

How Innovation Leadership is Shaping the Future

Interview with Felipe de Stefani, SVP & General Manager at Turner Latin America



Felipe de Stefani

Felipe de Stefani is General Manager at Turner Argentina and Senior Vice President & General Manager at TBS, TNT Series, MuchMusic, HTV, truTV, and Glitz*, for Latin America and Brazil. Recently, Felipe joined Peter Mulford, Global Partner and Chief Innovation Officer at BTS, to discuss the importance of innovation leadership, the challenges surround it, and how Turner is building a culture of innovation.



Peter Mulford:

PM

Let's start big picture. How was the media industry changing, and what challenges was Turner facing as a result? Where did your interest in leading and building a culture of innovation begin?

Felipe de Stefani:

FS

There are two sides to the story: first, the side of business and second, of the company internally. The business side is pretty straightforward – it was 2014 and paid TV was decreasing in terms of subscribers, the business model as it was had plateaued, we were looking at diminishing returns and a scenario where we could not continue growing as we did before because the industry was becoming so different. The main disruption was coming from new technologies, on-demand consumption and OTT (over-the-top) content.

So we were looking at that, and thinking, 'What is the future of our company?' Historically, we had been a business-to-business company, a wholesale company, and we suddenly had to become a retail company. We had been advertising- and distribution-centric, and we suddenly had to become consumer-centric.

Internally, these business changes had led to new strategic changes, because in a way we were being asked to re-imagine TV. Our CEO was calling on us to have more fun, have less fear, to try more, be more consumer centric, and everybody was trying to understand exactly what this meant for our culture. **I think the main thing that we had was a cultural challenge.** Why? Because we were used to working on just one business, and all the improvements we'd done to that business had been incremental. All innovation that we'd worked on had been incremental innovation, making [existing] processes faster or more efficient...but this paradigm and this new on-demand world were calling for a whole new way of approaching it. How do you make a company that is routine-based and used to

working in silos or on specialty projects work together in teams and think differently? How do you make a company that is used to ten-year business plans work on trying different things?

[As part of this challenge], we needed to downsize the company...We had a lot of structure there that didn't make a lot of sense, and we needed to allocate more funds to significant investments in content. [As] the second biggest office, Argentina had to go through substantial downsizing. So I was grappling with, on one hand, this new paradigm being formed and the company being open to the fact we need to innovate and really work in a different way, and on the other hand my practical, day-to-day responsibilities where I was going to see a dip in morale because of the downsizing. I was trying to put those two things together and prepare for the future. What could I do that would re-energize the employee base after we downsize?

Then, [by coincidence,] I got an invitation for the alumni of a program BTS did with Time Warner to go to a new innovation program in New York... At this program, you, Peter, gave this amazing speech about innovation, and it was one of the most transformational things I've ever heard. Afterwards, I talked to my colleague in HR, and say 'Listen, this was one of the best things I've ever heard.' She was happy to hear that, obviously, since she's the one who hired you. I asked her if we could do something like this in Argentina, because it would be a home run for us. I didn't even really think it was possible due to budget restrictions. But my HR colleague told me that, actually, she had some budget and would love to help us do it. I was like, 'Deal!!' And that was the beginning of our program, *Shaping the Future*. Without [the HR team], I wouldn't have been able to do it.

So in November, 2014, we invited the 120-person management team of Turner Argentina to *Shaping the Future* to see the presentation and be introduced to the innovation techniques and the rationale behind it all. It was right after we had downsized, and it was one of the most energizing things for employees. **I think that was a moment where things completely changed.** People really got it and were able to work on specific innovation projects. Amazingly, from that session, there were a couple of ideas that didn't sound transformational but had something *there*, which we didn't expect.

PM What happened next? What was the impact?

FS We used to have people here who really liked Turner, but didn't think it was an innovative company. They probably had stuff they really were interested in but not able to do because it wasn't in their job description. But after *Shaping the Future*, managers started to work on the ideas [they'd come up with at the program], and they were amazingly energized and happy. I started to see the momentum. I thought okay, what if we can continue this work even further?

So I called my colleague in HR again, and [asked] if we could do another one of these... Maybe something a little different, where we could iterate some of the ideas from part one and present them on a demo day, so everyone could actually see that there is some consequence to what they did, that it is not a spasmodic thing but that there actually is a strategy behind the innovation and it keeps moving. So we had an innovation event...a talent demonstration, and a place where people could present and vote on the innovation projects that started in *Shaping the Future I*. And then, we took those ideas and did *Shaping the Future II*.

Through this [program], innovation has become something visible at the company, and people are talking about it. It's not only that people are now working on cross-functional projects, but also that we are starting to see how people are working differently on existing projects.

[By the time] we did *Shaping the Future II*, people had been working on and reiterating their projects for some time, and guess what? We had some that were really interesting, like a gaming one that is being launched in two test markets in the spring of 2017. We're working on a few others as well – so two years after *Shaping the Future I*, we have four projects that came up out of it, against all odds.

Through this, innovation has become something visible at the company, and people are talking about it. It's not only that people are now working on cross-functional projects, but also that we are starting to see how people are working *differently* on existing projects. People are putting together cross-functional teams to work on projects where before they would have been very silo'd. Why? Because they had been starting to try, to see how good it feels to work with people you'd never worked with before.

This revolution is starting to happen, and I'm thinking 'We've reached the managers and second level of the company, how about the real employee base?' We have 850 people, we're touching 300. How about the other 500? To make a long story short, we've now developed innovation labs where we have people working one day a week... using methodology you taught us in *Shaping the Future I*. Now we have multiple levels of that happening.

PM As you look back on everything – where you were, what you were thinking when you started *Shaping the Future*, what benefits you expected from it – what would you say was the biggest, most surprising learning you've had from this experience?

FS Well, the first [learning] didn't really surprise me, but it's that one thing leads to another. If you don't move, you will never get anywhere. It sounds silly and simple, but it's not that simple. Some people in corporate life think that they can always be in the same place, not change, not move, and they will be fine because the corporate structure will support them.

[Looking back], I didn't know what the end game [of *Shaping the Future*] really was. Which really speaks about a mindset change. In these times, a lot of what you do, you do it not because you have an end game in mind, but because you don't know what the end game is going to be. If you know what the end game is going to be, you can probably manipulate people into doing what you think is going to be best while giving the illusion everybody is participating. But if you really start experimenting, not knowing exactly what the end is going to be, you will eventually end up closer to your objective than if you'd even know what the objective was. I'm not saying getting there by accident, but rather doing so by being consumer centric, by using tools and techniques to better your odds in the probabilistic game of success. You need to move regardless, because even though you might fail at least you have a chance of getting somewhere.

PM You have to move, not just by placing random bets and gambles but by constantly experimenting, taking small bets, trying things, learning, pivoting, moving...

FS Yes. Success is a probabilistic game. This is especially true in media and technology, because there are so many variables that you don't manage, that you don't know about, that might have an impact in what you are doing. It's a probabilistic game; therefore, you have certain odds of being right. You can improve the odds of being right if you start out right. If you start through customer insights, customer needs, techniques that we learned [in *Shaping the Future*], then you are starting at least with better odds of being right.

PM Is there anything we didn't ask you but that you would really like your readers to know about this whole experience?

FS Generally, you know, I think that as managers, we are paid to think rather than do. And we need to think about the patterns that we are seeing in this day and age. Like shortening invention cycles. Like the democratization of information. We used to think that information was power, but it is not power anymore. The speed to which you use or process information is now power. When you get data on something you are not necessarily getting the full picture, you are getting pieces of a picture, like a puzzle. You can take data and get to the wrong conclusion. So however you process that data, the theories you use to process that data, all help improve the odds of success. I think where companies have a bigger challenge with this way of thinking is where, sometimes, it makes you do things completely opposite to what you think you should.

Companies have to be very open these days. Information is not a scarce resource anymore. There's no value in closing yourself off as a company. You should be having conversations, trying to do good business with outside parties, even competitors – not collusion, I just mean that you shouldn't be scared to give your competitors some information because it doesn't actually mean anything to them anymore. [We're doing that], and as a result we are more open and we are thinking more. That formula you gave me, I'm using it all the time – good decision making = quality x speed x yield - effort. That has become the key for what we do. It's not logical reasoning anymore. If logic was the base of success everybody would be successful. A lot of stuff that you need to do now is not logical stuff... we have to think more about those things.

PM If I could tie a bow around that, you just said a couple interesting things. One: data and knowledge is a commodity. It's become so ubiquitous is that it's not a source of competitive advantage anymore, but even worse, it can actually become a source of disadvantage if you over-rely on it or if you rely on one piece of data without seeing what the data represents in a bigger context. It can actually lead you in the wrong direction. Then I heard you say information isn't power anymore but the speed at which you use it is. If I combine that idea with what you said about experimentation, then it suggests you should move quickly into the unknown, take action fast, but do it cheap, do it smart, have a mindset of exploration and curiosity, have leaders who embrace that...

FS ...and have a certain framework which would improve the odds of success.

PM like the one from *Shaping the Future*! There it is.

"The effect of the work has been great. The leadership team is really excited. New projects keep coming up every day. Turner Argentina was in fact ranked one of the best 20 companies to work for in Argentina by Apertura, the most prestigious business publication in the country. Teams are working cross-functionally around projects --using innovation techniques, prototyping and executing, as if they were startups. All the projects that are in the presentation are being funded."

About the Authors:



Felipe de Stefani is General Manager at Turner Argentina and Senior Vice President & General Manager at TBS, TNT Series, MuchMusic, HTV, truTV, and Glitz*, for Latin America and Brazil. Based out of the Turner Buenos Aires office, Felipe leads the company's business in Argentina and is in charge of establishing overarching strategic direction for all of Turner's business operations in the country. In addition to his corporate duties, he oversees programming, original production, creative services, digital media, marketing, public relations and network operations for 6 of Turner's 17 networks in Latin America.



Peter Mulford is Executive Vice President and Chief Innovation Officer at BTS. He joined BTS in 1998 and has worked in its offices in San Francisco, London and New York. He has advised numerous global firms on developing business acumen and innovation capability, including Coca-Cola, Sony, Hewlett Packard, Barclays Bank, Toyota, and McDonalds. His articles on Innovation and Business Acumen have appeared in CLO and Training Magazines.