



CIO EXECUTIVE VIEWPOINT

Winning Innovation

It's not just about the next cool thing

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When it comes to innovation, there seems to be no one more passionate than Michael Escoe, vice president, Americas Marketing, at Orange Business Services. He says that innovation isn't just about the slickest new product, but rather about endeavoring to be cutting-edge in the way you do business. Here's what else he had to say.

What is innovation?

Most people think of innovation in terms of new products or services, which is important because that certainly creates advantages in competitive markets. But let's not forget about process innovation. We believe process innovation has the greatest impact on customer loyalty by creating a more efficient and effective work environment. So an equal focus on product and process is the only way to approach the marketplace. That's what we do at Orange Business Services.

What is today's business argument for investing in innovation?

Innovation fosters the new ideas, technology and processes that spur good business. It's no longer feasible to compete solely on cost, so the capacity to innovate has become the most critical element to sustaining a business edge. In an increasingly competitive marketplace, an "innovation-friendly" environment promises to foster the cutting-edge talent required to meet the challenges of today's business environment.

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How has innovation evolved over time?

The definition of innovation is ever changing and is already evolving away from trying to create the next new, cool product. Current expectations are that innovation be steeped in practicality. Things change so rapidly now that it forces a huge dependency on customer expectations – products only make sense if customers will use them, and no one can afford to make mistakes. At Orange Business Services, we take customer input very seriously and spend a lot of time discussing what we're doing with our customers so they can give us their assessment.

Why is it important for CIOs to partner with vendors that invest heavily in innovation? What characteristics should they look for in partners?

Even in a poor economy, the pressure for innovation really doesn't cease. The key is to find partners that will help you create the processes, services and solutions that will enable you attain the main ingredient to success – which, of course, is happy, paying customers.

How pervasive is innovation within Orange? Do you consider it to be a differentiator for the company?

As a member of the France Telecom Group, we have outlined a five-year strategy called NEXt (New Experience in Telecommunications), for which we're committing 2 percent of total group revenues to R&D by 2008, which could total as much as \$1 billion USD in R&D spend. But it's more than just money; committing resources is also important. We employ more than 4,200 researchers and seek out partnerships in "high-think" areas like Boston and San Francisco to be close to the likes of MIT and Stanford. We have some of our 17 research and development labs looking at a development window of 10 years and other labs looking at what is coming in the near future.

Can you give me an example of a successful innovation initiative at Orange Business Services?

One of our most interesting examples of innovation is a project we call "Widgets." It's at the center of a new Orange Business Services application that allows users to identify and access data on their cell phones or PDAs with a single click, rather than hunting and pecking on a tiny keyboard. The data sets range from a contact database or customer service record to a stock quote. It's all about simplicity and convenience, and ultimately enhances the customer experience – which is the cornerstone to all of our innovation.

**What advice do you offer business and IT leaders who want to foster a culture of innovation?**

First, in order to really foster a culture of innovation, you must learn to accept failure. After all, it's better to fail at the R&D level than in a live environment. Second, although it may be difficult in these cost-conscious times, you need to create an open environment of innovation. Innovation is everywhere, not just in R&D. Third, set clear strategic goals, making innovation an integral part of your business strategy. Fourth, find evangelists to drive the vision and innovation. Be sure to consider all employees innovators. And finally, remember that innovation is not only about technology but about business process improvement as well.

For More Information:

Check out this white paper, "Machine To Machine" at www.cio.com/whitepapers/orange

