

2019 no. 33

UNO

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The **IMPACT** of
exponential technologies on communication

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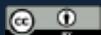
IDEAS LLYC is a combination of global relationships and knowledge exchange that identifies, focuses and channels new social paradigms and communication trends from an independent position.

Because reality is not black or white, we created IDEAS LLYC.

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UNO is an LLYC IDEAS publication created for clients, industry professionals, journalists and opinion leaders. In it, contributors from Spain, Portugal and Latin America, as well as LLYC's Partners and Directors, analyze issues related to the world of communications.

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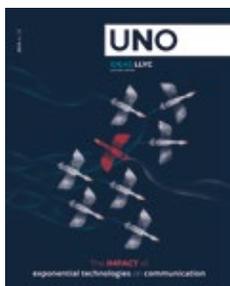
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The **AUTHORS**



Gonzalo Martín-Villa Peña

Chief Innovation Officer at Telefónica. He has led three innovational verticals since May 2016, as Global Innovation Officer: Core Innovation, Entrepreneurship & Innovation Ventures; and two Telefónica subsidiaries: Alpha and Telefónica Educación Digital. He previously headed Telefónica's start-up accelerator Wayra, of which he was CEO from its launching in 2011, helping it become one of the largest technology accelerators in the world, with operations in 12 countries across two continents. His experience expands from Europe to Latin America where he headed the Technical Secretary's Office for five years. He also held different positions within the Legal Department, on a regional level for Telefónica International and on a local level as legal counsel for Telefónica Móviles México. [\[Spain\]](#)



Adolfo Corujo

Partner and Chief Strategy & Innovation Officer of LLYC. He is a specialist in reputation and business management based on digital disruption. Over the twenty years of his career, he has collaborated in designing and executing construction projects, and in defending or promoting the identity of different multinationals in Spain and Latin America. In the academic world, he collaborates with business schools and universities on both continents, in both research and training in the fields of strategy, innovation, digital identity and management of change. He recently published his first book, entitled "*Comunicación*". [\[Brazil\]](#)



Daniel Fernández Trejo

Chief Technology Officer at LLYC. He currently heads up the Technology business unit and is the company's global CTO. He has worked for 13 years in the design, implementation and launching on the market of multi-device internet services and platforms, having spent a large part of his career working with dynamic international teams, in which he stood out for his coordination and management skills, leadership and teamwork. Daniel joined LLYC in 2011 as Accounts Manager of the Online Communication business unit and in 2017 he was appointed Global CTO. Over the years he has been at LLYC, he has collaborated with companies such as Enagas, Cepsa, Gonvarri Steel Industries, Bertelsmann, L'Oréal and Acciona, among others. [\[Spain\]](#)



Michelle Greenwald

CEO of Inventours™, a US-based firm that curates visits with leading global innovators in tech, product design and food to help companies improve innovation processes. She runs “Innovation Days” for companies, with retail innovation “safaris” to foster innovation cultures. She’s a former senior executive at Disney, Pepsi-Cola, Nestlé and JWT. Michelle teaches Marketing at Columbia, NYU Stern & IESE Business Schools. She writes about innovation & marketing for Forbes, and wrote the book, “Catalyzing Innovation” to help firms innovate systematically with fresh thinking. She does business & marketing plan consulting & executive education for senior management at global firms. [USA]



Txema Valenzuela

Founding partner of La Propagadora, a strategic communication consultancy. He was previously in charge of communication and content advertising at Movistarplus and of digital communication at BBVA. As a journalist, he formerly worked at EIPais.com and EIMundo.es. [Spain]



Nacho Villoch

CEO of Kamiwaza 2020. A law graduate and specialist in international marketing through training, in addition to several post-graduate degrees (from IESE, IE and Colombia), he has lived and worked on 4 continents (from Singapore and Hong Kong to Paraguay and Bolivia, including Lisbon, New York and Miami) in executive positions within the financial sector. Nacho Villoch, an all-terrain communicator, is an active generator of contents on communication of innovation, as well as the other side of things, innovation in communication. He has worked in this area for more than fifteen years, carving out a solid reputation in the field. [Spain]



Miguel Lucas

Data Business Leader at LLYC. He is a Telecommunications Engineer and has a 10-year track record in the design, manufacturing and launching on the market of corporate search engines, open web and deep web. He specialized in designing ranking algorithms for search engines and automated natural language processing. In 2008 he started up the company Acteo, from which he has collaborated with LLYC in the design and implementation of different solutions, such as BEO and MRO in the Digital area, and he has participated in the execution and start-up of numerous digital identity development projects. Miguel is currently Data Business Leader, engaged in developing data exploitation strategies and metrics that contribute value to clients’ reputation and business. [Spain]



Cristina Aranda

Cristina works on **Business Development for Europe in Taiger**, an Artificial Intelligence company. She is also **co-founder of Mujeres Tech**, an association aiming to promote initiatives among girls, young people and adult women and men with a view to increasing the presence of women in the digital sector. She is on the Red.es gender round table (Ministry of Economy and Enterprise). She has a PhD in Theoretical and Applied Linguistics, a BA in Hispanic Studies, Master in Internet Business and heads up the Data in Real Life module at Master Data Analytics, ISDI (Internet Development Institute). [Spain]



Lalo Zanoni

Journalist specializing in technology and new media. He writes for different media, including Forbes, the daily newspaper El Cronista and the magazines VIVA (Clarín), Brando, Wobi and El Planeta Urbano, among others. In 2006 he received the TEA Estímulo Award to the best journalist in digital media. In 2007 he founded the social media agency tercerclick and had a blog on ciberculture. He is currently a **partner of the agency Thet Sudio**. He also features in radio programs and is a university lecturer, business consultant and speaker at talks on technology and innovation at different local and international events. [\[Argentina\]](#)



César Cernuda

César Cernuda is **Corporate Vice-President of Microsoft Corporation and President for Microsoft Latin America**. He has a degree in Business Administration and Marketing from ESIC University and completed an Executive Development Program at the IE Business School (IESE) at the University of Navarre and the Leadership for Senior Executives Program at the Harvard Business School. He has received awards from the Spain-USA Chamber of Commerce and Hispanic IT Executive Council, among others. He also represents Microsoft on the Council of the Americas and Trust of the Americas. [\[USA\]](#)



Goyo Panadero

Manager of BMC (Brand, Marketing and Communications) and member of the Executive Committee of EY Spain. Member of the Advisory Board at LLYC. He has an extensive track record in communications within large multinationals. He was formerly Global Communication and Corporate Reputation Manager at Deloitte, Ferrovial and BBVA. In 2013 he founded Impossible Tellers, a small consultancy in which he focused his career on investigating the leadership of senior executives and transmedia narrative. He joined LLC in October 2015 as Partner and General Manager of Spain and Portugal. [\[Spain\]](#)



Andrés Pedreño

Professor of applied economics, expert in digital economics, entrepreneur, Rector of the University of Alicante (1993-2000), CEO of Universia (2000-2004), and member of the holding council of Santander Universities and Universia up to the present. He is a member of the government's group of experts to prepare the white paper on Artificial Intelligence and Big Data. He was a pioneer in the introduction of MOOCs in Spain through the Unimooc project. **Chairman of Ityis, 1MillionBot and founder of Torre Juana Open Space Technology**. He has written over fifty books and specialized publications on economics. Eisenhower fellow 1988, Dr. Honoris Causa from Nottingham Trent University (1997), award for scientific merit 2016 from the Valencian regional government (Generalitat Valenciana), Academy of Moral and Political Science, North American Academy of the Spanish Language. [\[Spain\]](#)



Iván Pino Zas

Partner and Senior Manager Digital LLYC. Pioneer in digital communication in Spain, he heads the most global area of consultancy in the firm as a partner of LLYC, developing digitalization solutions for marketing, reputation and public affairs. He is a part-time professor in Client Experience at the IE Business School; co-author of *“Claves del nuevo Marketing. Cómo sacarle partido a la Web 2.0”* (2009, Gestión 2000); and editor of the first e-book in Spanish on communication in the social media: *“Tu Plan de Comunicación en Internet. Paso a Paso”* (2008). [Spain]



José Luis Rodríguez

Business Transformation Leader at LLYC. Over the past 20 years he has developed his career in the implementation and management of IT projects and services for companies such as Telefónica, Repsol and Sanitas. Since Acteo was set up in 2008, he has collaborated actively with LLYC in the Digital area, designing and developing solutions related with online reputation and analyzing, developing and implementing web projects and solutions for our clients. [Spain]



Paulo Nassar

Diretor-Presidente da Aberje, Professor Titular da Escola de Comunicações e Artes da Universidade de São Paulo (ECA-USP). Doutor e mestre pela Escola de Comunicações e Artes da Universidade de São Paulo (ECA/USP) e pós-Doutor pela Libera Università di Lingue e Comunicazione di Milano (IULM), Itália, é coordenador do Grupo de Estudos de Novas Narrativas (GENN ECA-USP) e professor titular da Escola de Comunicações e Artes da Universidade de São Paulo (ECA-USP), pesquisador orientador de mestrado e doutorado. [Brasil]



Cristian Marchiaro

Entrepreneur and Executive. **Founder of Horse**, the first management software and measurement system for the PR industry. **Founder of Uanaknow**, a technology-based start-up enabling companies and organizations to take better decisions based on information obtained through open innovation and collaboration. For 7 years he was CEO of one of the leading communications agencies in Argentina, providing counseling for Fortune 1000 companies such as Google, Twitter, McKinsey, Danone, Oracle, among others. He previously formed part of the Corporate Practice of Edelman and Fleishman-Hillard Argentina. [Argentina]



Ignacio Quintanilla

Senior VP of Scotiabank and Retail Head & Consumer Finance at Scotiabank Peru. He has a track record of over 20 years in banking, in the markets of South America, Mexico, Spain and Turkey. Based on his passion for new technologies, creativity and marketing, he has founded and invested in several different start-ups. He is currently on the board of Pagos Digitales Peruanos and Compañía Peruana de Medios de Pago. He is an active promoter of equal opportunities and inclusion, and a member of the board of Dress for Success Peru and the executive team of Premio Igualitario Sociabank.



COMMUNICATE in TIMES of DISRUPTION



José Antonio Llorente

Founding Partner and President of LLYC / USA-Spain

At LLYC we have spent years discussing with our clients the best communicative responses to a reality that is becoming increasingly hard to govern (and not only in political terms). We attempted to describe it some time ago with the initials VUCA, of the adjectives volatile, uncertain, complex and ambiguous. They were first used by the US Army Military Tactical School, in the aftermath of the Cold War. The VUCA world then described a new scenario, much more multifaceted, rugged and unstable. The expression has been around for a while, yet it is uncommonly topical at present, when technology and the social changes it brings and accelerates confront us with an unknown reality that is developing at breakneck speed with new rules and rituals.

In this edition 33 of our magazine UNO, readers will find a broad array of approaches and outlooks on how technology aids and defends us, while also at times threatening and challenging us and forcing us to leave our comfort zone, defined by what we know and are familiar with, and what we have already experienced.

Debate these days often boils down to heads or tails, a black or white choice between technocracy or populism, globalization or protectionism, privacy or hyper-transparency, truth or fake news. In each of these possible dichotomies, citizens have shifted from being mere receivers of information to generating, spreading and amplifying most of the contents. The information flow has become so great that it is increasingly difficult to stand out in a

world so saturated with information. And those who previously made the decisions now find themselves offside and weak or vulnerable.

We need new methods, a different way of looking at things and a new style of telling them. I draw your attention to four aspects that should not be overlooked. Firstly, the corporate narrative should change from storytelling to storydoing. If I might make a free interpretation of this, companies should make fewer promises and more commitments that are actually met. Secondly, the essential aim should be to generate trust, since this is the only cryptocurrency that has universal value. Thirdly, communication must be sustainable over time, in both transparency and responsibility. Finally, the previous three requirements can only be met through anticipation and innovation.

At LLYC we have taken these four essential characteristics for moving ahead with guarantees and even maintaining a running pace in the unprecedented VUCA marathon and summed them up in a slogan. We call it 'embrace disruption'. We could equally say: be prepared, innovate and get one step ahead. It is time to turn around the slogan brandished by the older generations, coined by Saint Ignatius of Loyola as [lit.] 'In times of tribulation we should not make any changes'. Because we are convinced that in these present times of great changes, it is not advisable to sink into tribulation and protect ourselves, but rather to get ahead, embrace the disruption and act-communicate. And if I may add a subtle nuance, we must do it well.



CHALLENGES of INNOVATION in MULTINATIONALS in 2020



Gonzalo Martín-Villa

Chief Innovation Officer at Telefónica / Spain

INNOVATION IN TELEFÓNICA: MAKING THE ELEPHANT DANCE

“An elephant like Telefónica can be made to dance.” This is the way the chairman of Telefónica, José María Álvarez-Pallete, describes how large enterprises also innovate. Innovation is even more necessary in telcos, owing to the decisive transformation that the sector is undergoing with a view to achieving future growth. We are just at the beginning of an unprecedented technological revolution, with millions of new objects connecting to Internet every day, consolidation of Artificial Intelligence and irruption of quantum computing.

In times like these, innovation plays an even more important role. Yes, Telefónica is an elephant that has been around for almost 100 years, but innovation is part of its DNA and it has proved capable of adapting and dancing to the tune of the new times, always riding the different waves of technological disruption. We are ready to ride the current wave and, once again, offer our customers the best that technology can offer to help them in their everyday tasks and improve their living standards.

“We are just at the beginning of an unprecedented technological revolution”

AN INNOVATING ELEPHANT WITH A LENGTHY TRACK RECORD

It is unusual in itself for a company like Telefónica, which innovates every day from all corners, to have a Chief Innovation Officer, my present position. But unlike this innovation, highly focused on everyday needs and short-term business operations, the focus of the global innovation area is to impact in the medium and long term. Our mission is to anticipate the company's needs and contribute to its future growth by creating new capacities in our networks and new services for our customers.

To do this, we tackle innovation from two angles: one internal and the other open to collaboration with third parties. There is no point in innovation without collaboration. We would be shutting out the talent, ideas and technology that are out there and can help us to grow.

So we innovate internally in core initiatives using own resources and with third parties through one of the most important entrepreneur support ecosystems in the world with our Wayra and Open Future initiatives and investments made by Telefónica Innovation Ventures.

“We are adapting our networks to the future, preparing them for the arrival of 5G and accommodating new technologies such as edge computing”

INTERNAL INNOVATION FOR TELEFÓNICA'S CORE BUSINESS

It is vital for Telefónica to provide the best connectivity so that we can offer our customers increasingly more and better services. This is the first requirement for access to the digital world. Consequently, many of our internal innovation projects focus on connectivity, Telefónica's core business. We are adapting our networks to the future, preparing them for the arrival of 5G and accommodating new technologies such as edge computing, with which we will be able to improve services we already provide and offer new ones that will be key to development of the Internet of Things.

Many of these projects stem from our intrapreneurship program based on the Lean Startup methodology, a program we have called Lean Elephant, through which our employees devise and promote projects created within the company. The selected projects are initially managed as startups, and only those that prove they have great potential to impact the company's business prosper.

This is the case of Internet para Todos (IpT) [Internet for Everyone], an initiative that is already being developed successfully in Peru and which we want to extend to other Latin

American countries. Some 100 million people in that region have no access to mobile internet so are unable to benefit from the economic and social advantages it offers. Those people generally live in remote, isolated areas where it is very costly to lay conventional telecommunication lines. IpT is making it possible to roll out the necessary networks under an economically sustainable innovative model combining the use of alternative technologies and third-party collaboration. This allows our business to grow, while we extend connectivity to ensure that nobody is left out, and we are very proud of this.

OPEN INNOVATION AT TELEFÓNICA

Eight years ago, Telefónica plunged into uncharted waters and set up an ambitious startup acceleration program, Wayra. We were aware of the talent in the markets in which we operated and wanted to promote it to prevent an exodus to other countries. Things have not been easy for Telefónica, a company that many entrepreneurs wrongly considered an elephant incapable of innovating. We have learnt a lot along the way, from entrepreneurs, startups, our own mistakes... But we can now say that Wayra, together with Open Future, our network of entrepreneurship partnered with public and private institutions; Telefónica Innovation Ventures; and our scouting teams in some of the most important innovation hubs in the world such as Silicon Valley or Israel; have enabled us to create a very powerful innovation ecosystem that is essential for the growth of our business.

LESS "SEXY" BUT LOYAL AND CONSTANT

I have always said that Telefónica is an innovative company that may seem less "sexy" when compared with companies and technological platforms that have been digital from the outset. But we have 95 years of innovation behind us, during which we have been reinventing ourselves and looking ahead every single day. Almost a century of constant innovation that is vital if we are to offer our customers the best service and make our business grow. It is also vital to enable others to innovate through our networks,

because without connectivity, the wave of technological disruption we are on would be inconceivable.

“Without connectivity, the wave of technological disruption we are on would be inconceivable”



the **THE FIVE MAJOR TECHNOLOGIES** that are **REVOLUTIONIZING** **COMMUNICATIONS CONSULTANCY**



Adolfo Corujo

Partner and Chief Strategy and Innovation Officer at LLYC / Brazil



Daniel Fernández Trejo

Chief Technology Officer at LLYC / Spain

During the period 1995-2000, Cisco Systems staked its entire strategic vision on the belief that the future of communications was going to be based on the concept "IP Everywhere", i.e. operators would not provide "smart" networks and "value added" services, but rather the "intelligence" of the web would be in all the devices connected to it and the web would be merely a standard pipeline through which all the information would move, whether voice, text messages, images, files or conference calls. This vision, which initially appeared to be a breakthrough limited to the technology and communications sector, has changed most sectors and companies throughout the world in just 20 years.

To give example, the record industry ignored this phenomenon, failing to see that this protocol would allow the rollout of peer-to-peer file transfer services and offered a new distribution and sales channel for music, which gave rise to the emergence of enterprises such as Napster, iTunes and Spotify and, consequently, the transformation of the entire music industry, spelling disaster for the record industry.

In recent years, increased computing, storage and information transfer capacity, on the one hand, and the consequent cost savings, on

“Segmenting messages to defined, complex social-demographic profiles is no longer sufficient; it is now necessary to send the right message”

the other, have opened the door to several technological phenomena that are largely transforming society and the economic sectors.

Technologies such as the appearance and development of cell phones or virtual reality, which put hyper-personal spaces at users' fingertips, force communication to be personalized, adapting not only to individuals, but also the time and place those individuals are in. Segmenting messages to defined, complex social-demographic profiles is no longer sufficient; it is now necessary to send the right message for the specific time when the recipient receives the communication.

If you receive an advert on your cell for the type of hotel you would normally want to book for a business trip, when you are actually looking for a hotel for your family vacation, far from meeting your needs as a client, this

“Over the past five years, technological trends that have revolutionized society have matured -not emerged- thanks to this increase in technical capacities and lowering of costs”

could actually be annoying, since the channel is your own phone so it is invading your “private space”. This is not so irritating when the adverts are broadcast on television, a “public space”, where if you are not interested you can disconnect for a moment until the next advert or program begins.

Over the past five years, technological trends that have revolutionized society have matured -not emerged- thanks to this increase in technical capacities and lowering of costs, allowing large players such as Google, Amazon and Microsoft, with their cloud services platforms, to make their use more democratic.

All sectors have been or will be affected, including communications. These five major technological trends are an example of this:

1) Artificial Intelligence: chatbots and virtual assistants that “humanize” conversations that someone may want to have with us, allowing us to identify their needs and respond with adequate information.

It also enables us to use new devices such as smart speakers to activate other communication channels with our stakeholders.

2) Big data storage, together with increased computing capacity, thanks to the development of server hardware and distributed com-

puting (capacity of computers to work together on a particular task), enable us to obtain and store the information that our stakeholders are giving us directly or indirectly and analyze it, for example to identify early alerts, and even use predictive models to foresee them so that we can put into place actions to mitigate, amplify or boost the event, as appropriate, even before it occurs.

These technologies can also help us to identify latent trends in our communities so that we can plan ahead and lead the necessary changes to meet those needs.

3) Blockchain technology provides companies with channels to manage transparent, traceable information, with mechanisms that guarantee the integrity and truth of that information.

4) With the new 5G communication networks, IoT (Internet of Things) technologies will take off, and in the near future it will be possible to have over 20 billion devices connected to the web. Those devices will be new information and data transmission-reception channels and, therefore, distribution channels for our messages.

5) And finally, Virtual Reality. Although this may be considered less influential at present, it is sure to revolutionize the communication sector, bearing in mind that the evolution of technological capacity is not sequential but exponential (since each breakthrough stems from the bases left by the previous period). There are currently companies using this technology to improve spokesperson training services, for example, but in the near future, virtual reality will establish new channels and formats for communications between companies and their stakeholders.

“We need multi-disciplinary teams (...) who have an unconventional outlook, who understand the client’s business and challenge them, enabling them to anticipate this maelstrom of continuous changes”

As Linus Torwards once said, “the era of simple solutions to simple problems has ended”; now we need multi-disciplinary teams who can propose challenging results by combining communication, strategy, big data, commercial intelligence, technology and disruptive innovation, with an unconventional outlook, who understand the client’s business and challenge them, enabling them to anticipate this maelstrom of continuous changes.

In our sector of communications consultancy, all these transformers also force us to live in this VUCA (Volatile, Uncertain, Complex and Ambiguous) environment, where not only do we have to provide our clients with standardized, commoditized products and services that previously met their needs, but also our clients now expect us to plan ahead and adapt, providing adequate solutions for their increasingly complex problems and needs.

BRAND PURPOSE MARKETING DONE RIGHT is MORE than 360°



Michelle Greenwald
CEO of Inventours / USA

In 2018 the Association of National Advertisers, the leading U.S. marketing trade association, voted “Brand Purpose” the “term of the year.” Today nearly every brand feels they must have a brand purpose and communicate it throughout all their marketing, to maximize the good that can be accomplished and enhance their brand image. Brand purpose now extends further than ever before, to include how the CEO visibly lives the mission, how employees are treated and encouraged to take action to make a difference, how the firm works with suppliers and agencies, and new and creative ways the brand purpose is communicated to consumers.

Unilever’s CEO, Alan Jope recently stated that “At Unilever, brands that don’t stand for something will be disposed of.” Procter & Gamble, another large multinational, fast moving consumer goods firm, recently launched Activate, a six-part documentary series on the National Geographic Channel, co-produced by Global Citizen. It features music celebrities and actors sharing the work of local activists in global causes such as ending cash bail, eliminating plastic pollution, or encouraging women to stay in school. A goal of the series is to inspire others to take meaningful action. Each episode includes information about how P&G is tackling the problem depicted. For example, Always, Whisper and Orkid, P&G’s sanitary protection brands provide puberty education to keep girls in school in emerging markets. P&G is striving to make social good the center of their business model and this is a new, creative and break through way of doing it.

“The cause the company chooses to champion must relate logically to the brand and be communicated repeatedly over time or it will not be remembered”

In New York, retailers and coffee shops prominently display their brand purpose in hashtags on their windows, on clothing tags and on in-store technology. The coffee shop Think Coffee rotates the causes on its windows with hashtags like #menstrualactivism for “Empowering Girls in Ethiopia” and #socialprojectcoffee and #workerhousing for “Restoring Farm Workers Homes in Nicaragua.”

The fast-casual chain &Pizza, that wants to become the most progressive fast-food employer in the U.S., is committed to pay fair wages: \$14 per hour, which is considerably above the industry average of \$9.84. & Pizza also encourages its workers to take paid time off for activism. The CEO, Michael Lastoria, visibly works to change government laws to help workers in different ways. He is a role model who embodies his company’s values and inspires others.

REI, the outdoor clothing retailer, permanently closed on the Friday after Thanksgiving, the biggest U.S. shopping day of the year. Their stores and marketing communication



prominently convey the hashtag #optout-side, encouraging people to enjoy nature rather than consuming more on Black Friday. The initiative garnered a great deal of earned media and symbolically shows REI is willing to sacrifice sales and profits to get their brand purpose message out and change consumer behavior for the good.

Tom's, the shoe brand that pioneered the one for one giving model that many others have emulated, has now expanded to include coffee that gives one week of safe, clean water for every bag of coffee purchased, handbags that support safe childbirth, backpacks that contribute to ending cyberbullying, and eyeglasses that give glasses to those in need. Tom's recently completely embraced ending gun violence, a major problem in the United States. Beyond expressing what the company is doing, Tom's is actively encouraging consumers to take action by signing petitions in-store to end gun violence, and to share messages in store, through social media and on their website using the hashtag #endgunviolencetogether.

The take-away for brands is that brand purpose marketing involves not just a one off, short-term marketing effort or sponsorship, as in days past. Rather today, the values of the firm must be communicated to all stakeholders, sincerely, and all the time: to employees through internal programs and the ways they are treated and supported, externally to consumers by highlighting the work Tom's is doing to further the causes they believe in, and laterally to the suppliers and agencies they do business with. The cause the company chooses to champion must relate logically to the brand and be communicated repeatedly over time or it will not be remembered and associated with it. Consumers need to feel they are making a difference by supporting the cause or taking action. Importantly, CEO's must also role model the company's values.

As Zenith Media's head of innovation, Tom Goodwin, said, "The sad truth is that most young people are too crippled by student debt and other concerns to think about whether a brand of bleach helps build schools in Sub-Saharan Africa." It's not an easy task to make a brand's values meaningful and noticeable, especially as more and more brands dial up the communication of their own brand values.

QUESTIONS CHIEF MARKETING OFFICERS SHOULD ASK THEMSELVES

- 1) Is the cause the brand is getting behind a logical fit with the business?
- 2) Is it something consumers can care about and feel they can make a difference if they support?
- 3) Will the brand's association with the cause be memorable?
- 4) Can it be supported by the firm in different ways, consistently over time to make the association more indelible in consumers' minds?
- 5) Is the firm's leadership role modelling the behavior, or could it open the firm up to being viewed as hypocritical and insincere?
- 6) Is the firm communicating the cause in creative new and multifaceted ways to get the message out and engage all stakeholders?

The risk of not executing brand purpose initiatives authentically, sincerely, thoroughly and consistently, is that in this day and age of viral social media, the brand can quickly lose credibility. Done well, however, everyone benefits: consumers, society, the planet, employees, and business partners.

The **BLIND SPOTS** of **INNOVATION**



Txema Valenzuela

Founding partner of La Propagadora / Spain

Some of those reading this article have some “Google Glasses” at the bottom of their drawer. We don’t know whether they are gathering dust or waiting for their cue. Google presented their smart glasses in 2012 and those who play at anticipating the future promised us that the world would immediately become full of wearables of this nature. Nothing happened. This year, Amazon presented its own development of the device without making so much noise. This can be seen as confirmation of a trend arriving later than expected, or the final stagnation of the gadget. We will see next Black Friday.

Back in 2010, in the business world we were playing at guessing what the world would be like in 2020. Some predictions came true, others did not. The growing inequality between rural and urban was foreseeable, as was the development of cloud working or the surge in audiovisual production. But fake news, quite obvious for House, the TV doctor who insisted on the screens at that time that “everybody lies”, sneaked in through the blind spot in trend hunters’ mirrors. We could see what technological development was bringing us, but did not sense the bias that human behavior was going to give it.

The main problem we face in communication trends is what marketing experts call *time to market*. We can anticipate some of the technologies that will affect our work, but we do not always accurately foresee the time

“The main problem we face in communication trends is what marketing experts call ‘time to market’ ”

frame for mass adoption and sometimes we don’t see the changes coming until they are on top of us. We cannot consider all the variables. If it was so easy to bet on the future, machines would be capable of deciding fate. And this is not so, luckily.

According to the hallowed *Hype Cycle* applied by the IT consultancy Gartner to technological developments, a new technology first goes through a trigger phase; over-inflated expectations then lead us to fall into a trough of disillusionment; until finally that technology gradually creeps into our everyday life.

In communication, digital technology has brought us haste and anxiety. We professionals are sometimes reckless early adopters who fiercely advocate the death of the old and success of the new. So in our profession we push all innovation processes through an extremely accelerated cycle similar to the one described by Gartner. We want right now what takes years to achieve in technological development and implementation. And we make mistakes in our predictions, or even get depressed and think that our commitment to change is sometimes to no avail.

Fortunately, we now have experience, with context, so we can start to act with greater agility and not too much drama in these times of constant change. We are starting to cope with uncertainty.

In 2011, Thierry Breton, CEO of the French technological company ATOS, announced the end of e-mails in his company. In 2017, the investment firm GP Bullhound put an end-date in 2018 on the corporate use of electronic mail. The e-mail killer was going to be Slack, which has suffered cumulative drops of 40 % in 2019 following its flotation.

In fact, the e-mail rose from being a corpse to an established trend in communication. Newsletters have become commonplace in retail and informative firms. They filter noise and reach the right users in due time and form. Some technologies change us gradually, as was the case of electronic mail and what is now known as instant messaging, the prehistoric form of which was the SMS and which is now in its golden era with WhatsApp. Most messages, or communication, flow through private conversations in digital spaces that we do not see. They were so close that we did not realize they were going to mark the immediate present. We still do not make the most of those conversations that are invisible to measurement tools.

AI and Blockchain will probably shape the future of the profession. But that will not be tomorrow. The bad news is that there is currently more noise than action. AI, which in our profession needs cognitive precision, is far from getting there, especially in Spanish, since most of the research work is being done in English. The time will come when machines will take over part of the work, but we will have to continue putting a lot in ourselves for some years yet.

Blockchain might well be a great process certifier, even in communication, but we are still a long way off seeing any really scalable results. For the time being, this novelty unleashes more activity in specialized congresses than in real applications, but it will come. Other technologies, such as augmented reality, excited us some years ago, but they will not be massive until we solve certain human problems, such as the fear of making a fool of ourselves if we use them when surrounded by people. That was another blind spot.

In communication, we have two ways of innovating in this environment: move forward boldly and contribute patiently to the development of technologies that will take years to mature, or search among existing technologies for new applications that will end up setting a trend.

The first option is expensive and requires our most valuable asset: time. Its return may be very high, even though it is much further down the road. The second involves lateral thinking to discover new ways of applying what we already know, ways of being more efficient with tools whose use is not clear when we look in the mirror.



EXPONENTIAL COMMUNICATION

for a CCHANGE of TIMES



Nacho Villoch

CEO of Kamiwaza 2020 / Spain

I have been working in the field of innovation for 15 years now. It is true to say that innovation has changed from what it was, or what we understood it to be, 10 years ago, and what we now call innovation will no doubt cease to have that consideration within three or four years' time, if not earlier. Over this decade and a half working on corporate innovation projects, I have perceived a considerable change, not so much in where and how we apply innovation as why we need to innovate.

Whereas a few years ago an innovation strategy was almost ornamental, superfluous, like an extravagant eccentricity that only a privileged few could afford, nowadays nobody questions the "imperative" of innovating, the more or less pressing need spanning all industries. There is sufficient evidence that the future (if not the present) of companies that have not committed to innovation is very complicated. I know I don't need to remind anyone of the cases of Kodak, Nokia, Blockbuster, Sears, ToysRUs, or more recently Thomas Cook or Forever21, and dozens of other cases that have hit the headlines, which we all recognize as victims of this digital transformation and which succumbed to the disruption caused by the *Uberization* or *Amazonification* of their sectors. Would they have fared differently if they had included innovation in their strategic plans or operations, or in the culture of their teams? We will never know. This is not a time of change, it is a change of times, in which the old rules, the old maps, seem to be of no use in the new times.

“Collaboration through open innovation dynamics has proved an effective formula for meeting this challenge of harmonizing exploration and experimentation with the efficient exploitation of resources”

So what can we do in the face of this threat? Threat or opportunity? This is probably the first dilemma. According to an ancient Chinese proverb: "When the wind of change blows, some people build walls, while others build windmills". In my opinion, this is a very poetic way of expressing the possible attitudes to this new scenario. The fact is that the wind of change is blowing hard, gusty, almost gale-force, blowing away the scaffolds of industries and companies: technological change, rapid and exponential; political change in the intersection of populism and new proposals (from both the left and the right, and forces that are shattering former consensus); demographic change, as the baby boomers retire and the millennials and centennials enter the labor market with new values and attitudes; economic change with new business models based on the immediacy of enjoying different experiences and indifference to material property... Powerful changes for those who built windmills to harness the

energy or that are able to demolish even the highest walls, as Dorian or Lorenzo have done (destructive category 5 hurricanes in 2019). Did anyone mention climate change?

Can these changes really affect a firmly established industry such as communication? The question could not be more rhetoric. Where is the public we reached before, so effectively segmented into channels and times? What sources of information are genuine and legitimate, within the widespread skepticism generated by the avalanche of irrelevant viral memes and fake news disguised as post-truth sensationalism, which seek only to get us to click on them so that they can place a cookie on another device that tracks our activity and continue to feed those bottomless data lakes with data betabytes? Is it possible to be among those who are going to make things happen, instead of among those to whom things are going to happen? How can we effectively get ready for this “exponential tsunami” without risking the business that is currently essential for generating resources?

The greatest challenge of any company, regardless of its size, is to strike a balance between exploiting the resources it has (talent, capital and time) and exploring new business models or new concepts, often exposing themselves to uncertain outcomes? How far is it wise to experiment in these exploratory voyages without compromising profitability and the expectations of shareholders and directors? It is well known that almost all remuneration models incorporate incentives for achieving certain safe, measurable and reliable results... This is ontologically incompatible with innovation. To paraphrase Einstein, “When we are innovating, we do not know what we are doing”. Collaboration through open innovation dynamics has proved an

effective formula for meeting this challenge of harmonizing exploration and experimentation with the efficient exploitation of resources. The growing importance and prominence of innovation hubs, authentic ecosystems of enterprise biodiversity, is due to symbiosis -or in corporate language win/win- for participants, whereby the transfer of best practices among their respective, specialized players enables the group to benefit without having to give up its own resources. The exponential acceleration of technologies such as robotics, drones, self-driving vehicles, photovoltaic energy, genomics and addictive manufacturing (3D printing) can be put down to both Moore’s Law and reciprocal collaboration platforms based on trust and Open Source, with no time or space barriers. In the area of communication and PR, those technologies are virtual reality (more and more integrated with augmented reality, redefined as extended reality); Artificial Intelligence fed with big data, which converts those data into knowledge and messages through new devices that communicate with us through natural language interfaces; data generated by a growing network of interconnected devices (Internet of Things, or IoT); and that technology, which we are not yet familiar with or fully aware of, but which promises to transform the structures of trust in our societies like no other technology has done before: the chain of encrypted, decentralized blocks that we know as Blockchain.

ARTIFICIAL INTELLIGENCE and COMMUNICATION: a CHALLENGE beyond TECHNOLOGY



Miguel Lucas

Data Business Leader at LLYC / Spain

My first encounter with a system that (amply) passed the Turing Test to be considered Artificial Intelligence was in 1994. It was at one of the Teleco (telecommunications engineering) programming laboratories, from Emacs and following an M-x doctor, I began my first conversation with Eliza, the first autonomous intelligent conversation program developed in 1966, almost 30 years earlier. Today we would call it a chatbot. It was the first and almost the only time we talked of Artificial Intelligence in practical terms during my degree course. At that time, AI did not have enough credibility or the necessary development to use it in real production systems.

Things are very different today: systems whose operation is (fully or partly) based on Artificial Intelligence are everywhere. The hyperabundance of data, the availability of computing powers that have followed Moore's predictions meticulously and new algorithms have made this possible. The progress made in developing techniques such as *deep fakes* (hyper-realistic videos of people generated using automated deep learning techniques), which achieve increasingly surprising results from a smaller number of samples, is just one of the examples of Artificial Intelligence with exponential development over time. It also produces reactions ranging from fascination to fear, and even both at the same time, making dystopian scenes in science fiction films where the world is taken over by machines seem slightly less impossible.

“The boundaries will soon become more blurred and the artificial and natural worlds will merge into one”

If the predictions made by Nicholas Negroponte, co-founder of the legendary MIT Media Lab, come true, the boundaries will soon become more blurred and the artificial and natural worlds will merge into one. Until that new reality arrives, the massive incorporation of Artificial Intelligence in practically all aspects of our everyday lives presents a number of challenges for communication and marketing professionals that we must tackle. Among those challenges, I believe we should pay special attention to the following.

THE MANAGEMENT OF ARTIFICIAL CONVERSATION

Even though there are still many scenarios that have not fully adapted to the disruption of communications caused by the leap from messages to conversation, the massive application of last generation autonomous conversation systems (chatbots and virtual assistants) takes us into another disruption, at least as great. According to a survey by Spiceworks, 40 % of American companies with more than 500 employees will have incorporated chatbots or virtual

“In times of rapid, dramatic changes, our ability to anticipate the future might be what really makes a difference”

assistants during 2019. In a new scenario, where part of the conversation of a brand with its stakeholders passes through Artificial Intelligence, communication and marketing professionals must play not only a fundamental role, but indeed the leading role, in its adoption and deployment.

NEW THREATS TO REPUTATION: MISINFORMATION AND ARTIFICIAL IDENTITY THEFT

By applying deep learning techniques to a person's voice sample lasting just a few seconds, it is possible to synthesize artificially long messages, in which it is extremely difficult to distinguish between the real voice and the synthesized one. It is not even necessary to purchase costly software licenses: it can be done using open source packages. Just a few weeks ago, the news came out of the first case of fraud committed by a telephone call, digitally synthesizing the voice of the CEO of a company in the energy sector. Something similar in video is reaching such levels of sophistication and perfection that it is just a matter of time (and probably not much) before humans will be unable, without artificial assistance, to distinguish between natural reality and artificially synthesized reality. These new uses of Artificial Intelligence open the door to a whole new array of attacks on the image and reputation of

an organization and its senior executives, with a devastating potential impact, so communications professionals need to be alert and conveniently ready to act.

ANTICIPATION AS A DIFFERENTIAL FACTOR THANKS TO PREDICTIVE INTELLIGENCE

When will a reputational risk turn into a deep crisis? How can I predict trends that will change the rules of the game in my sector? The application of predictive modeling and machine learning techniques based on large volumes of data makes it possible to predict within increasingly defined confidence intervals in different types of scenario. According to a study made by Statistics MRC, the global predictive analytics market will exceed USD 8 billion by 2019. In times of rapid, dramatic changes, our ability to anticipate the future might be what really makes a difference.

The age of Artificial Intelligence has arrived and promises to bring profound transformations in the world as we know it, at least as great, if not more, as those experienced with the arrival of the Internet and smartphones. Any companies that are incapable of adapting run the risk of disappearing. For those who decide to embrace Artificial Intelligence, a new universe of fascinating opportunities is about to open.

BIASES and ARTIFICIAL INTELLIGENCE: CAREFUL with the DATA



Cristina Aranda

Business Development for Europe at Taiger and Co-founder of MujeresTech / Spain

“Systematic error introduced into sampling or testing by selecting or encouraging one outcome or answer over others.” That is how the RAE (Royal Academy of the Spanish Language) defines ‘bias’. But how do these biases affect Artificial Intelligence? When we talk of bias in AI, we do so in the same way as in any other activity or knowledge area. We talk of prejudice, conceptions of reality according to which we subconsciously make decisions.

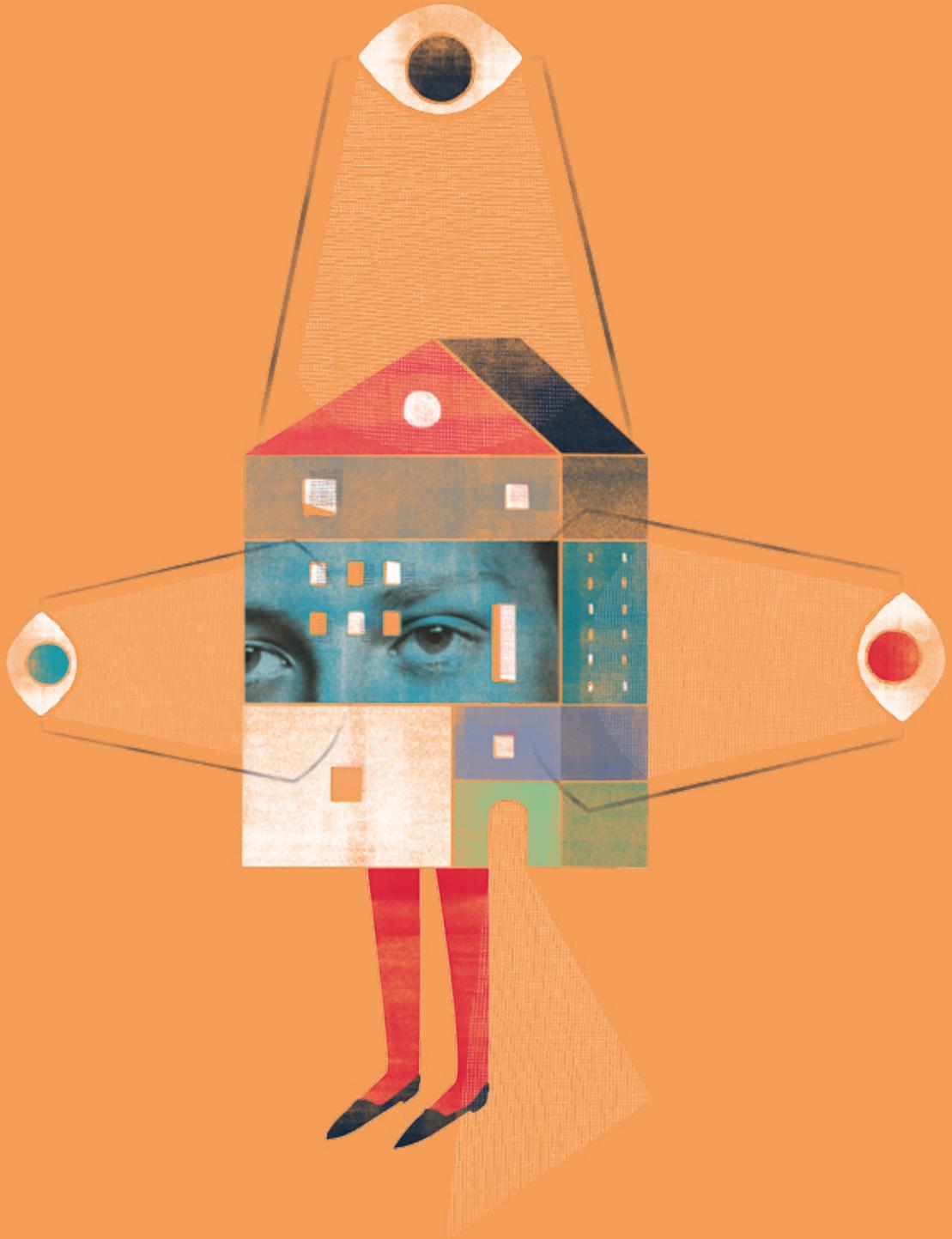
If we stop to think, the biases affecting Artificial Intelligence are in the data and algorithms. But when we talk of data, we take into account not only gender, age and race, which could be the first ones that come to mind, but any data referring to a person. And not only that, but we go one step further, referring also to the importance given to each of these data and its usefulness for structuring them or the algorithm chosen to operate with them. Granting a mortgage, hiring someone in a company... the algorithm created for each of these tasks makes decisions, in which the biases have often not been hacked.

Therefore, we need to stress the important roles of all those who work with these algorithms, people who are able to work with that “raw material”, i.e. the data. Just as we take into account what materials we are going to use if we want to construct a building (in order to follow the correct line in terms of environmental sustainability and the health and safety of those who are going to occupy it), in this case our materials are data and,

“We need to stress the important roles of all those who work with these algorithms, people who are able to work with that ‘raw material’, i.e. the data”

therefore, those people are responsible for having an ample knowledge of the raw material they are working with: where they come from, what type of data they are, the quality of the data, etc. And they must know what parameters an algorithm applies to make the decision. Since according to the GDPR, any decision based on automated processing must be explained if so requested by the data subject, and Article 22 GDPR even acknowledges the user's right to object to decisions based on automated processing or not to be subject to such decisions.

In order to understand what we are talking about, I will give an example. If we make a quick search in Google for famous researchers in history, the results will contain far more men's names than women's. This is another case in which we can blame the algorithm. In fact, we have recently seen how a little girl proposed an algorithm to Google that would make it possible for at least one female scientist to be included in all searches of this kind, thus also training the algorithm. But returning to the matter at hand, the question of biases,



there is a way to solve this problem: making the people who work directly or indirectly with the data aware of the issue. They should be aware, above all, that there is no single truth, but that balancing is necessary, putting all the data into an equation so that the decision made is unbiased. In other words, within the implicit bias existing in decision-making by a person, for example, they should select which parameters are or are not important or which algorithm is going to be used, and will have the least negative impact on the person who is going to be affected by the decision-making.

But what about those people? Up to now, in IT, information engineers used to have “absolute knowledge”, without taking account of other areas of knowledge directly related with the user as a data subject, as a person. With Artificial Intelligence, we have taken a different course: we have realized that humanities are important. For example, think of the role of linguistics in information automation or conversation systems, or the role of ethics in regulation and social good, among many other fields. So why this sudden change? The reason is that we can respond to questions that machines cannot respond to: creativeness, empathy, intuition, moral values...

“The challenges posed by AI are both diverse and thrilling, since this technology impacts both personal and socioeconomic facets”

As regards ethics, or responsibility for producing AI solutions, consider for a moment self-driving cars. Whose fault is it if there is an accident? The person who developed the hardware or the software? Who should I run over if there are several pedestrians crossing the road and my car has a fault? Here we have to face the complexity of ethics. Therefore, everyone who works with algorithms must take account of the huge social impact of their technology when making decisions.

There is a place where data biases proliferate every second or thousandth of a second: social networks. In all the history of mankind, this is when the largest quantity of content is being produced. We do this using our cell phones, every time we publish content on our networks, comment on articles, etc. When people publish content in these channels, they wittingly or unwittingly reveal their prejudices, opinions, the way they see the world, in short, their biases. Companies that operate with this kind of data to generate products or make decisions must be particularly careful when processing unstructured data from social networks or open forums.

“With Artificial Intelligence, we have taken a different course: we have realized that humanities are important”

With respect to the impact of AI in our work, another issue that those of us who work in AI are forever hearing and reading in the press or other media is that AI is going to destroy a lot of jobs, as repetitive tasks and processes currently performed by people are going to be automated. Indeed, certain jobs that can be automated will disappear; this has been happening throughout history (e.g. ice delivery men, milkmen, night watchmen...) accompanying technological progress. AI is undoubtedly one of the principal driving forces of the current industrial revolution, which was and is triggered by digital technology. This situation leads us to self-reflection, asking ourselves the following questions: What differential value regarding a machine can I contribute to my job or my company? For example, in a job that entails reading, understanding, and extracting information from legal documents, something that can already be done by a machine, as we do at Taiger. The fact of using a machine to automate processing enables that person to concentrate on contributing more value to the processing, particularly regarding their client, because they will be able to devote more time to listening, strategy, empathy... In short, the personalized service and tasks with a high impact on personal and professional aspects, such as strategy, creativity and problem-solving, among others.

I invite anyone, regardless of whether or not they are related with technology or digital, to

get to know what Artificial Intelligence is, how algorithms work (in selection, interpretation, decision-making...) when used to automate processing or make decisions and, above all, find out how to manage and discover what is contained in the data, the principal raw material of the current industrial revolution. Just as we, as a society, are saying “No to plastic”, so should we start defending “Careful with the data”.

And those of us who work in this exciting field of AI must be aware of the nature of the data we are working or going to work with (source, quality, biases, etc.) and what we are going to do with them to observe their direct and indirect socioeconomic impact. I myself and other prominent people in AI are already talking to those responsible in the central and regional governments to find out what measures are being taken to hack those biases and what regulatory framework they are working in.

Once we know the actual scope of AI, we will be reassured. For the time being, machines do not have that associative capacity to conjugate or use intuition. We have gained those abilities through experience. This will take some time to develop because it requires a highly complex cognitive system, of understanding first and developing later, as in the case of jokes or irony. If people often find them difficult to understand, imagine machines.

In short, the challenges posed by AI are both diverse and thrilling, since this technology impacts both personal and socioeconomic facets. Hence any profile we may have fits in with this technology. Never before had any technology valued humanities so much, because if companies are customer-oriented and geared towards personalization, what can be better than working on emotional innovation. As Maya Angelou said: “People will forget what you said and what you did, but they will never forget how you made them feel”.

“We must be aware of the nature of the data we are working or going to work with [...] and what we are going to do with them to observe their direct and indirect socioeconomic impact”



UNO + 1 Interview

of César Cernuda

by Lalo Zanoni



César Cernuda

President of Microsoft Latin America and Corporate Vice-President of Microsoft Corporation / USA

Q. Which of Microsoft's ongoing projects are you most enthusiastic about?

A. At the moment, what I most like about our work is seeing how our Artificial Intelligence technology is helping to create a better world. There is one case that personally fascinates me: that of Otto Knoke, a data analyst who has been diagnosed with ALS (Amyotrophic Lateral Sclerosis), as a result of which his hands and voice are incapacitated. Otto now uses Eye Control AI technology to interact through a screen with his family and friends and to do his work. This is just one example of how this technology helps us to develop our full potential.

I would also like to mention another project that excites me—"Microsoft Airband." This one involves expanding internet access through television's White Space (TVWS), which is the unused broadcasting space between channels. This will allow low-cost broadband service to be brought to disconnected rural areas. Connecting students, parents, and farmers in these areas will help them acquire new skills, improve access to education and health, increase productivity and take advantage of new markets. This is essential for helping local communities thrive and is fundamental to national development. In Colombia, for example, Microsoft, together with the Lavazza Foundation, succeeded in extending connectivity to previously

disconnected coffee communities, facilitating the arrival of online education, agricultural productivity and telemedicine services, among others.

Q. What is the most important challenge in the region in technological terms?

A. The growing use of technologies such as Artificial Intelligence, machine learning and extensive use of the Cloud are some examples of new tools that are changing industries.

Those technologies offer developing economies a chance to generate accelerated growth in forthcoming years. Their growth will be favored by adopting these new technologies, but also by companies' ability to see a new way of conceiving their business. I believe the most important challenge for Latin America is being capable of recognizing the opportunity offered by the digital revolution to boost economic and social growth in the region. Obviously, there are still implementation challenges to be tackled, such as broadband connectivity in rural areas, the need to develop digital skills within the labor force or the importance of increasing women's participation in industry. However, I believe the first step is to recognize the opportunity, because the technology itself can solve those social challenges.

Q. What are your principal goals in Microsoft for 2020?

A. 2020 is shaping up for us as a key year, precisely for taking the opportunity I have just mentioned. Our investments in and commitment to Artificial Intelligence, data privacy and data security are intended to help our clients transform their businesses and take up the new opportunities that this digital transformation offers.

Q. What does digital transformation mean to you?

A. In my opinion, digital transformation is essentially a cultural transformation. It is not a simple migration to the Cloud, but rather a profound change of paradigm where, thanks to data collection, cloud computing and Artificial Intelligence, we now have an entirely new source of knowledge, which has an impact not only on the tools we use but also in how we envisage businesses and projects.

Q. What is the best way to accompany a company/client in their digital transformation process?

A. I believe the best way is to start by listening, understanding the past, present and future we want to create. As I mentioned earlier, the transformation of a company begins in its culture, our habits must change. It is vital to be able to build on the roots that our clients have been creating, thus building on the strengths of our companies instead of thinking that we have to start from scratch. It is also important for the change to be led by the senior management, demonstrating this with facts. We are signing partnerships with strategic companies in which we undertake to be their partners in their digital

transformation and, therefore, accompany them on that journey with technical and human resources.

Q. You head an area of Microsoft with more than 2,500 employees and have been in the company for over 20 years. What are your personal keys to being a good leader?

A. I think what is most important is to want to continue learning always. This means continuing to learn about the industry, the client and the different markets in which I have had the opportunity of working. It has been truly wonderful for me to be able to meet and learn from so many clients and partners from all over the world. Having said that, managing a group with so many people is always an enormous responsibility, a responsibility of making sure that each one of those members of the team feels appreciated, motivated and enthusiastic, and wants to achieve much more and better things. When it comes down to it, I think the success of a leader is measured through the success of their team members. A good leader must be there to help, not to order.

Q. How would you explain the new mark that Satya Nadella made in Microsoft?

A. Satya drove through a cultural change that helped us to continue being important in a digital world. He realized that we had to change from being a group of people who thought they knew everything to a group of people who wanted to learn everything. This opened the doors to a vast quantity of possibilities and projects that individuals and organizations wanted to achieve and that was how we realized that our mission was precisely to enable people to achieve more through technology.

Q. I know you are a football fan and I would like to know your opinion on the matter of technology applied to football and specific projects of Microsoft (I am aware of its partnership with Real Madrid).

A. One thing I love about Artificial Intelligence is that it can be applied in all sorts of activities and football is just one of them. Our work with Real Madrid not only helps the club to be more efficient, but also enables fans to get much closer to the players, and helps managers to improve their training programs. This is the wonderful thing about digital transformation, it impacts all aspects of a project or company and it is fantastic to see what sports clubs with international fan communities can do with these tools.

Q. How do you imagine the future of sport and technology?

A. Sport is one of the activities that develops most bonds and passion among people. What can be achieved by combining this with technology is awesome. On the one hand, it can help different leagues with practically all their needs, from improving their functioning to implementing better tools on the pitch or managing stadiums and ticket sales. However, I believe the greatest impact is on the athletes and fans. Athletes find better ways to compete, with tools to analyze their rivals and improve training. Fans are closer than ever to sport and can integrate historic data to understand sports strategies and interact with campaigns adjusted to suit their interests.

Q. The Cloud. Why do you think the cloud has taken off so spectacularly in recent years?

A. It is a relatively simple equation: basically the same quantity of data is currently generated in one day as in one year three decades ago. Why? Because we are all connected, there are far more devices than before and each one is generating data constantly. Moreover, data storage is much cheaper. The cost of storing one GB has fallen from USD 45,000 to just 2 cents! Finally, the processing of those data (i.e. the machines needed to process data) has also changed and is much more economical. For example, to process one Teraflop in the nineties, it was necessary to invest in a machine that cost 70 million dollars. These days you can process 1 Teraflop with an EBox One S (USD 299). In turn, the Cloud has opened its doors to anyone anywhere, of any size and from any industry, with access to tools using Artificial Intelligence to analyze data, thus releasing their potential.

Q. How do you compete with Amazon AWS in this industry?

A. We continue working on our mission of enabling organizations and people to achieve more, as our principal guideline. We have been working for 40 years on our commitment to society, governments and companies. Our company has more regions than any other in the world (Data Centers) and I am proud to be able to say that we have had offices in Latin America for over 35 years and are present in more than 25 countries. I always define Microsoft as a global company with local presence. This has meant understanding that it is absolutely vital to preserve the privacy and security of our clients' data. Our tools and platforms foster creativity and help to

boost the productivity of small businesses, make large enterprises more competitive, and enable the public sector to be more efficient. They also support entrepreneurs, enhance results in education and healthcare and stimulate human ingenuity. Our goal lies in our clients' success.

Q. In an interview with The Telegraph, Brad Smith, the president of Microsoft, said that the use of 'lethal autonomous weapon systems' poses a host of new ethical questions which need to be considered by governments as a matter of urgency. What should the ethical limits of AI be?

A. This is an extremely important issue for us and something that Brad Smith discusses in depth in his new book "Tools and Weapons", written in collaboration with Carol Ann Browne. We believe that all work in Artificial Intelligence must follow ethical principles based on important, universal values. More specifically, AI must be designed to treat people fairly and avoid any bias; it must be reliable and safe to use, respect privacy and data protection, be inclusive of all individuals and communities; and it must be transparent in its processing and operations. Finally, we must be responsible for the solutions we create.

Q. Do you think AI should be regulated? How?

A. We believe that, precisely to make sure we have responsible AI, governments should take a proactive approach to the regulation of digital technology. We believe that if the regulation is to benefit each community in the best way, it is crucial for governments to talk more and more to those who create

technology, such as Microsoft. We consider it fundamental to generate those forums and bridges for governments to get an insight into the technologies and thus produce regulation that will not have a negative impact on innovation and creativity and will boost entrepreneurship.

Q. How do you imagine interaction between people and AI from now to 2030?

A. We believe AI offers incredible opportunities for people's social and economic advancement. The key is to develop AI in a way that focuses on humans, with the goal of using it to increase people's innate ingenuity. AI has the potential to help society overcome some of our most important challenges, from reducing poverty and improving education to providing health services and eradicating diseases, and even producing enough food for the world's population.

Imagine, then, what it would mean in terms of lives saved, suffering alleviated and human potential boosted if we could take advantage of AI to help us find solutions to these challenges? As with the great advances of the past (including electricity, telephones and transistors), AI will bring about great changes, some of which are difficult to imagine today.

In the same way, as occurred with these earlier technological breakthroughs, we will have to think carefully how to tackle the social issues that these changes will produce. We must all work together to see that AI is developed responsibly, so that people will trust it and implement it far and wide, both to increase personal and commercial productivity and to contribute to solving social problems.

Q. What is your vision of the future of work with regard to machines and robots replacing people?

A. The question of AI replacing people has been widely debated, especially regarding manual work that can be automated. However, we believe that this vision simplifies the impact of technology. Almost any job has routine elements that affect productivity. If AI can perform those tasks, this enables the workers to focus on more important issues.

Instead of replacing humans, AI is a complement, a support that enables people to make the decisions that require their attention. Artificial Intelligence is transforming labor and although it might eliminate some jobs, it will generate new ones, many of which do not yet exist.

We have seen the same phenomenon with each industrial revolution and the advantage is that this time we have better knowledge and can prepare ourselves to ensure that the change benefits everyone.

Q. What is your opinion on the manipulation of users' private data made by large enterprises like Facebook and Google? The case of Cambridge Analytica, etc.

A. We consider privacy to be a fundamental value and it is essential to protect it if we are to earn the trust of our clients.

Q. What are the differences between Microsoft and other companies that collect big data in the processing, management and sale of personal data?

A. Microsoft only uses clients' data to provide the agreed services and for purposes related with the provision of those services. We do not share our clients' data with our services backed by advertisers, nor do we engage in data mining for marketing or advertising.



The SINGULARITY of CASTELLIO



Goyo Panadero

Manager of BMC (Brand, Marketing and Communications) and Member of the Executive Committee at EY / Spain

Philosophers and great humanists were magnificent *consiglieres*. Their advice was based on a vast knowledge of different disciplines and a deep sense of responsibility. The ethics and serenity of their position sometimes led them into bitter moral conflicts, for which they often paid with their lives, as in the case of Seneca with Nero.

To give advice, one needs to have a free conscience devoted to knowledge and learning. This model of behavior and responsibility was maintained throughout his eventful life by the persecuted Sebastian Castellio (probably the first humanist in history). In Geneva in the XVI century, this forgotten university professor clashed with all the theologians of his time, describing Michael Servetus as an innocent victim and John Calvin as a dogmatic executioner of a blind, reformist faith. He rejected all Calvin's arguments with his immortal words: "Killing a man is not defending a doctrine, it is killing a man". Adviser to several Swiss nobles, this humble humanist proclaimed the right to freedom of conscience: "To seek and speak the truth as one holds it can never be a crime. Nobody should be forced to believe. The conscience is free."

Nowadays, philosophy is not considered to affect the work of scientists and technologists, but the world surrounding these professionals is full of ethical and

“We need to define what we want to be and not what we can be. We must agree on how to use technology for the common good and not only to obtain growth and profits”

moral issues that bear a direct influence on what they do. Scientific facts are not open to discussion, but their importance is.

During the XX century, most philosophers who have touched on technology have been critical of its impact on mankind (Heidegger, Ellul, Arendt or Gehlen). But on the other hand, the philosophers of 'transhumanism' have done an about-face in recent decades to become fans of technology.

But let's go back for a moment to the importance of the Freedom of Conscience introduced by Sebastian Castellio. Freedom, from the Latin *libertas*, -ātis, broadly speaking, is the capacity of the conscience to think and act according to the will of the person. From freedom, we get free will or free choice as the belief upheld in philosophical doctrine, whereby people can choose and make their own decisions. This differs from freedom in the sense that it entails the potential to act or not act.

And once again, just like Castellio, we clash with John Calvin, who spread the idea that God, in his sovereignty, decided who was to be saved even before the Creation, as written in the "Synod of Dort". Calvinists denied free will, concluding that human will, rather than master of people's own actions, was rigidly predetermined in all their options throughout their lifetimes. Just like Calvin, Determinists have always maintained that all human actions are predetermined and, therefore, freedom is an illusion. They have always tried to explain natural phenomena using mathematics, thus giving rise to the belief that everything in the Universe can be predicted if the initial conditions are known. It is as if they had been waiting for Artificial Intelligence (AI) for centuries.

But can we create a machine that imitates the human brain and gives AI free will? There are two confronting views on this: (a) One says it is possible for mental functions such as conscience or free will to develop in an incomputable (non-algorithmic) way, which means that with our current knowledge we cannot copy it. (b) The other option is that there is nothing in free will that we cannot copy. A "Moral Turing Test" has been proposed and it is believed that current algorithms have less difficulty in passing this ethical test than the original Turing Test. In this case, AI will be able to make decisions just like us, and even better than us.

In a good article by Rebeca Yanke published in the newspaper El Mundo, the German futurist Gerd Leonhard reflected: "We need to define what we want to be and not what we can be. We must agree on how to use technology for the common good and not only to obtain growth and profits. AI, genome manipulation, nanotechnology and climate engineering are

the four areas of concern in which an arms race could occur, which might lead to an unsurmountable situation."

Many questions arise about our technological-humanist future. Knowing that the decision-making process is programmable, who decides what is decided by an algorithm? What ethics must we program with supervision and who should be identifiably responsible for encoding the ethical subroutine? And if we take it to the governing bodies of business groups, will AI be able to make decisions that compromise the company's sustainability? Will we be able to build a legal system based on neutral AI?

In his book *Ética para las máquinas*, José Ignacio Latorre, Professor of Quantum Physics, reveals technological Singularity: "If we build increasingly more powerful and autonomous Artificial Intelligence, the time will come when an algorithm can improve itself... Each AI will design the next one, which will be even better than itself. This iterative process will continue its unstoppable advance towards incredible intelligence." We will then have reached Singularity. A Single Superior Intelligence will have been created.

Will we give machines freedom and accept their decisions even though we don't understand them? I believe that to confront a future Calvinist dogmatism of a Single Superior Intelligence, we only have to recover the "Singularity" of Sebastian Castellio and, as good *consiglieres*, preserve the Freedom of Conscience and not entrust our humanity exclusively to algorithm.

The **REVOLUTION** of **CHATBOTS** and **ARTIFICIAL INTELLIGENCE**



Andrés Pedreño

Professor of Applied Economics, Director of the Artificial Intelligence Observatory and Chairman of 1MillionBot / Spain

The 2019 report of *Chatbots Magazine* describes some of the most well-known trends on the chatbots market in the USA, which I now summarize. Business Insider predicts that by 2020, 80 % of companies will be using chatbots. Lauren Foye affirms that by 2022, banks will be able to automate up to 90 % of their interactions with customers through chatbots. And Spiceworks assures that 40 % of the large enterprises that employ over 500 people plan to implement one or several smart assistants based on Artificial Intelligence in corporate mobile devices during this year, 2019.

All companies are forced to introduce AI in one form or another. It is the electricity of the future. Chatbots are one of the developments of Artificial Intelligence that will most clearly help to lead many key facets of the company, such as customer recruitment, care, interaction or engagement; sales and eCommerce; internal communication; and, in general, the automation of numerous processes with major cost savings.

It is nevertheless true that malpractice can adversely affect the enormous potential that chatbots can bring companies and brands throughout the world. I will highlight the qualities that a chatbot should have:

“Chatbots are one of the developments of Artificial Intelligence that will most clearly help to lead many key facets of the company”

1. A conversational chatbot must be based on, but not conditioned by, Artificial Intelligence. Some of the existing chatbots are directed, not conversational, with negligible potential. Other AI-based experiences, like Microsoft's Tay, had to be withdrawn just a few hours after launching due to offensive bias in responses. The use of AI in chatbots must be controlled, efficient and subject to the company's goals. Bearing in mind the limitations of Natural Language Processing (NLP) in AI at present, each chatbot requires an enormous professional effort in its technological and methodological aspects.

2. Quality, appropriate responses. One of the aspects that users find most frustrating is the high percentage of wrong answers. A chatbot correctly designed and trained must correctly answer at least 90 % of the questions asked.

Very few technology enterprises can commit to delivering this goal at this time. The quality of the responses assessed by specialists and confirmed by users is key to a successful chatbot.

3. Educate effectively and in record time. Although hundreds and even thousands of theoretical questions are taken into account when designing a chatbot, positive results that are significant for the company will be reliant on training with real users. Technology and ad hoc tools are essential to achieve that effectiveness in record time.

4. Chatbots must perform useful actions. Apart from informing, chatbots must help users to perform tasks in a simpler, easier manner. With voice or in writing. Actions such as subscribing, booking or buying in a restaurant, hotel, plane, shop, clinic... Or effecting transactions at a bank or public administration. Therefore, it must be possible to integrate them into their computer, CRM, etc. systems and perform all kinds of operations securely.

5. Visibility and integration. A chatbot must be available 24 hours a day, 365 days a year with the utmost visibility. Its integration in all channels with an optimized design is essential. It must be efficiently integrated in the web system, apps, social networks, communication tools (WhatsApp, Slack, Telegram, etc.), home, wearables... Low levels of interaction may be due to deficient integration.

6. Data and personalization. A specific user's data must serve to improve the service, providing users with an increasingly customized product, tailored to their personal preferences, likes and needs. This is the main comparative advantage. An investment in chatbots without this goal is largely a squandered investment. Artificial Intelligence will play a decisive role in individualized personalization and engagement based on the big data generated by the users. Advanced techniques are already available with very productive results.

7. A specific chatbot for each use. Its design must be closely linked to its use and goals. For the time being, AI-enabled technology is still just a means. A chatbot must be specifically designed according to its goals or tasks. Four types of chatbots must be designed very differently, depending on whether they are to be used for eCommerce, marketing, customer recruitment, communication or a call center... Each one has a very different mission and must be given very different technological and methodological treatment. Otherwise they will be a waste of money.

8. Measure and analyze. Measurement and analysis are essential. Companies must constantly improve their responses and impacts among customers and employees. Integration between employees with experience in product, marketing, customer care and human resources and AI specialist teams is fundamental. The designing of virtual assistants can be made more effective if this collective, multi-discipline work is assessed with metrics and analyses that clearly identify the solutions and improvements to be made, based on the data provided by users in their interactions with the chatbots.



“The use of AI in chatbots must be controlled, efficient and subject to the company’s goals”

9. Transparency and ethical principles. In order to gain the trust of our customers or employees, we must be transparent and apply sound ethical principles and values. The AI potential must be used and advanced chatbots implemented with a commitment to guaranteeing a totally responsible, ethical use of users’ rights.

Few tools currently on the market are able to meet these nine requirements efficiently (low cost and value generation). Technology needs to be combined with best professionals in product, brand and customers (chatbots for customers) or human resources (internal communication chatbots). But even at the risk of making mistakes, all companies should already be playing this game.

Chatbots are being designed in Spain with unprecedented effectiveness and results. Harvard Business Review currently reveres Spanish technology as a model of success in the sector¹. With a rate of correct answers of more than 90 % and using the most advanced platforms on the market, they focus on the qualities mentioned above. This is an opportunity that should be taken up by companies in Spain and around the world.

¹ <https://hbr.org/2019/10/how-ai-and-data-could-personalize-higher-education>

STRATEGY and TECHNOLOGY in the DIGITAL TRANSFORMATION



Iván Pino Zas

Partner and Senior Manager Digital at LLYC / Spain



José Luis Rodríguez

Business Transformation Leader at LLYC / Spain

On 19 April 1965, Gordon E. Moore published an article in the magazine Electronics anticipating a forthcoming technological revolution. In that article, he maintained that the industry was ready to double the number of transistors that a microchip could contain each year, while the costs of manufacturing them would fall. He considered that this trend could continue for at least 10 years. Some time later he co-founded Intel Corporation, the largest manufacturer in the world of integrated circuits and processors with the highest rate of penetration in the personal computer market today. What is now known as “Moore’s Law” was revised by the author himself to consider the doubling of capacity every two years. This prediction still holds true now, more than 50 years later.

The constant increase in processing capacity and lowering of the costs of production predicted by Moore are behind the changes taking place silently in our daily lives. Deeply-rooted habits such as sitting around the television with the family, going to the newsagent’s to buy the paper or tuning in to the radio to listen to the news have gradually given way to watching series on our tablets or cell phones when we have time, reading the news on the same devices or listening to the news through the same smart speaker that

“We must make sure the transformation is aligned with our business”

we consult whether we are going to need an umbrella that day, or ask to turn the heating on an hour before we are going to arrive home and, please, turn the light off before closing the door when we go out.

Naturally, the technological development that brings all these innovations to our homes has previously been incorporated in our companies, and if we look back, we will see that the tools we use at work have changed a great deal.

But although companies have been incorporating technological developments naturally over time, something has been changing in recent years. The emergence of new business models is bringing profound changes to the different industries, in which very young enterprises use technological development to create new models that make them giants in a very short time in sectors that were until very recently dominated by companies established as leaders in their respective niches. In some circles, this is being referred to as the fourth industrial revolution.

In view of the natural result of this movement, our CEOs and executives are now paying more attention than ever to the digital transformation of businesses. Several studies have shown that the digital transformation has become one of the main concerns of companies in 2019 and investment in digital transformation projects increases every year. Both the benefits of jumping on the band wagon and the risks of letting the opportunity slip by are perfectly identified.

But when taking on projects that will help an organization to go digital and change over to a model of company that uses technology and data for the constant development of all aspects of its business processes, the failure rate is excessively high. Although three out of four companies analyzed in a study by Forrester claim to have completed or be immersed in projects for the digital transformation of their organizations, certain indicators suggest that 80 % of those initiatives fail or are suffering lengthy delays that prevent them from seeing a clear horizon for their application.

Identifying the necessary technology is not a problem. Organizations such as Gartner point the way. In its report "Strategic Technology Trends", Gartner invariably identifies, each year, the strategic technology trends that will affect and transform the different sectors of economic activity. There are also numerous studies identifying the technologies that are transforming each area of activity, which help us to choose them.

Probably, the first problem is precisely thinking that digital transformation just means applying certain technologies identified in those trends to our business, without a clear goal that will enable us to generate a real impact on that business. We must make sure the transformation is aligned

with our business. By focusing exclusively on the implementation of technology as an end in itself, we run the risk of converting our initiative into a mere project of modernizing the technological infrastructure, while disregarding our business processes.

Digitally transforming an organization entails adopting business processes and practices that help the organization to compete effectively in an increasingly more digital world.

In order to reach digital maturity, we must integrate technology into our business areas, changing how we operate and bring value to our clients. But above all, it requires a cultural change, in which organizations must continuously challenge the established order, experiment and accept failures.

To take on this cultural change, the transformation initiative must necessarily be promoted top-down, starting with the CEO and moving down to the lower echelons of the organization. To achieve digital maturity in organizations, we must focus first on changing the mentality of their members, processes and organizational culture, then decide what tools to use and how to do it. Strategy must drive technology, not the other way around.

A PALAVRA como INOVAÇÃO



Paulo Nassar

Professor Titular da Escola de Comunicação e Artes da USP (ECA-USP)
e Diretor Presidente da Aberje – Associação Brasileira de Comunicação Empresarial / Brasil

Se acreditarmos que as palavras são elementos vivos e poderosos, que contêm em suas estruturas visuais e orais – pelo menos no Ocidente – o sentido e o significado do que pretendem evocar e provocar, deveríamos nos importar mais com o universo linguístico existente no ambiente corporativo. Um ambiente pobre em quantidade e qualidade vocabular.

Pesquisas acadêmicas, entre elas a de Jean-François Chanlat, realizadas na interface Comunicação, Administração e Antropologia, mostram que os executivos do C-Level e da alta direção vivem em um contexto linguístico quantitativo, de curto prazo, sem muita preocupação retórica, muito interesseiro em resultados e cumprimento de metas. CEOs e diretores são prisioneiros de retóricas pobres, o que provoca um conflito com um ambiente social que pede mensagens e comportamentos engajados de empregados, fidelidade de consumidores, percepção positiva de investidores e acionistas sobre a atividade da empresa e licenciamento social para operar concedido pela sociedade. Palavras vazias, ideários bonitos sem alinhamento com a realidade cotidiana da organização, acontecimentos (até tragédias) desmentem e desmoralizam indicadores positivos de reputação e de imagem.

Os comunicadores corporativos e suas agências, mais do que nunca, precisam

“CEO e diretores são prisioneiros de retóricas pobres, o que provoca um conflito com um ambiente social que pede mensagens e comportamentos engajados de empregados, fidelidade de consumidores, percepção positiva de investidores e acionistas ”

entender que a desmoralização das palavras no ambiente corporativo é danosa para a profissão e para a indústria da comunicação. Vivemos do trabalho diário das mensagens construídas com competência, com ética e com estética. Insisto: palavras têm valor econômico, tem valor estético, tem valor moral. Palavras em seus papéis de pronomes, verbos e adjetivos nos organizam ou nos desorganizam, nos mobilizam ou nos desmobilizam, nos paralisam ou nos impulsionam.

Ainda nesta dialética binária, entre a palavra e o seu antônimo, jogo que pode definir estados sociais, históricos, econômicos, psicológicos, culturais, dentre outros, dos sujeitos humanos, até o último verbo que possa existir na galáxia da linguagem, eu

poderia afirmar, no contexto da procura da inovação e da descoberta em comunicação, que as palavras nos inspiram ou nos esvaziam.

Esse é um movimento milenar, que começa com os primeiros homens e mulheres, em que as palavras produzem as civilizações, quando se somam e se transformam em frases, períodos, textos e grandes narrativas. É o que a Epopeia de Gilgamesh (4 000 anos A.C.) nos demonstra ao dar vida e acesso a civilização assíria. Sem as palavras imortalizadas pela escrita cuneiforme, em tabuletas de barro, hoje, aquela população da Babilônia estaria morta. O mesmo se aplica aos gregos, compreendidos também pela Ilíada e pela Odisseia, atribuídas ao poeta Homero. Livro que vai guiar, juntamente com a espada, a jornada de Alexandre. O povo judeu, pela sua relação vital com a palavra, é denominado o povo do Livro (o Torá). São estas grandes narrativas exemplos tradicionais do poder narrativo, como organizadoras da ação de pessoas, de comandantes e de nações.

Saindo da escala de tempo milenar, voltemos ao espaço mínimo de nossos lares. Ali a nossa relação com as palavras tem o seu princípio em um nome. Eu sou Paulo. Você é José Antonio. Outro é Cleber. Nossos pais, esperasse, em sua maioria, fizeram um exercício fundamental ligado ao significado e sentido de um ser ao nos nominar, no início de nossas histórias. Esta fieira composta de indivíduos se desdobra e forma um imenso território de nomes, ao qual chamamos de humanidade, nação, cidade, família, comunidade, grupo ou empresa.

É interessante pensarmos que brasileiro, por exemplo, é aquele que carrega a árvore do Brasil, o pau-brasil. Constata-se que desde nossos primeiros momentos, as nossas trajetórias podem ser impulsionadas por

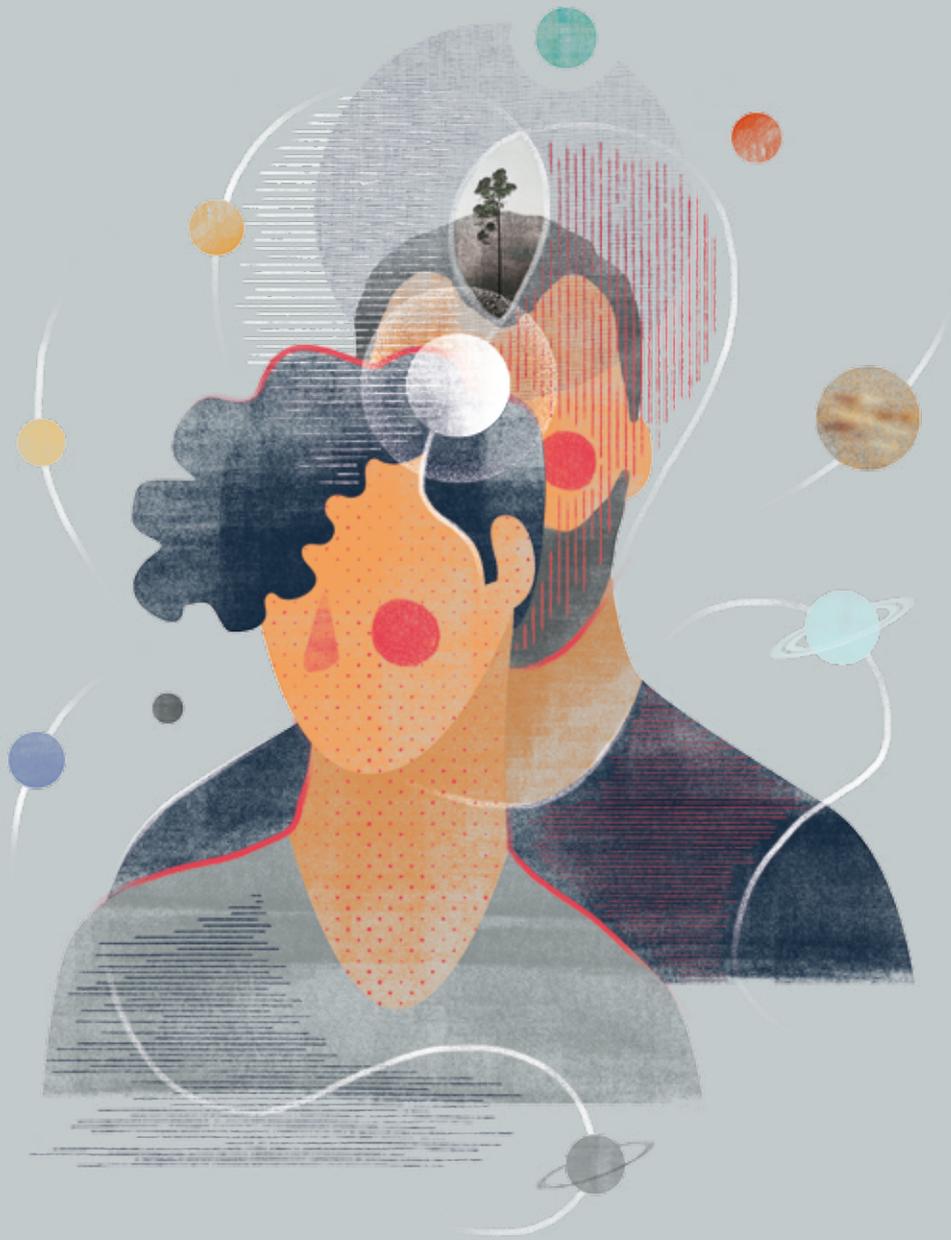
“Os comunicadores corporativos e suas agências, mais do que nunca, precisam entender que a desmoralização das palavras no ambiente corporativo é danosa para a profissão e para a indústria da comunicação”

uma palavra que pode nos nutrir, se somos coerentes com ela, ou nos paralisar. Nossa “árvore-mãe”, quase exterminada, poderia encher as nossas florestas litorâneas se o verbo de nossa ação fosse, por exemplo, proteger.

Na galáxia corporativa, as palavras foram naturalizadas. Parece que elas brotaram milagrosamente da terra e invadiram as nossas vidas.

Contra essa ideia, as palavras respiram história e acontecimentos, são vivas e se transformam. Cabe aos comunicadores, os guardiões das palavras, dos gestos e dos comportamentos, demonstrar o poderio deste patrimônio da humanidade, as suas fragilidades, as suas sofisticadas, as suas delicadezas, as suas trajetórias e as suas projeções para o presente e para o futuro de cada organização e de suas pessoas.

Em um mundo de tecnologias intensivas, tendo como regentes desse movimento a Inteligência Artificial e o smartphone, as palavras permanecem, como o deus Jano, garantidoras, a partir do presente, do elo exclusivo entre a tradição e a inovação



INNOVATION REQUIRES DIVERSITY and COURAGE



Cristian Marchiaro

Founding Partner of HORSE and Uanaknow / Argentina

Ever since we were small, we have been trained and educated to think in a certain way. When we choose a career, we also decide (albeit perhaps unconsciously) on a mental model and a particular way of thinking and doing things. We are influenced by our parents, or our peer group; the professional success or failure of our families; tennis, English or piano lessons.

Everything we have done leads us to the inevitable conclusion that we are what we think.

I would like to define innovation as the capacity to do things differently, but with a purpose. I could accept that it is more or less easy to define a goal. But changing, thinking differently, doing things a different way, is simply fighting against years of learned habits.

This is why any exercise that helps us to move out of our comfort zone sounds so attractive to those of us who like change and transformation. We love the challenge of having to put linear thinking to one side in order to find alternative paths that might lead to the same end or an unexpected one.

But that cannot be considered innovation, at least not in its purest state. Nor is innovation subject to the number of new terms we can memorize or the number of times we repeat that we are innovators. Claiming to be disruptive because we can use 'big data' or

“When you listen to and watch someone who thinks differently, you discover that the boundaries of the universe are further away, and if you observe an entire team, you discover that the boundaries are inventions of the bias that leads us to be how we are and think how we think”

'Artificial Intelligence' in a sentence, explain to someone that technology is the future or prepare a presentation on the transformation of the labor world is more a mechanism of over-adaptation to avoid feeling out of a reality that we have probably not quite understood.

Nobody wants to be left behind in the past or recognize that they feel comfortable there. But the problem is that beyond any effort that we might make to approach innovation, we will never really manage to reach different results unless we can think differently. Most likely, we will reach the same end, perhaps with certain nuances along the way.

I shall illustrate this as follows: I could write this text ten times, paraphrase each line, or

try to write at night or in the daytime. And I might get it to sound different. But in the end, the result would be the same. The effect that my words produce on you would not be very different. I do not mean to imply by this that we cannot learn, but that we are what we are and should accept this without denying it. Only by accepting it will we be able to start to understand that the effect we can cause is limited and restricted to how we think. And that change, true profound change, comes when we add something that we do not already have.

In the late sixties, Art Fry, a chemist at 3M, used to sing in the church choir on Sundays. He used little pieces of paper to mark the pages of the psalm book, though they usually ended up falling onto the floor when he opened the book. One day he remembered that his colleague Spencer Silver had invented a glue so bad that it did not stick anything and was discarded by the company. The problem was that the glue came unstuck easily and did not even damage or leave any traces on a piece of paper. Fry started to experiment with a view to using it on his paper page-markers and making them self-adhesive. This was the origin of the Post-It, which gave rise, no less, to almost 4,000 derivative products now put on the market by 3M.

A talented, capable person has a good chance of doing great things. But nothing compared with two talented, capable people. And less still than a team.

The wonderful thing about bringing together diverse profiles is how the world grows. When you listen to and watch someone who thinks differently, you discover that the boundaries of the universe are further away, and if you observe an entire team, you discover that

“A talented, capable person has a good chance of doing great things. But nothing compared with two talented, capable people. And less still than a team ”

the boundaries are inventions of the bias that leads us to be how we are and think how we think.

There is no reason to believe that the possibilities are limited, that what we know or understand is all there is. Try getting an engineer and a painter to talk about the origin of the universe. Get the engineer to paint, or the painter to calculate the strength of a material. I don't know whether either of them will be successful, but that is the least of it.

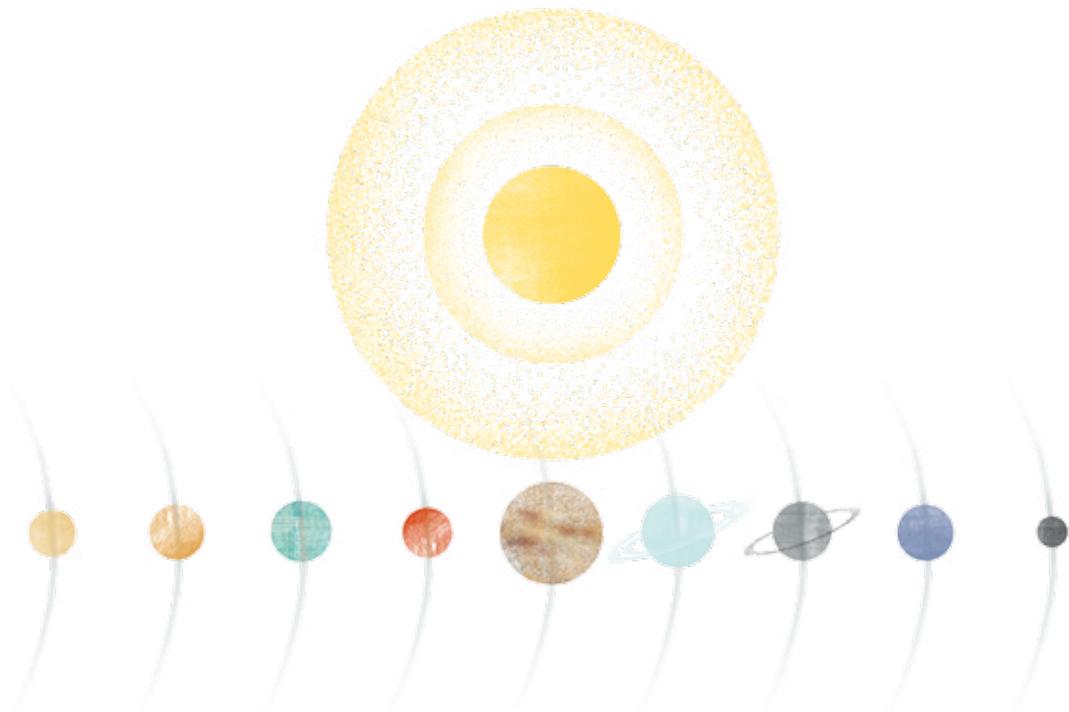
Innovation should not be the purpose, but the means. Those of us who work in communication and contribute to the profession from any aspect should gather around a table a number of diverse profiles such as data experts, developers, psychologists, some young, others experienced, beginners and experts, enthusiastic and skeptical. We know what to do when a customer calls us; what we do not know is how much we still have to learn.

Without a variety of profiles, we will never really know whether that idea we have in mind, albeit rather vague, is possible until we test it. Innovation is a balm that can relieve monotony, exhaustion or too much responsibility.

But we have to be brave to innovate. We must accept that we might be uncomfortable; tolerate others challenging our beliefs; force ourselves to face up to our worst fears. It is a laborious, difficult, long and winding process, but in the end, it feels so good to discover that there are no limits, that we are really free, that every minute of that struggle is worth it.

“Innovation is a balm that can relieve monotony, exhaustion or too much responsibility”

Put a diverse team of people to work, set them a goal, and innovation will be guaranteed.





HEY, BRAND!! EXPONENTIAL TECHNOLOGIES and their IMPACT on OUR POWER to INFLUENCE



Ignacio Quintanilla

Senior VP at Scotiabank and Retail Head & Consumer Finance at Scotiabank Peru / Peru

“The room was fine. The location was excellent. But we had been told it was for six people and there were only beds for four. And there were only enough cups for two. I am going to write to them so that this can be corrected for the next client.” This was what my dear friend Alejandro told me when asked about his visit to Lima. Many of us, or people close to us, have had similar experiences with a service or product in any kind of industry where we have decided to “talk to the brand”. Not only in negative situations. Following positive situations, we often contact the brand to congratulate or thank them when we have been pleasantly surprised.

Let’s break down Alejandro’s comment:

- 1) “The room was fine. The location was excellent.” Recognition of a positive circumstance.
- 2) “We had been told it was for six people and there were only beds for four. And there were only enough cups for two.” Recognition of a negative circumstance.
- 3) “I am going to write to them.” Proactive communication attitude.
- 4) “So that this can be corrected.” Certainty of being heard.
- 5) “For the next client.” Solidarity with others.

“Every time a client ‘talks to the brand’, their comments have an enormous potential for amplification, not so much because of the number of communication channels is multiplied by the digital environment and exponential technologies, but due to their credibility”

Just like Alejandro’s comment, every time a client “talks to the brand”, their comments have an enormous potential for amplification, not so much because of the number of communication channels is multiplied by the digital environment and exponential technologies, but due to their credibility. They are comments with high credentials for achieving credibility:

- a) They transmit objectivity, because they recognize both positive and negative circumstances, so generate little doubt for accepting a minimum common denominator of objectivity. And on the way this objectivity is backed up with comments posted by other clients, such as “The same thing happened to me”.

b) They stem from the client, not the brand, supported by an inherent conviction that “I must do it”, backed by two things: “They will listen to me” and “I don’t want it to happen to anyone else”.

c) There is a legitimate altruism in that “social responsibility” approach, thinking about helping someone else to choose better, which feeds back into proactive communication from clients.

Alejandro’s comment and others like him are not fortuitous. It is a radical change in communication between people and brands that has occurred worldwide, accelerated by the new technological disrupters, and brands are not prepared for it.

Brands talk to people. We present our new product or service. We explain it to them. We try to attract them by highlighting our attributes, investing heavily in advertising, creative efforts that win awards and recognition in the industry. We modernize and shift from mass marketing to direct marketing and, with the digital environment and social networks, we have even moved on to “mass personalization” in communication. We use influencers with more than 30,000 followers so that our message is more digestible. We have sound professional teams to prepare the message to be given to clients and a hefty economic budget. We have a clear brand-client communication strategy.

However, with Alejandro we see that the reality is not quite like that, it is more complex. Clients have now decided to talk to brands. In other words, there is now a client-brand communication route. According to the IAB annual study of social networks 2017, in the Spanish market 83 % of social network users follow a brand. Of those, 39 % declare that

“Digital interaction is a radical change in communication between people and brands that has occurred worldwide, accelerated by the new technological disrupters”

they do so intensely. 16 % do so to comment on products and 12 % to contact customer services. On the other hand, 25 % of social network users declare that they trust a brand with a profile on social networks much more than one that doesn’t. This has a simple explanation: they can contact those brands easily and rapidly. We will probably find similar information in all markets because it is a global trend. These figures show that the exponential growth of clients talking to brands due to the digital environment really exists.

We already know this. What we don’t know is that those clients who talk to us are “micro-influencers”, with fewer followers (300-5,000) but a much greater credibility than influencers. Experience shows that influencers have a rate of interaction with followers of 2 %, compared with over 40 % in micro-influencers. This is due to the degree of closeness, contact and trust that exists between the followers and the micro-influencer. In this case, they do not feel like “followers”, but “friends”. And we believe our friends.

The most serious point is that we are all micro-influencers to an ever greater extent. And we have all decided to talk to the brands. And we do so, sometimes privately but most often publicly, by rating them, posting comments

or through social networks. Consequently, the impact on the market of micro-influencers talking to brands is exponential and will become more and more so, especially with the collaboration of technologies such as Artificial Intelligence, for example. There is also a degree of heroic effect, since we do this out of social solidarity, so that others have more information to make their choice. Moreover, there is a clear halo of objectivity, which is strongly questioned in advertising.

The question that arises now is: who is going to reply to Alejandro? The marketing manager or a communications student doing an internship? Are we aware of the effect of inverse communication and the exponential power of micro-influencers? And if we are, do we set aside enough funds in the budget to ensure the professional quality of the team handling that conversation?

I am sure, dear reader, that at present some of us will say yes and others will say no to these questions. What I can assure you is that companies that have been digital since they came into being provided these teams from the outset with top professionals, clear protocols and sufficient levels of empowerment and autonomy, while companies that are undergoing a digital transformation process are not yet fully convinced and have it on the back burner as a permanent conversation and unfinished work. They do not dare yet.

“Companies that have been digital since they came into being provided these teams from the outset with top professionals, clear protocols and sufficient levels of empowerment and autonomy”

In this environment of inverse communication and objective, altruistic micro-influencers with an exponential amplifier of messages, brands that are experts in answering them with all the tools available to them will win the market over those who are experts in (just) talking to them. Because the room for disappointing a client has disappeared and because the technological disruption that propelled this change in the power of influence of any citizen some time ago is just the beginning of the revolution we are starting to see with the impact of exponential technologies on our daily lives.



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GRAND WINNER
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GOLD WINNER
*in the category
Best House Organ*

LLYC

LLYC is a global communications and public affairs consulting firm. We help our clients make strategic decisions within the disruptive and uncertain context in which we live, taking into account their reputational impact. And we collaborate proactively with them, with the necessary creativity and seniority, so that they can execute those decisions, minimizing risks and taking opportunities. We thus help them to achieve their short-term business goals and provide a roadmap, with a long-term vision, to defend their social license to operate and increase their prestige.

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MANAGEMENT TEAM

José Antonio Llorente
Founding Partner and Chairman
jallorente@llorenteycuenca.com

Alejandro Romero
Partner and CEO Americas
aromero@llorenteycuenca.com

Enrique González
Partner and CFO
egonzalez@llorenteycuenca.com

Adolfo Corujo
Partner and Chief Strategy and
Innovation Officer
acorujo@llorenteycuenca.com

Nazaret Izquierdo
Chief Talent Officer
nizquierdo@llorenteycuenca.com

Cristina Ysasi-Ysamendi
Corporate Director
cysasaki@llorenteycuenca.com

Juan Pablo Ocaña
Director, Legal & Compliance
jpocana@llorenteycuenca.com

Daniel Fernández Trejo
Director, Technology
dfernandez@llorenteycuenca.com

José Luis Di Girolamo
Partner and Global Contoller
jldgirolamo@llorenteycuenca.com

Antonietta Mendoza de López
Vice President, Advocacy LatAm
amendozalopez@llorenteycuenca.com

SPAIN AND PORTUGAL

Arturo Pinedo
Partner and Managing Director
apinedo@llorenteycuenca.com

Luisa García
Partner and Managing Director
lgarcia@llorenteycuenca.com

Barcelona

María Cura
Partner and Managing Director
mcura@llorenteycuenca.com

Óscar Iniesta
Partner and Senior Director
oiniesta@llorenteycuenca.com

Muntaner, 240-242, 1^o-1^a
08021 Barcelona
Tel. +34 93 217 22 17

Madrid

Joan Navarro
Partner and Vicepresident,
Public Affairs
jnavarro@llorenteycuenca.com

Amalio Moratalla
Partner and Senior Director,
Sport and Business Strategy
amoratalla@llorenteycuenca.com

Iván Pino
Partner and Senior Director,
Digital
ipino@llorenteycuenca.com

David G. Natal
Senior Director,
Consumer Engagement
dgonzalez@llorenteycuenca.com

Paco Hevia
Senior Director,
Corporate Communication
phevia@llorenteycuenca.com

Jorge López Zafrá
Senior Director,
Financial Communication
jlopez@llorenteycuenca.com

Lagasca, 88 - planta 3
28001 Madrid
Tel. +34 91 563 77 22

Lisbon

Tiago Vidal
Partner and Managing Director
tvidal@llorenteycuenca.com

Avenida da Liberdade nº225, 5^o Esq.
1250-142 Lisboa
Tel. + 351 21 923 97 00

UNITED STATES

Erich de la Fuente
Partner and Chairman
edela Fuente@llorenteycuenca.com

Mike Fernandez
CEO
mikefernandez@llorenteycuenca.com

Miami

Claudia Gioia
SVP Americas,
Business Development
cgioia@llorenteycuenca.com

600 Brickell Avenue
Suite 2020
Miami, FL 33131
Tel. +1 786 590 1000

New York City

Gerard Guiu
Director, International Business
Development
gguiu@llorenteycuenca.com

3 Columbus Circle
9th Floor
New York, NY 10019
United States
Tel. +1 646 805 2000

NORTH REGION

Javier Rosado
Partner and Regional Managing
Director
jrosado@llorenteycuenca.com

Mexico City

Juan Arteaga
Managing Director
jarteaga@llorenteycuenca.com

Rogelio Blanco
Managing Director
rblanco@llorenteycuenca.com

Av. Paseo de la Reforma 412
Piso 14, Colonia Juárez
Alcaldía Cuauhtémoc
CP 06600, Ciudad de México
Tel. +52 55 5257 1084

Panama City

Manuel Domínguez
Managing Director
mdominguez@llorenteycuenca.com

Sortis Business Tower
Piso 9, Calle 57
Obarrio - Panamá
Tel. +507 206 5200

Santo Domingo

Iban Campo
Managing Director
icampo@llorenteycuenca.com

Av. Abraham Lincoln 1069
Torre Ejecutiva Sonora, planta 7
Suite 702
Tel. +1 809 6161975

San José

Pablo Duncan - Linch
Partner and Director
CLC Comunicación | Afiliada LLYC
pduncan@clcglobaI.cr

Del Banco General 350 metros oeste
Trejós Montealegre, Escazú
San José
Tel. +506 228 93240

ANDEAN REGION

Luis Miguel Peña
Partner and Regional Managing
Director
lmpena@llorenteycuenca.com

Bogotá

María Esteve
Partner and Managing Director
mesteve@llorenteycuenca.com

Av. Calle 82 # 9-65 Piso 4
Bogotá D.C. - Colombia
Tel. +57 1 7438000

Lima

Gonzalo Carranza
Managing Director
gcarranza@llorenteycuenca.com

Av. Andrés Reyes 420, piso 7
San Isidro
Tel. +51 1 2229491

Quito

Carlos Llanos
Managing Director
cllanos@llorenteycuenca.com

Avda. 12 de Octubre N24-528 y
Cordero - Edificio World Trade
Center - Torre B - piso 11
Tel. +593 2 2565820

SOUTH REGION

Juan Carlos Gozzer
Partner and Regional Managing
Director
jcgozzer@llorenteycuenca.com

Sao Paulo

Cleber Martins
Partner and Managing Director
clebermartins@llorenteycuenca.com

Rua Oscar Freire, 379, Cj 111
Cerqueira César SP - 01426-001
Tel. +55 11 3060 3390

Rio de Janeiro

Daniele Lua
Executive Director
dlua@llorenteycuenca.com

Ladeira da Glória, 26
Estúdios 244 e 246 - Glória
Rio de Janeiro - RJ
Tel. +55 21 3797 6400

Buenos Aires

Mariano Vila
Managing Director
mvila@llorenteycuenca.com

Av. Corrientes 222, piso 8
C1043AAP
Tel. +54 11 5556 0700

Santiago de Chile

Francisco Aylwin
Chairman
faylwin@llorenteycuenca.com

Magdalena 140, Oficina 1801
Las Condes
Tel. +56 22 207 32 00

