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## **Organization Mode of Creative Enterprise Based on the Zero Management**

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### ***Abstract:***

*This paper analyzed the operation characteristics of creative enterprise based on the research on the concept and management issue of creative enterprise. The platform operation mode of creative enterprise was constructed based on the zero management. Then, the paper redesigned the organization structure of creative enterprise. At last, gave some suggestions on creative enterprise in zero management organization.*

**Keywords:** *Creative enterprise, Zero management, knowledge sharing, organization operation mode*

### **1. Introduction**

Late 20th century and early 21th century, lots of policy and plan are put forward to promote creative enterprise by developed countries, which bring rapid development and boom to creative enterprise. As a new agent of market economy, creative enterprise shows explosion of number and growth of size, which plays more and more important role in the market. The well-known American economist Romer P M. put forward economic growth theory in 1986 considers that knowledge is endogenous variable of economic growth, new creativeness will derive infinitely new product, new market and fortune, and creating new opportunities. Therefore, creativeness is the motive power of a country to promote economic growth<sup>[1]</sup>. Particularly in the highly developed information and network environment, economic status and social impact are becoming more and more important. Thus, creative enterprise management has become a hot research subject.

#### ***1.1. The Concept of Creative Enterprise***

The concept of creative enterprise is first promoted from practical field, which is marked by Creative Industry Task Force (CITF) set up in 1997 and Creative Industries Mapping Documents announced in 1998 by Britain government. Creative Industries Mapping Documents defines creative enterprise as an industry with creating wealth and employment potential, originating from individual creativity, skill and talent, through use of intellectual property. Theoretically, American economist Caves (2000) defines a creative enterprise as an industry that providing products and service of broad culture, art or just entertainment value<sup>[2]</sup>. British economist John Howkins (2001) thought that the creative enterprise is the economic department that all products are in the protection scope of intellectual property, which is making up creative enterprise and creative economy arounding form and organization of four categories intellectual property including patent, copyright, brand and design<sup>[3]</sup>. Chris Bilton and Ruth Leary (2002) thought that the creative enterprise is an industry that producing "Symbol Product" from the point of the culture<sup>[4]</sup>. Richard Caves (2004), considered the creative enterprise as an industry that provides products and service of broad culture, art or just entertainment value, its economic activity will influence the supply-demand relationship and price of culture, art and product market based on the product and service characteristic of creative enterprise<sup>[5]</sup>. The most notable feature of creative enterprise is to encourage to release individual creativity infinitely, which creates new product and market demand<sup>[6]</sup>.

As the active cell of creative industry, the creative enterprise has great differences with other industries, whose productions and services have cultural connotation and emotional attributes. Based on this view, creative enterprise can be understood as specially producing and providing spirit product and service to customers<sup>[7]</sup>. Between creative industry and creative economy, creative enterprise bears the mission and responsibility of collecting and creating ideas, which is a fission of creative value<sup>[8]</sup>. Creative industry is the knowledge denseness industry, thus, creative enterprise can be viewed as knowledge storehouse with highly exclusive and regeneration capacity based on this view<sup>[9]</sup>. Taken together, creative enterprise is an economic organization that cored by creativity, safeguarded by intellectual property, aimed at profit, creating, producing and selling creative product and service in the way of business operation<sup>[10]</sup>.

### 1.2. The Management Issues of Creative Enterprise

1. The management issue of staff. The core staff of creative enterprise generally includes art creative, design creative, plan creative, market creative, management creative, etc. They are responsible for the design & development of creative product and service, especially “Super-creative core”— artists often stress absolute freedom and independence at work, so its work characteristic has larger subjectivity and randomness, which is difficult to supervise, control and check. How to manage the creative and play the most working efficiency is a difficult problem for creative enterprise management.
2. The management issue of cost. The human cost, R&D cost and publicizes cost of creative enterprise occupy bigger proportion in total cost. As huge investment on earlier stage, the risk of hiding investment is very big. How to control cost is a real problem for creative enterprise on the premise that meeting needs to market demand and producing creative products that satisfied customer.
3. The management issue of knowledge. Creative enterprise is the knowledge denseness enterprise, knowledge will increase with sharing. But knowledge can't create value itself, knowledge become a useful asset when it is used to promote enterprise operation value<sup>[11]</sup>. Creating knowledge and owning knowledge are less important than using knowledge during the process of promoting value. In fact, many advanced enterprises are facing the problem of knowledge overflow, the biggest problem of many creative enterprises is that many creative ideas can't put into practice<sup>[11]</sup>.
4. The management issue of procedure. The knowledge of creative enterprise staff is mostly based on the action, but often it is difficult to describe the agent how to work, that is highly integrated Tacit Knowledge [9]. In the design of creative products, inspiration and creativity can't generate in the streamline process, it has accidental characteristics, can take place anytime and anywhere. Therefore it is difficult to normalize working process of creative enterprise staff.

## 2. Constructing the Organization Operation Mode Based on the Zero Management

### 2.1. The thought of Zero Management

Under the background of knowledge economy rising, Dutch scholar FrankLekanne, Rene Tissen first put forward the thought of zero management in the book< Zero management > in 2003. They think zero stands for nothing in the traditional economy, but stands for everything in the knowledge economy. The goal of zero management is to establish “Soft organization” and to construct zero management organization in zero mentality so as to improve collective intelligence. Zero management includes eight aspects: zero matter (The most valuable asset has been evolving from tangible asset to intangible product and service), zero time (Need action, act at once), zero gap (If you know the need of your customer, you will know the demand of customers), zero learning lag (The real study is to translate knowledge into customer value rapidly), zero management (Every part of enterprise has the information, knowledge and execution of whole organization), zero barriers (All working procedures avoid or exclude the barriers of servicing customers), zero exclusion (Organize all the relevant to take part in the process of key plan, development and decision-making), zero technology (Technology is all around, talents have become the core in the enterprise).

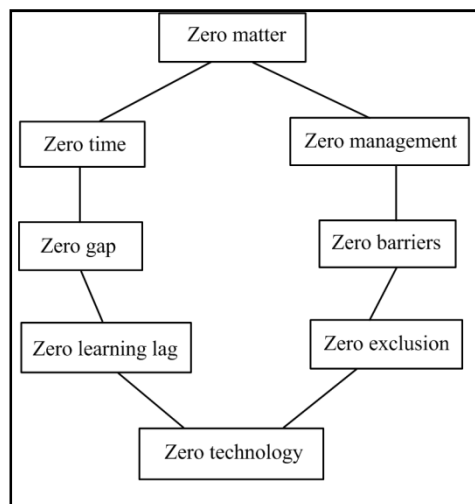


Figure1: The thought of zero management

### 2.2. The Characteristic of Creative Enterprise Based on the Zero Management

The thought of zero management requires the organization must have flexibility, rapidity, adaptability skill. Enterprise should make success in change management. Under the thought, creative enterprise has following characteristics:

- 1) Intangible asset oriented. The role of tangible asset has been replaced by intangible asset that becomes the key to success, which is different from traditional economy and knowledge economy. Zero management organization emphasis the concept of zero matter, if there is no unneeded asset, organization will become more flexible. Creative enterprise is the Knowledge denseness organization, the most important resource is creative talents and creativity, matter is not necessary resource.

- 2) Soft organization. Traditional organization is bureaucratic “Hard organization”, there is fixed grade, boundary, division, process and operating standard, and that responsibility, relationship and behavior are certain. Because of its characteristic of staff and management in creative enterprise, it is suitable to soft organization management. The characteristic of soft organization is more flexible, no obvious grade, boundary and standard, and that staff role, relationship and behavior are flexible rather than fixed. That is soft organization when organization turns no boundary and more flexible.
- 3) System of knowledge sharing and knowledge applying. Knowledge has power only when it is applied<sup>[11]</sup>. The advantage of knowledge-driven creative enterprise is to translate previous knowledge into new product and service into creativity, which can create value for enterprise. Therefore, creative enterprise must have a system and mechanism that can translate knowledge into creativity continuously, which can change knowledge to product and service and then become what customer really need.
- 4) Dependency on network technology platform. Information technology has great influence on enterprise operation mode. The innovation of communication media and management tool such as email, video conference, telephone conference, instant messaging tool, ERP system has promoted enterprise operation and zero time reaction. The demand for knowledge in creative enterprise shows on the knowledge using anytime when they want, this efficiency also needs to depend on the network technology platform.

2.3. “Platform” Operation Mode of Creative Enterprise Based on the Zero Management

With the development of Internet technology and application, Internet is becoming a necessity in people’s lives. Internet changes people’s living habit while changes consumption habit, style and thought. Consumer demand is featured by more clear, diverse and individual. Interaction becomes more frequent and profound between consumer and enterprise, consumer and other consumer based on brand community. Therefore, creative enterprise need to make change to traditional modes thought, using the thought of Internet modes to fit the operation and development of creative enterprise. Internet CBMCE mode of thought starts with consumer, carries out market foster and product development, producing around consumer demand, at the same time associating the consumers to dig deep demand. The operation of creative enterprise needs to use Internet modes of thought to decrease operation risk, increase success rate of product R&D, foster and stimulate consumer demand. This paper designs the “Platform” operation mode of creative enterprise under the thought of zero management.

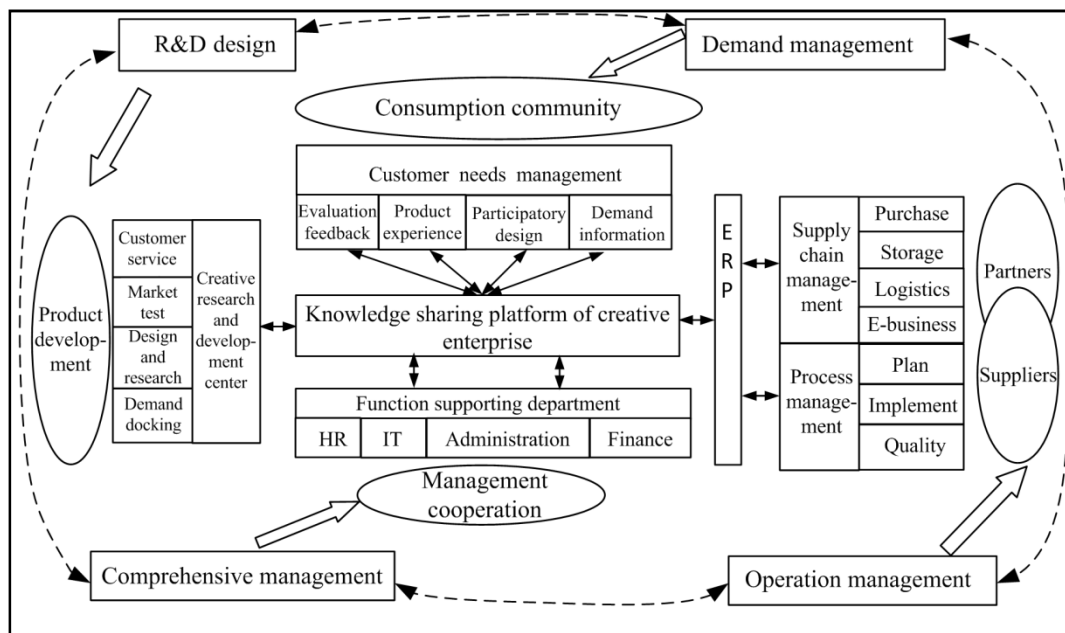


Figure2: Platform operation mode of creative enterprise based on the thought of Internet mode

Platform operation mode of creative enterprise can be summarised as an operation mode with “A core platform, four supporting modules” just as picture two. Constructing the knowledge sharing platform of creative enterprise is an important and key content in the operation of creative enterprise. Core platform is a knowledge sharing platform of creative enterprise, through this platform docking modules of customer demand management, R&D design, operation management and comprehensive management. Realizing the response of zero time, zero learning lag from customer demand to creativity design and production & operation. Four supporting modules: (a) the main function of demand management module is to achieve growth, management and maintenance of customer demand. Including collection and reorganization for information feedback of consumer demand by fostering consumption community, promoting consumers to take part in product design and experience, and promoting product transform from concept to realization. (b)The main function of design & development module is to design creative products, through customer demand from the feedback of knowledge sharing platform, even though real interaction with customers to design product with more individual and creative, consistent with customer demand. Thus to make sure zero gap between creative product and customer demand. Integrating resource

and information, including consumer, competitor, supplier into the design of creative product through knowledge sharing platform, achieving zero exclusion of design & development. (c) The main function of operation management module is to make products that meet the quality requirement timely and efficiently. Through resource planning system docks with knowledge sharing platform, looking for partner and supplier who meet the needs to make sure management and operation goal of zero matter, zero technology. (d) The main function of comprehensive management module is to coordinate internal management and support operation. Function supporting department need to learn every process and state from demand to design and production through platform, optimizing internal management and operation process to make sure zero barriers of internal management and realize the goal of zero management.

#### 2.4. Organizational Structure of Creative Enterprise Based on the Zero Management

In the highly developed environment of network and information technology, information becomes more and more clear and easy to be obtained, and that barriers of asymmetric information is gradually broken. Consumer demand and style is changing quietly. Demand becomes more and more individual and diversify that make more convenient and efficient for online shopping. To keep up with the changes of consumer demand and style, traditional organization structure hasn't satisfied the operation need of enterprise under Internet mode. Even traditional manufacturing industry is looking for the organization structure reform, just as Zhang Ruimin of Haier suggests, the goal of Haier is to become a platform, the distribution of enterprise resource is around user demand, every staff will become "Maker". Therefore this paper constructs the organization structure of creative enterprise under platform operation mode based on the thought of zero management, as picture three.

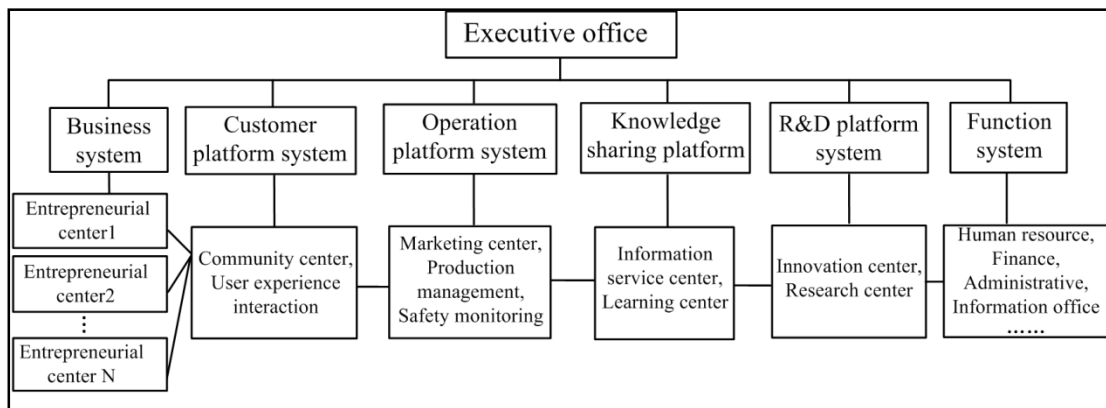


Figure 3: Organization structure of creative enterprise

Too clear division in the traditional accrual organization affect the communication, knowledge sharing inside the organization and hinder the development of organization. For enterprise depend on intangible asset, the management principle is not a hands-on management, but arm's-length management<sup>[11]</sup>. The organization structure of creative enterprise should have flat and flexible characteristic. Organization structure of creative enterprise as picture three, there are six parallel system under the executive office: business system; customer platform system; operation platform system; knowledge sharing platform; R&D platform system; function system, which work together to support all resource for enterprise operation. Every specific business operates in the form of entrepreneurial center that is a business unit of teamwork. Team can get over function barrier and help enterprise to concentrate on how to make customers satisfied<sup>[11]</sup>. Entrepreneurial center uses the organization structure of matrix, which can call up resource from other platform(business system; customer platform system; operation platform system; knowledge sharing platform; R&D platform system; function system) to complete the resource allocation what business needs. After task completed, every supporting platform withdraws its resource and support other projects. This organization with network form generally adopts informal, soft control and coordination mechanism, which has characteristics of same goal, knowledge sharing, no zone limit, work sharing, decision sharing, mutual trust, responsibility sharing, same pace and achievement sharing. It can solve the conflict between artistic creativity and management relationship, which is adopted by more and more creative enterprises at present<sup>[10]</sup>.

### 3. Question and Suggestion

This paper constructs the modes of operation and model of organization structure of creative enterprise under the thought of zero management. They are not only specific application research in the operation of creative enterprise under the thought of zero management, but also exploration and thought to the operation mode of creative enterprise. Several aspect problems should be noticed In the process of understanding and applying the modes of operation and organization structure of creative enterprise what this paper constructs.

- 1) Fully know and play a role of creative enterprise knowledge sharing platform. It is a comprehensive information platform with a lot of creative elements, creativity for accomplishing, supporting technology, resource, information and consumer demand, which can achieve and manage by cloud technology. The main functional goal is to make the most use of knowledge and drive knowledge to be applied and transformed.

- 2) Importance and specificity of demand management for creative enterprise. The operation mode of creative enterprise what this paper designs is based on the thought of Internet modes. The thought of Internet modes starts with fostering consumption community, fostering and managing consumption community are the core contents of demand management in creative enterprise.
- 3) Creative enterprise organization based on the zero management. There are four aspects for creative enterprise wants to become a real zero management organization and achieve the goal of zero matter, zero time, zero gap, zero learning lag, zero management, zero barriers, zero exclusion, zero technology. First, creative enterprise has to become a real network organization. Second, creative enterprise has to face a flexible and dynamic partnership. Making sure to obtain necessary knowledge everywhere through partnership. Third, creative enterprise need to establish intellectual group with no limit to any restriction of current structure. Supporting a communication platform for like-minded people and achieving freedom, voluntary communication and innovation. Four, setting up a fully reliable internal management information system is the foundation to achieve all creativity and the guarantee to achieve zero management for creative enterprise.

#### 4. Acknowledgments

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