

IN CONVERSATION

The beauty of knowledge in motion

Progress happens when a deeper purpose outweighs profit

Future of Leadership Initiative · 2015

Bill McDermott took the time to answer our questions on progress for the Future of Leadership Initiative — on the flight back to his office in Philadelphia. What does progress mean for someone who runs one of the largest software companies in the world?

Progress happens when the idea of a deeper purpose outweighs profit, when you commit yourself to realizing a picture of the future.

Without a powerful vision, McDermott says, there is no progress.

Knowledge in motion

“Progress means investing in technologies, in the democratization of information, of our knowledge and learning,” he said. “From that follows the modern economy of information exchange — the beauty of knowledge in motion.”

Digital technology helps to create new relationships and to spark global understanding. The task is to handle the enormous volumes of data being generated all the time. The amount of available information doubles in less than eighteen months. In other words: everything humanity has produced in all its history so far doubles within a year and a half.

“Against that background, I consider it progress to select and process relevant data in real time — information that can predict what is likely to happen next and puts everything needed for smart decisions at your fingertips.”

McDermott began his career at seventeen with a small delicatessen on Long Island. His first job in the technology industry was at Xerox. He has since spent more than three decades in the software business — with his eyes consistently on the customer.

His picture of the future

Asked about his idea of progress, he answered first:

My idea of progress is a world full of happy people. I believe every human being should be entitled to the same education.

His wish, he said, is to see all people gain access to knowledge and information. A core value of society should be the rebirth of curiosity. And, especially important: access to food, water and the natural resources that are becoming scarcer. All of this requires us to live differently, behave differently and use technology in entirely new ways.

McDermott sees the innovations needed for this in the power of mobility. On the one hand in the devices that bring people online even in remote regions. On the other in people's ability to connect, share information and bring interests together.

"I work with a woman from South Africa who used to spend eighty percent of her business volume driving from place to place to gather information about her suppliers' goods and services," he said. "With a single mobile application she automated her entire supply chain. The more you enable networks in such areas and provide useful tools, the more people develop their curiosity — and find their own ways."

What this means for large companies

The age of linear thinking is over, he said. Anyone who wants to make decisions that enable real progress needs connected, lateral thinking — instead of reducing the business to a few key figures.

"The yardsticks of success have to evolve and change. The long-term principles of a lasting business must take precedence over considerations of profit."

Finally, a proposal that is surprising in a fiercely competitive industry: "I think it is fundamental for digital companies to work together to bring digital technologies together and develop new, connected solutions. That network economy is what excites me."

Why this conversation is here

This interview is from 2015. Much of it seems fulfilled today, some of it naive — the network economy did arrive, but not as collaboration; it arrived as platform concentration.

Why it is here nonetheless: McDermott describes attention as a scarce resource a decade before the term arrived in leadership debates. When information doubles every eighteen months, selection is the real achievement — not access. That is exactly our thesis: attention is strictly limited and permanently flooded, and leadership is the force that can focus it.

The second sentence that stays: “The yardsticks of success have to change.” Ten years later, most companies still steer their transformations by the same key figures as their day-to-day business — and wonder why the transformation loses out.

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