

Service Offerings Implementing and Improving Innovation

Financial Technology

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Rory Moore
CEO

BIO:

Rory is an innovation pioneer and assists companies in reframing their businesses through innovation initiatives. He has an MBA in innovation and rigorously combines academic principles with real world experience. Leading teams in corporate banking gave Rory the essential skills to lead the Innovation Agency. At Innovation Agency Rory has successfully implemented many innovation initiatives with a strong focus on social based innovation, which is a more appropriate approach to innovation in today's modern world.

About Innovation Agency:

Each of our service offerings is designed to give maximum impact to your innovation initiative. When combined, these offerings provide a holistic approach to implementing and im-

proving innovation. However, they can also be viewed as individual offerings that can be engaged independently depending on your requirements.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine

CEOCFO: Mr. Moore, what is the concept at Innovation Agency?

Mr. Moore: Innovation Agency essentially helps companies' better deal with ideas within their organizations. If you take the fact that most large corporations have many people working amongst them, what we do in essence is create a better mechanism for people to share ideas. Therefore, I suppose you could say that we enable the future.

CEOCFO: What types of companies are coming to you for help?

Mr. Moore: Quite specifically, we have got a very focused niche that we work with, which is predominantly financial services. The reason why we work with financial services organizations is twofold. The first is that what we have found is that most financial services organizations have a large number of highly skilled, highly educated people working amongst them that we want to share ideas and contribute to their working environment. We have also found that in financial services companies the old innovation models are not as effective as they had been in industrial organizations. This really comes down to what we call the "thinking / doing gap". What that means is that you have got a higher portion of people that do more thinking and doing combined as opposed to a pure separation of those duties. Therefore, what we have found is that the

companies that we work best with and that we have picked a specific niche with are financial service organizations. That is simply because our method and approach that we have pioneered is far more effective in these organizations due to the social collaborative nature.

CEOCFO: Would you give us an overview of your method? What have you figured that perhaps others have not?

Mr. Moore: Just to give you some background on the business first; there are three main pillars to the business. There is the advisory pillar, which really serves as a classic management consulting approach, which identifies what is happening within an organization, how would we define their integration strategy in a road map, and so on. The second is the journey program or the ability to drive their change over an extended period of time with our client. The third is the software platform. Those three combined together is something that makes us pretty unique in that we put all three capabilities focusing on one specific competency, which is innovation in the vertical of financial services. That has made us unique. Our business overview is that we really help leaders connect with employees on a massive scale and that supports the collaborative nature of what we do. What makes a difference is that we have figured out a way that allows people to break through the traditional bottle necks and stumbling blocks that has plagued innovation in this area. That has made us unique.

CEOCFO: Would you give me one or two concrete examples of how you work with an organization and a

change that you were able to facilitate that we could all understand?

Mr. Moore: A great example would be that normally people would approach us with either one of two problems. One; “we have done innovation, we have tried innovation and it has not worked.” The second is, “We want to do innovation and we are not sure how to proceed.” In essence both of these worked out to be the same sort of approach, which is “let us move forward in a journey that helps them better capitalize on the innovation and ideas that sit latent in their organization. To give an example, we would work with companies to facilitate a large number of ideas. A great example would be FNB, First National Bank from South Africa, where on an annual basis we track thirty thousand people sharing sixteen thousand ideas of which over two thousand are implemented. That draws a net present value or economic benefit of about two hundred and fifty million US dollars. This is a case in point of delivering on your innovation mandate. Innovation is one of those things where people talk about it, everyone knows that it is important, but no one is really able to capitalize on what that means. Therefore, we have taken in from highly conceptual to practical, tangible, implemented ideas in this obviously very large corporate environment. We have managed to get direct benefit out of, which is straight through to the bottom line or would lead to increased revenue. I think that has been quite important for us as a proving ground for the fact that the model works really well.

CEOCFO: Are you tracking emails? Are you tracking tweets? Day to day; what is happening when your system is in place?

Mr. Moore: That is a very good question! The key thing we track is ideas and how to share is obviously the crucial thing. What we have found is that people often have good ideas, but do not know where to share them or how to share them. Therefore, our whole initiative focuses on driving awareness around the fact that there is a software portal where you can share your ideas and then share

those ideas with the world. That is because most of the time we find that people, first of all, do not know about the fact that they can share ideas. Second; when they do share ideas they are nervous about sharing ideas, because they are concerned that ideas get stolen or lost, whatever it might be. Therefore, we have created a very transparent platform that allows people to share ideas on a massive scale with the entire organization. They can share it either incorporated from an email or a tweet or various other mechanisms, wherever and whatever is convenient. It allows them to share their ideas, capture it and then work on it. That is the key thing. The second thing is what we found out is that it is not a classic case of leaders leading from the front. If you just imagine, you are a new employee and you have joined this massive bank of financial service organization. Now you are asked to share ideas, but you have got the CEO of the company sharing ideas as well. We find that it scares many people off. What we have done is a clear role

“Innovation is one of the last frontiers of competitive advantage.” - Rory Moore

separation, where we have got the leaders of the organization to set the context through campaigns and challenges. We have got champions who mobilize support throughout organizations. Then you have got the people who share ideas. We want a clear separation of roles. That way everyone feels that they can share their ideas. That has led to a lot of successful interaction, where people feel comfortable that they have been given guidance and support from the top and are being encouraged and allowed to mobilize and connect through champions and other ambassadors that connect people in organizations. That is really one of the key things we have learned from social networks. If you look at what you have learned through the collaborative nature of YouTube, Facebook, Twitter, LinkedIn, for example, once you start to share ideas it really starts to gather traction.

CEOCFO: Do you find any reluctance? How do you get around the reluctance of some people to share what they are thinking about, either because they do not want anyone else to take their idea or maybe they are not sure and they do not want to be seen as either pushy or out of step with an organization?

Mr. Moore: There is often reluctance and surprisingly so. Given the fact that people are so keen to engage and often find that people want to contribute more, there is still a lot of reluctance. One of the key things that we often encounter is, “Even if I share my idea my superiors will block it there so it cannot get anywhere.” That is obviously a political trap or a corporate trap around the fact that you have got a hierarchy of reporting. To get around that we have found that if you can enable a social or collaborative environment, which means if I share my idea, but I will allow the crowd to help facilitate or to decide whether it is a good idea or not. To give you an example; let us say that I am reporting to you and I have got an idea. If I share that idea with you and you say no, I cannot do anything with it because you said no. However,

if I share it with the entire organization and twelve thousand people say yes and four thousand people say no, then you have probably got a fair idea that this is something we should look at further. Therefore, it actually removes many obstacles and many of the challenges people found around sharing ideas. We have found that allowing transparent ranking and rating and a social collaborative mechanism to share ideas and to also foster ideas, removes many of the stumbling blocks that people have with sharing ideas. That is quite important for driving the kind of change that you want to see. The other thing is that if you take innovation, it is about progressively changing the organization. Therefore, innovations and ideas lead to change. People often neglect that. Innovations are obviously implemented ideas and that leads to change. Change means that some things will change in the organization and I think that is where we get it right; by allowing the

leadership to set the context for that change. That is because once ideas are shared you have to do something with them. That means there is a certain amount of change. Therefore, your ambassadors for that change have to be senior enough in the organization to try to do something with it. We have found that “match making” leaders with ideas has been a very good recipe for actually delivering innovation in complex financial services organizations.

CEOCFO: How do you make that match?

Mr. Moore: That is one of the key things. If you take the traditional method to follow innovation there has been a stage gate model. It works really well if you are in big pharma or anywhere else in an industrial organization. However, what we have found is that model does not really work as well with a scaled up approach, where you have got maybe thirty thousand people sharing ideas. The way we match make is we identify stake holders and challenges. We would essentially take business leaders within the organization and we would say, “What is the key issue that you are trying to solve. What are the key things you are looking to deliver in the next financial year or calendar year or whatever it might be.” Then we would help them shape a campaign that we would use as challenges that we pose to the organization that seeks to solve those things. For example, a classic one would be a CFO who says, “I need to reduce our cost base by twenty percent.” The campaign he would run would be around reducing the cost base of the organization. If people are sharing ideas it kills two birds with one stone. Why? If he implements those changes he is actually hitting a score card agenda of his. The people who are within the organization are helping him shape his own deliverables, but also it allows people to share ideas with someone that they know wants to do something with them. That is often the biggest trap people find; that “If I share it no one will do anything with it.” That is the old model of doing it. You get ideas and then you mobilize for support. The problem is that it

becomes such a lengthy and cumbersome process to mobilize up front that it becomes self defeating. Therefore, what we have found is that if you can identify the stake holders up front you can align them so that people know that there is someone in the organization that has got the mandate or the budget and the clout to get certain things done. It helps them to share ideas on a much more rapid scale and also it aligns them with people that can do stuff. We found that it is a great match making tool.

CEOCFO: What is your geographic reach? Would you like to see that expanding?

Mr. Moore: Yes, very much so. We really want to expand within the US as well as in Europe and the East. We have got big ambitions. The reality is that if you take banking and financial services as a vertical, then each geography only has a limited amount of potential customers that we are working with. Therefore, in order to protect our niche we need to make sure that the only way can expand is geographically. That is where we have been proud to be associated with Finovate and to demo within Finovate just over a month ago at Finovate Fall. Expansion is obviously a great aspiration for us and a great opportunity. We have had many inquiries and customers reaching out to us to possibly assist with what they do.

CEOCFO: Are there many or any companies in your space or that have made attempts at the same approach?

Mr. Moore: There are a few companies in this space. However, most of those companies that have been around have followed a generic approach to innovation. That means it is an innovation approach that works across multiple industries. We have found that financial services is very specific and very unique in its requirements for innovation, because of the legislation around how you deal with banks and how banks approach risk and governance, as well as the ability to engage with your customer base. It is different in the financial

services environment to other industries. To give you another case in point is that, if you had to take any organization that is working with shampoo or toothpaste or fast moving consumer products you can ask customers what they want. They can generally give you a good idea. In financial services organization there is so much complexity behind the scenes that we have seen that you have got to approach it from a very different perspective. That is where we have essentially developed our niche. Therefore, there are many generic crowd sourcing companies out there but we have got a very specific mandate around who we engage with and how. That is simply because we have a unique approach to doing that.

CEOCFO: How is business these days?

Mr. Moore: Business is good! Business is really good for many reasons. One; people have begun to realize that maybe innovation is one of the last frontiers of competitive advantage. If you look into the ability to release new products and new services, fifteen years ago it took ages for companies or corporations to respond to a new product and services. Now, we find those timelines have reduced drastically. That means that to maintain your competitive advantage you have to rely on all of your people; your employees and your stake holders. What that means is to develop a sustainable, competitive environment with innovation is the last frontier. That is because people have recognized the fact that we need to learn how to drive the change from within and we need to protect ourselves and develop a culture that means that we are consistently coming up with ideas and products and services and improvements, without relying on one specific department to do it all. I think as people have realized that there is a lot of intellectual capital that sits out there that we have not tapped into to solve some of those pressing problems; once people have begun to realize that and that is happening more and more often, we have found that people are approaching us more often

asking for assistance in dealing with those issues. Once organizations get to a certain level of maturity they are recognizing the fact that the CEO does not know everything and cannot solve all the problems, but knows that there are people at the source of all the issues that are best equipped to deal with that. Once they recognize that fact, then you want to mobilize people. I think that is where we have had a lot of success.

CEO CFO: How do you encourage an organization to give credit to the people who have come up with the idea? Is there a mechanism in place that able to encourages sharing?

Mr. Moore: There are. Recognition and rewards are very important things. We use many things along the lines of dashboards, score boards and leaderboards, where people can earn points for participation and so on. However, it essentially comes down to a high level question first, which is, "Do you want to reward people with a financial incentive or do you want to recognize them through something which is more intrinsic?" Do you want to pay money or to do you want them to do it because it is part of what we want them to do, because they want to belong and they want to do it to help improve the company and add to the culture of the organization? It comes down to the disposition of the

organization. Therefore, both ways can work. Often, much of our early work is in assisting to determine which mechanism you want to employ and where you will do it. What we have found through our research to date and all the engagements we have done to date, opinion is split along hierarchical lines. The more senior you are in the organization, the more you want to do it for the love of the game. The more junior you are, the more you are after the money. It comes down to a clear separation or distinction between the fact that the more senior you are the more you are earning a good enough income that you do not have to worry about living hand to mouth. Therefore, you can look along to when your share options are vested or further along the future, so you will have a longer view around how these things should play out. That means that you are in it for the recognition as opposed to the pure reward. The more junior employees; any quick buck they can make will add straight to their pocket. Therefore, they are often after the financial reward. Which means you have got a "disconnect" between what leaders see as important and what junior people see as important. We identify how to bridge the gaps. Therefore, often our programs that we employ have a clear communication strategy to try and assist in breaking down

those barriers or connecting the dots, to allow people to see those differences in opinion and to provide a recognition and reward program or process or mechanism that services these two distinct groups of people.

CEO CFO: Why should business community pay attention to Innovation Agency?

Mr. Moore: Innovation Agency has managed to solve some of the key problems around getting innovation right in large organizations. Where there are a lot of people that want to share ideas, we find that we have had great success in enabling people to collaborate, share ideas, implement and execute as well as realize the benefits. We have managed to drive innovation forward, not just in terms of the theoretical academic view of innovation, but from a practical perspective; getting innovation right in large complex organizations and getting a serious uptick and economic benefit out of it. That is why we think companies should pay attention to what we are doing and how we are doing it.



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