This research project is an attempt to find an answer to the question of whether creative industries create and possess creativity and contribute it to innovation, which is a tangible economic effect of creativity. The design of the research is based on the extensions of Schumpeter (1934)’s theory of economic innovation which locate creativity among knowledge as input of the innovation process, the outcome of which is innovation. The study is designed as comparative case studies of 4 sub-industries within the cultural heritage industry, under which community organizations are chosen as samples for the analysis. Given their structures composing of a network of small businesses and their links with other external economic networks, community organizations are supportive cases for the study of formal and informal knowledge transfers and innovation supports. The informal ones are usually found in the tacit forms, embedded in communities which share domestic intellects inherited through traditional intellectual and product identities. The traditional identities are (and/or are claimed) prominent within the cultural, especially the cultural heritage, industries, which are a target of our study. The research results include findings about diverse sources of knowledge, composing of traditional intellects, creativity, and new knowledge transferred from other organisations, as well as different levels of innovation achievement within groups of products and industries. The findings can be learned and applied in practice. Overall, however, the results stipulate that creativity, new knowledge, is different from traditional intellects although it can be extended from them. It is also different from the entrepreneur’s initiation which push for innovation. This is because innovation is able to be created from old knowledge under the entrepreneur’s initiation of innovation, based on combinations of diverse sources of knowledge. The new knowledge the entrepreneur uses for innovation is not only creativity but also the one derived from external organisations, under which the new knowledge is already old. Therefore, in the innovation process, the knowledge bases include old knowledge, old knowledge from outside, and creativity. In additions, not only the entrepreneur’s initiation but also customers’ and external networks’ advices and supports that push innovation process and make innovation achievements. Finally, innovation policies should include not only the support to create creativity but also the promotion of knowledge transfers and innovation supports through external networks.