

Organising for Innovation

INNOVATION TECHNOLOGY WINNING IN 2020

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Marketers will have to incorporate the habits and advantages of both big and small organizations if they want to reap the benefits of true innovation leading up to the Year 2020. By Cary Tilds, Chief Innovation Officer, GroupM

Leading up to 2020, companies will have to decide how to handle the tidal wave of innovation in the technology space. Which ideas do they embrace and which do they ignore? Having a solid framework for testing various tools and platforms will be critical to identifying and rapidly deploying those that can drive real revenue. One thing is certain: the era of companies lumbering along, relying on the benefits of scale, is over. The influx of new technological possibilities will no longer allow for multi-year development cycles

(remember five-year plans?); brands are going to have to adapt a “start-up approach” to analyzing and then embracing or discarding ideas that come their way.

Technology investments

According to the most recent edition of the National Venture Capital Yearbook, approximately 35 percent of the total venture capital dollars in the United States in 2012 was directed to the technology (including software, semiconductors and networking) sector. This connotes the largest venture capital investment in any industry, by far. Another interesting finding is that – while 53 percent of these investment dollars went to California-based portfolio companies – start-ups and other early-stage firms in 48 states received financing, a record high. With money pouring in, and open source code and cloud-based network and stage options, founding a technology-based business that develops “killer apps” or on-the-fly software is easier than ever. This means that the next business-changing innovation can come from anywhere or anyone: including a high school whiz kid in India or a factory worker on the graveyard shift. How on earth can major corporations adapt?

Innovation must be purposeful

With the decentralization of global technology development, brands must establish new policies and procedures that ensure new ideas are found, tested and, when appropriate, implemented. Developing the right method of developing and judging new ideas is a critical process in itself, and is often the most complicated. At GroupM, we have tried and tested a number of different models, some of which may be appropriate for brands. Each has its own characteristics as to relative time commitment required, the type of project to be considered and, sometimes, which individuals would need to lead. These approaches include:

- Incubators: longer term, more significant investment, leadership team
- Accelerators: shorter, can be brief-focused, small investment, mentorship team

- Speed Dating: short burst meet-and greet sessions to generate ideas
- Idea-Sharing Sessions: often against a specific brief, but not always
- Webinar Sharing: when dealing with multiple locations, leverage webinars to share widely

Innovation is about “Scale and Scrappy”

Once a new idea is formulated, we must learn what works and what does not. This is where the concept of “Scale and Scrappy” comes in. Scale is about rolling out business changing ideas across an enterprise, while scrappy creates an environment where failure is acceptable. Tolerating failure is difficult to accept in today’s world, but acknowledging the possibility of failure helps teams innovate faster. Scrappy represents what is new. Scale represents what’s productive. Scrappy uses some of the processes above (as well as some more outlined below) to generate ideas, while scale is more structured and mindful of the realities of how a company operates. Brands must be scrappy, developing novel ideas that can fill inevitable opportunity gaps. It’s important to get beyond the incorrect point of view that a “new” idea has to be “brand new.” That’s invention. Innovation embraces adapted ideas that provide more productive solutions to current and future problems. Being scrappy isn’t a one-stop process. Brands need to continue to create and participate in speed dating sessions, industry events and even focused accelerators. Keeping up with what’s new is what it will take to survive. This includes initiatives such as structured reviews with technology leaders, speaking and planning at focused industry events and monitoring media content and technology players. Once an opportunity has passed the scrappy phase, brands can then roll it out and take advantage of its benefits across the business. That’s how the scale phase delivers. Focusing on both scale and scrappy is critical to the successful media strategies for 2014, let alone 2020. Fully understanding the technology capabilities of scalable solutions is absolutely essential to understanding the innovation (vs. invention) opportunities related to those technologies. To win in 2020, brands and their agency partners will have to be more rigorous than ever at testing existing boundaries, and implementing ways to find, test and roll-out ideas that can produce positive change. Start-up behavior isn’t just for start-ups anymore.

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