



## How can you use Technology Innovation to create competitive advantage?

**This expert interview is designed for CIOs and those leaders and managers responsible for Technology Innovation to create competitive advantage for your organisation.**

**In this interview with one of the world's leading Technology experts, Bill McGrath (Global CIO for AOL Inc), by John Corr you'll learn:**

- What's the biggest mistake CIOs make in regard to Technology Innovation and how can we avoid it?
- What's the one thing we should do first when it comes to Technology Innovation?
- What can you do differently to improve the impact of Technology Innovation?
- 5 quick tips on what you can do to significantly increase the impact of your Technology Innovation
- What's the easiest thing you can do right now to accelerate Technology Innovation in your business?

---

**John:** The interview is with Bill McGrath. He's the Global CIO for AOL, and he's one of the leading technologists in the world. Today's conversation is around the topic of successful technology innovation. So I thought I'd kick off Bill and ask you to tell us a bit about your background.

**Bill:** I'm a longtime AOL veteran; been in the technology group probably going on 12 years now. I've served various roles; I started in financial track and was the CFO of AOL Technologies when it was a \$3 billion organization, and then have done various operating roles inside of technology. Some commercial roles also;

some short stints as Acting GM of Europe, and now back to Global CIO of AOL at this point. So it's been like a 12 year track, with a lot of years of technology.

**John:** So I guess getting to the heart of it is, **why is technology innovation important to a company like AOL?**

**Bill:** It's important at all levels. I think in the world that we do commercial business in, it's crowded and things look very much the same. Somehow you have to differentiate yourself, and the way companies in the space look to do that is basically through some kind of innovation, or technology innovation, that either does one or two things: blends mediums – so in other words you can move from your mobile device to the web, to your TV, sort of seamlessly and easily, or it just creates features that people just get hooked on and can't live without. If you look to one of our competitors, Google, I think they've done a fantastic job with their mobile map application; they've made it so easy to use and it's so functional that people really, really like it.

**John:** I can say that I must use it about ten times a day to find my way around London; I'd be lost without it. Although when you get into the City with all the skyscrapers the GPS signal bounces round, so it tells you you're a quarter of a mile from where you are. Technology doesn't always work! **So in your role as CIO, Bill, how do you contribute to the success of AOL through technology innovation?**

**Bill:** Basically as my role as CIO, really what I'm here to do is make employees as productive as they possibly can be, so that takes shape in a variety of ways. There's the interact with our back office software, that basically you have to make that interaction easy, simple, quick, and something that doesn't feel like eating vegetables. So that's one innovation I have to do. The second is, basically I have to arm everybody at AOL with the right device, the right operating system, and anything they need to just basically be successful in their job. And thirdly I have to trust and verify; so everything I hand out I've got to make sure that I can basically control it and secure it. So innovation in my space is very important, because the other yang in my yin of the job is to make sure I do everything I do on a very cost-effective basis.

**John:** I've got a key business question here Bill. You've had a lot of experience and seen a lot of work with a lot of CIO's, so I wondered, during your experience **what's the biggest mistake you see CIO's make in regard to technology innovation, and how can we avoid it?**

**Bill:** I think the biggest mistake is they don't target their technology or their innovation efforts well enough. By that I mean they know they have large scale issues that they have to solve, but when they hear innovation they're just like, should

it be targeted, should it be funneled, or should it just be allowed to grow? You know, is innovation equated to free?

I take more the Apollo 13 philosophy that here's all you have; you've got to innovate with what you have, and you have to solve a problem that you have. So if you point your innovation efforts at current issues that you're facing, the payback is tremendous, and secondly it's more rewarding to the people that are involved in the innovation efforts because they see actual results of things that they've done that have made a difference, and they can actually see data trending in their direction, in the direction that would be more favourable based upon the work they did.

**John: So what's the one thing we should do first when it comes to technology innovation?**

**Bill:** I think before you just unleash technology innovation you just have to basically say, okay, what is the problem I'm trying to solve, and do I have data to show that it's a problem? Because what's going to have to happen is, you're going to have to sell your idea where you want to try and innovate, and you have to get everybody on board, because once you take out that word innovate, everybody wants that word tattooed to their chest. So if you're just going to pick a small group to innovate you have to be able to tell the rest of the group, here's why we're picking this team and here's what we're going to ask them to do.

So you have to have that data upfront to show why you're targeting certain areas. And then the other data you have to have is to show how successful the actual innovation was, because if people see success in innovation it's like competition; it hits on a basic human need. People then figure, okay, I can do that too, I can innovate too and I can make things better. So it really dwells on competition. So data is king. You have to be able to target, and you have to be able to measure.

**John: Could you give us an example of something that you've done differently that's resulted in success?**

**Bill:** Sure. I think one of the things – especially in the CIO world – is you're just basically always under a PMO, or Project Management Office scrutiny; everything is measured to the nth degree and so it becomes more of a process managing shop than it does of an innovation shop at times. So sometimes I try to just apply or use some of the techniques that we use in the front end of the business to create on the web innovations through, like, agile development techniques, or even not even as formal as agile.

I'll give you a for instance. In my world we just assembled the authentication, the RSD token methodology for second factor authentication. We needed a new one, didn't know exactly what that new one was going to be, I just knew it needed to be more convenient in the token. I basically just asked the Director of Security; I said look, you've got to come up with something here, you've got to innovate and figure

---

How can you use Technology Innovation to create competitive advantage?

© 2011 Close Quarter. Web: [www.closequarter.co.uk](http://www.closequarter.co.uk) Tel: +44 20 7748 2225

out what we do and make sure – here's your guidelines – it has to be effective but it has to be convenient.

And that was basically it. I checked in with the person once a week just to see how the project was going, just to make sure we were on target. Then last week we actually had a breakthrough.

And this is the other thing too, is innovation doesn't necessarily mean you need to invent the thing you're going to use; all you really need to invent is how to use something somebody else made really well, or then integrate it with something you made really well. We've basically taken a third-party product, done some alterations to it, and now we have a very effective, not only second-factor authentication solution, we have a multi-factor authentication solution. So it was quite an innovation and really solved the problem we were having.

**John:** I guess the next interesting area would be, Bill, if you could give us your expertise. **If you could give us five quick tips about delivering technology innovation successfully.**

**Bill:** Sure. For the sake of being repetitive I'm just going to backtrack; but first is you have to really understand what problems you're trying to solve, like targeting your innovations. Innovation should solve a problem. If it's not going to solve a problem it's interesting, but it's probably not as useful.

Second thing is, having the data support where you're targeting; that's just really to get your team on board. If you can't motivate your team to do it, innovation definitely is probably not going to be as high as it could be. Motivated teams tend to innovate much better.

Keep the innovation teams very small and tight. I think if you try to innovate with huge groups it becomes a boil the ocean approach, and you get solutions that are not necessarily in your area or solving any of the problems you're facing; and while they're interesting, they're probably not very useful.

Another thing is you have to trust the people you choose to innovate, but you have to verify too. So verification doesn't have to be, like I said, a heavy PMO, but it has to be a check-in occasionally, just to make sure the team's on track, because sometimes what you ask people to do is just not reachable and you need to be able to make that decision, to say, okay, we really went down this path, we tried to innovate, it's just not achievable, we should probably think about doing something else.

The fifth thing is, use innovation to create competition. I think innovation tied to the basic human need for competition really goes a long way to enhancing the process.

**John:** I guess on the final question, Bill, and for the audience out there, **what do you think is the easiest thing that we could do right now to see some positive results from technology innovation?**

**Bill:** Make sure you can measure the success of innovation. In other words, you have to be able to say, here's what this innovation did for us; it either provided a solution that solved a real problem, it made someone's life easier, reduced our costs, it increased our revenue. There has to be some measurement that you can go back to people and say, this innovation was really interesting.

Sometimes people say, hey, I really invented this cool thing, but when you really look under the covers a lot of people have doubts, and say okay, it's cool, but really, what does it do? So there's got to be some measurement that says what you tried to innovate on actually was successful.

**John:** Bill, thank you so much for all of your insights, and brilliant advice. Thank you for that and hope you enjoy even more brilliant innovations in the year to come.

**Bill:** Thank you.



John Corr is the Managing Director of Close Quarter, a firm specialising in helping ambitious leaders transform the value of their businesses by helping them accelerate delivery of what matters most to their customers, profits and growth.

John is the current global President of BPGGroup.org, a leading global community of professionals dedicated to sharing best practice in performance improvement, business turnarounds and process management.

---

To download a recording of this interview, go to <http://johncorr.com/?p=194>