**Part I - Know How Management Concepts Relate**

This section comprises activities that will further sharpen your understanding of management concepts. Answer essay questions as completely as possible.

**6-1**Define and describe the relationships among expertise, creative thinking skills, motivation, and creativity.

**6-2**Explain the differences between creativity and innovation.

**6-3**Describe the five steps of the innovation process.

# Part II - After reading the case about Olde Peninsula Brings Brewpub Innovation to Kalamazoo , answer the questions below making sure to JUSTIFY YOUR ASWER WITH MORE THAN FOUR SENTENCES \*ONLY USE THE READING FOR THIS QUESTIONS\*

Kalamazoo, in the southwestern part of the state of Michigan, sits about equidistant from Detroit and Chicago. It’s a relatively small city with 76,000 citizens.[1](https://etext-ise.pearson.com/eps/pearson-reader/api/item/72b412ac-51fe-425d-aed2-ec96529f5260/1/file/certo-mmcas-15e_eText_v3/OPS/xhtml/ch06_pg0013.xhtml#P7001014280000000000000000001BE8) Since the 1990s, however, the town has seen a rise in the number of microbreweries and brewpubs. A microbrewery is an establishment that brews its own beer but can sell only those creations to its customers; in other words, it cannot sell any other manufacturers’ products, wine, or alcohol. A brewpub, on the other hand, brews its own beer, typically has a restaurant, and can also sell beer from other producers, as well as sell wine and cocktails.

The first brewpub in the city was Olde Peninsula Brewpub and Restaurant, which was founded in 1996. When it first appeared, customers were confused. “The downtown area was just beginning to become revitalized,” says founder Steve Blinn. “The city was doing well at bringing office tenants to downtown, but not restaurants. We knew that if the city brought people, then they would eat!” But at the same time he was establishing Olde Peninsula, the large chain restaurants were also entering the market. Companies like Applebee’s and Outback Steakhouse were gaining a foothold among customers. “Initially, we were constantly compared to these cookie-cutter places,” recalls Blinn. “Around the time we started, dual-income families with busy lifestyles just wanted to go out to eat because they were too busy to cook at home.”

What Blinn was attempting to do in 1996 was introduce an innovative concept that would not be like all the other restaurants in Kalamazoo. “Our motto has always been,” says Blinn, “step back in time, relax and enjoy food the way it is supposed to be cooked.” Before it became a marketing phenomenon, Olde Peninsula was sourcing local ingredients and letting customers know that their food was fresh, cooked to order, and could be delivered to their table just as quickly as any of the chains. And, unlike the big chains, Olde Peninsula is in a very old building—it was built in 1874. “Our competitors were opening brand new, ultra-modern buildings on developing corners in suburban neighborhoods,” Blinn says. “We, on the other hand, kept the old floors, doors, ceiling, fixtures, and basically anything else we could to maintain the charm of the structure and to keep our costs of renovation down.” When they first opened, customers would walk in and say, “Wow, everything looks so old,” and Blinn would reply, “Perfect!”

Blinn graduated with a marketing degree from Western Michigan University, and his first job after college was working in sales for a local beer distributor. “I had a challenge trying to sell so-called ‘aging’ brands of beer like Pabst, Old Milwaukee, Beck’s, and Foster’s,” says Blinn. Then, the owner of the distributing company decided to take a chance on craft beer like Sam Adams, Sierra Nevada, Pete’s Wicked Ale, and many more. “This is when I learned about craft beer and it opened my eyes to what beer should be,” remembers Blinn. As he was learning more about the art of craft beer, he and his wife, Marie, and took a trip to Chicago, where they stumbled upon a restaurant and brewery in an old part of town called Goose Island. “As soon as we entered,” Blinn says, “my wife and I knew this was exactly the kind of brewpub we wanted to bring to Kalamazoo.”

Certainly, Blinn was innovative in 1996 by bringing the brewpub concept to Kalamazoo, but with so many other breweries and brewpubs for customers to choose from today, he has to continue innovations and encourage creativity among his team. “About 70 percent of our income,” Blinn reveals, “is from food. We have to constantly keep up with dining trends and be ahead of our competitors.” Recently, the brewpub introduced flatbread sandwiches, which consists of warm pita bread with the customer’s favorite topping along with a side of beer-battered fries, pub chips, or onion rings. Some choices for flatbread sandwiches include pulled pork, turkey bacon cheddar, and house-made chicken salad. These flatbread sandwiches have been a hit for Blinn and his team. In addition to the extensive made-from-scratch menu of food, the brewpub offers a wide variety of craft beers with clever names like Rockin’ Razberry Wheat, Stout Chocula, and Haymarket Cream Ale. And the brewery part of the business also stays innovative with its hot pepper–infused creations, which age the beer in a variety of hot peppers. Seasonal beers are also being crafted throughout the year.

The ever-present challenge for Blinn is to remain innovative with new food and beer offerings because it is a small single-location business competing against national chains with millions of dollars in advertising money at their disposal. According to Blinn, “When it comes to marketing, we educate our customers on what a brewpub is, but we also market our relaxing atmosphere, consistently good food, top notch service, and of course, a superb selection of beverages.”[2](https://etext-ise.pearson.com/eps/pearson-reader/api/item/72b412ac-51fe-425d-aed2-ec96529f5260/1/file/certo-mmcas-15e_eText_v3/OPS/xhtml/ch06_pg0013.xhtml#P7001014280000000000000000001BEA)

 **6-4** How is creativity and innovation being utilized at Olde Peninsula Brewpub and Restaurant?

**6-5** Develop a new food menu offering for Olde Peninsula. Once you have your idea, explain how each of the five steps I the innovation process would be addressed.

**6-6** What advise would you give to Steve Blinn about total quality management? Explain how he can ensure quality improvement at Olde Peninsula.