and types in the market. Rogers (2003) also mentioned that there are several factors that support innovation such as the desire to change oneself from not being able to being able and from not knowing to knowing, freedom of expression, mentors who are broad-minded and creative, the availability of facilities and infrastructure, and conducive environmental conditions.

According to Torrance (1981), creativity is the process of an individual's ability to understand gaps or obstacles in his life, formulate new hypotheses and communicate the results, and as far as possible modify and test the hypotheses that have been formulated. Drevdahl (Hurlock, 1978) stated that creativity is the ability to produce new compositions and ideas that can be in the form of imaginative activities and involve the formation of new patterns and

combinations of past experiences that are connected to those that already exist in the current situation. Munandar (1992) stated that creativity is the ability that reflects fluency, flexibility, and originality in thinking and the ability to elaborate an idea. Campbell (1986) stated that creativity is the ability to create results that are new, innovative, interesting, useful, and unprecedented for society. Creativity is largely based on intellectual abilities such as intelligence, talent, and learning outcomes, but is also supported by affective and psychomotor factors. Solso, Maclin, and Maclin (2007) define creativity as a cognitive activity that produces a new view of a problem and is not limited to pragmatic results (always viewed according to its use). Rhodes (in Munandar, 2004) states that the definition of creativity can be viewed from four aspects, namely personal, process, product, and driver. Personal is a creative act that arises from the uniqueness of the whole personality in interaction with its environment (Hulbeck, in Munandar, 2004). The process is the steps of the creative process according to Wallas (in Munandar, 2004) which are widely applied in the development of creativity including the preparation, incubation, illumination, and verification stages. The product refers to a creativity that can produce something new (Barron, in Munandar, 2004). Drivers emphasize the driving factors both internal in the form of the desire or passion to create and external in the form of the social and psychological environment. The strategy of entrepreneurship or companies in doing business is to direct how the entrepreneurship or company is able to utilize the environment and its capabilities in order to achieve the desired goals and objectives (Siagian, 1998). Entrepreneurial or corporate strategy emphasizes how to act in facing business competition with efforts to increase consumer satisfaction and try to outperform opponents (competitors). Basically, strategic management emphasizes entrepreneurial or corporate activities as an effort to achieve a position of competitive advantage over its competitors in serving targeted consumers. In addition, strategic management is also the result of various efforts made to position the business uniquely or unique value in marketing products and services or others. With the unique value that arises from the process of business creativity in business development, an entrepreneur can achieve success and competitive advantage and gain profits above the average competitor.

In strategic management, a business exclusively carries out a competitive strategy with a special strategy pattern that is expected to guarantee competitive advantage. This special strategy pattern refers to the form of innovation offered by entrepreneurship or companies in a commercial version, namely products and services (Siagian, 1998). In business development efforts, the strategy implemented by a business in order to be successful must meet the following criteria:

1. The strategy must be appropriate and can be in accordance with the conditions faced by a business related to the internal and external conditions of the competition faced;
2. The strategy can produce sustainable competitive advantage by emphasizing performance;
3. The strategy can produce good financial performance or financial reports so that it can produce superior business performance.

In addition, Taufiqurokhman (2016) stated that strategic management must have several characteristics such as being long-term, dynamic, integrated, future-oriented, and supported by available economic resources. Taufiqurokhman (2016) also stated that strategic management in business development in principle consists of three stages:

#### 1. Formulation Stage

Hill et al (2016) stated that the strategy formulation stage in business development includes:

- a. Determining the vision, mission, and values, namely what ideal conditions are desired by entrepreneurs or companies in the future, what strategic roles they want to play, what values are used as references in determining the priorities of entrepreneurs, and making decisions to run a business operation

- b. External analysis by conducting a systematic evaluation of the business environment, both macro and micro environments. What specific events or trends in the short, medium, and long term have the potential to provide opportunities for entrepreneurs or a business to achieve goals or tend to pose threats that make it difficult to achieve goals
- c. Internal analysis by conducting a systematic diagnosis of what internal conditions can be the strengths or weaknesses of a business for now and some time in the future when compared to competition or potential competitors
- d. SWOT analysis by analyzing a combination of external and internal condition analysis results to diagnose the current and future conditions of entrepreneurship or a business. Based on the results of this external and internal analysis, entrepreneurship or business can develop its strategy
- e. Strategic determination using internal and external perspectives can develop various alternative strategies and decide which strategies are prioritized at the global, corporate, business and functional levels

## 2. Implementation Stage

Implementation of strategies in business development (Hill et al, 2016) includes:

- a. Governance and ethics, namely how the governance mechanism of entrepreneurship or a business that is full of ethics is carried out so that the operationalization of a business strategically by top management meets the TARIF (Transparency, Accountability, Responsible, Integrity, and Fairness) rules.
- b. Development of organizational structure, namely how tasks, authorities, coordination and distribution of resources are carried out efficiently and effectively to support strategic implementation
- c. Development of organizational culture, namely how people in entrepreneurship or companies are aligned with how to view, feel, decide, and act using certain values that are believed to be effective in supporting the realization of the vision and mission of the implementation of the entrepreneurial mission
- d. Organizational control development is how to minimize the gap between the plan that has been made and the implementation as a learning medium for business actors in entrepreneurship
- e. Feedback loop is a mechanism that provides information or feedback on the vision, mission, and values of a business whether it is still relevant or requires improvement and better development.

## 3. Evaluation Stage

The evaluation stage includes activities to observe whether the strategy is running well or not. This is needed to fulfill the principle that entrepreneurial strategy or a business must be continuously adjusted to changes that always occur in the internal or external environment. The three main activities in the evaluation stage are analyzing internal and external factors as the basis for the ongoing strategy, measuring performance, and taking corrective action (Kaplan and Norton, 1996).

Strategy formulation in business development must also be based on a deep understanding of the market, competition, and external environment because strategies come in various forms. To test whether a business development strategy is good or not, it is necessary to identify four benchmarks including consistency (consistent goals and policies), consonance (adaptive response to the external environment and important changes that may occur), advantage

(high opportunity for the creation or maintenance of competitive advantages in a region), and feasibility (not using resources excessively and not generating new problems) (Rumelt, 1984). In strategic determination taken from internal, external, and SWOT analysis at the strategic management formulation stage, the added value or uniqueness of a product and service offered by an entrepreneur is an important point to attract the interest of consumers and potential consumers in purchasing products and services. The added value or uniqueness of a product and service is found or created through a long process where the process begins with the emergence of an entrepreneur's creativity in producing a new combination that attracts the public's interest in making purchases. In managing his business, the success of an entrepreneur lies in his attitude, ability to work, and high work spirit. The high work spirit of an entrepreneur lies in creativity and self-confidence to advance in entrepreneurship. An entrepreneur who has creativity will be able to make new breakthroughs for his business and have business opportunities to gain great profits (Taufiqurokman, 2016). If creativity is developed, the entrepreneur's business will advance and continue to grow so that the goals of a business in business development will be achieved. Creativity also brings out the value of excellence in a product compared to its competitors. To win the competition, an entrepreneur must have high creativity. This is because creativity is the basis for innovation or innovation is implied as a function of creativity or in the sense of creativity there is already the potential to produce innovation. The innovation referred to in entrepreneurship is process innovation, product innovation, and HR innovation supported by a conducive environment. Thus, an entrepreneur who has high creativity will produce an innovation that has more value or is unique and becomes an advantage of the products and services offered to consumers and potential consumers. The added value of products and services created from entrepreneurial innovation will be one of the pillars in the strategic management formulation stage where the innovation is carried out so that products and services are able to compete and become winners and entrepreneurs can increase their business development with the potential for an increasing number of buyers due to their interest in the products and services offered.

## CONCLUSION

Strategic management is the result of various efforts made to position a business uniquely or have more value in marketing products and services or others to increase business development. This means that the better the strategic management of entrepreneurship used, the more the development of the entrepreneur's business will increase, accompanied by an increase in the productivity of sales of goods and services. Creativity is the basis for innovation in business. This means that the higher the creativity of entrepreneurs in applying it to the business they are engaged in, the greater the potential for innovation which will greatly support the interest or interest of consumers and potential consumers to buy products and services because of the added value or uniqueness offered.

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