

Member Profile

An Interview with Paola Bonomo, Director,
Telecom Italia, AXA Assicurazioni and Piquadro,
Member, WCD Italy

By Judy Macdonald



Q1. You started your career at McKinsey & Co. and then took leadership roles with eBay, Vodafone Italia and Facebook, all in the digital space. What are the latest digital trends and tools that companies should leverage?

My executive career in digital-first companies enabled me to add value to board conversations from what is still a rather unique angle, because most board members usually come from other walks of life and haven't had the chance to observe consumers' digital behaviors closely, let alone to influence them. I always tried to stay away from "digital trends," where the discussion can have a flavor-of-the-month quality, and to focus people's

minds on the fundamentals of the transformation we have now been navigating for over 20 years: for example, think about how dramatically supply chains and retail stores in the fashion industry have been reconfigured. Most management teams have by now adopted a wide range of tools to interpret this transformation in a way that fits their corporate DNA, and are making progress in both top-down and bottom-up transformation initiatives.

The role of the board is now twofold: first, to keep watching the horizon for signals of long-term changes that require a new strategic orientation; second, to ask the right questions about the company's cybersecurity risk, which has become a major business, financial and reputational risk factor, and ensure that both cultural readiness and appropriate risk mitigation procedures are in place. Sometimes, the strategic discussion has important sustainability implications: for example, if we determine that our company's "human + machines" balance will shift in the direction of more machines and perhaps fewer humans, what is our corporate responsibility to retrain our people for this scenario?

Q2. You have invested in tech startups as part of Italian Angels for Growth and you have been recognized as Business Angel of the year in Italy and you received the Golden Aurora award as the best woman business angel in Europe. What success have you seen from your investments and what inspired you to give back?

I have invested by now in over 25 startups, and my most successful investor story is the seed round of AdEspresso, a SaaS company focused on performance optimization of digital advertising for the SME market, which was founded in 2012 and sold to Hootsuite Media at the end of 2016. My main motivation as an investor is to support the growth of a successful ecosystem of Italian startups, or startups “with one foot in Italy,” as in the case of AdEspresso. I am also particularly keen on fostering and scaling female entrepreneurship. Inspiration comes daily from the small and large triumphs of entrepreneurs and investors – keeping in mind that 95% of the credit for a successful venture belongs to the entrepreneurs.

Q3. Female entrepreneurs often have a difficult time attracting angel and VC investment dollars. What actions can be taken to even the playing field?

I am a strong believer in putting our money where our mouth is; and giving of our time, our most precious resource. In the United States the women of Broadway Angels, for example, have done a terrific job building up a portfolio of investments that is 50% companies founded and led by women. And as far as one’s time is concerned, the founders of the non-profit organization AllRaise have invested countless hours in initiatives such as Female Founders Office Hours, a 1:1 mentoring scheme that enables budding women entrepreneurs to be coached by the best in the business.

Finally, it’s time for men to play their role in addressing the VC industry’s gender bias. It all

starts, of course, much earlier, perhaps in middle school, when we all (mothers, fathers, teachers, role models) must let girls come to realize that entrepreneurship can be the avenue for their talents to blossom. And we must ask institutions to be smart and strategic about the funding gap. For example, I have argued¹ that since funds from Horizon 2020, the EU’s innovation framework strategy, are often the catalyst for much bigger investments by venture capital firms, reserving a portion of Horizon 2020 (as well as future framework funds) for women-led enterprises would encourage many more women founders to apply, and at the same time force evaluators to raise the bar for all applicants.

Q4. You serve on the boards of Telecom Italia, AXA Assicurazioni and Piquadro. How does your digital marketing and strategic planning background help you as a corporate board member?

I have found myself in demand as a board member because the two skill sets, the foundation in strategy that I acquired in my long McKinsey years and the in-depth understanding of the digital landscape I matured later, are not often found together in one person. Therefore I am able to take a broad perspective on strategic challenges and opportunities, and at the same time to easily drill into such topics as digital marketing performance or customer care metrics. I have to say that I feel especially useful when Chairmen, CEOs, and sometimes executives ask me to contribute even beyond the remit of the board per se: for example, in putting together a joint training session for board and executives; or in assessing candidates’ skills for certain roles.

Q5. What are the issues that keep you up at night as a corporate director?

¹ <http://opendigital.economist.com/balanced-investments>

Especially in public companies held to the rhythm of quarterly numbers, I always wonder: are we making the right decisions for this company to be sustainable in 10, 20, or 30 years? Or are we under the curse of short-termism? Of course, all major companies now report on environmental, social and governance (ESG) issues, but we need a deeper dialogue with investors about their expectations.

I believe things are moving in the right direction, at least in Europe, as European institutions are working on improving disclosure requirements on how institutional investors integrate ESG factors in their risk processes.

Q6. How can board members stay up to date on disruptive technology trends and what are the most important questions for directors to ask of management to provide proper risk oversight?

Board members must be intellectually curious, read widely (two newsletters I recommend: Exponential View by Azeem Azhar and The Information by Jessica Lessin), and never stop learning. There are large events such as Mobile World Congress, Web Summit and VivaTech, but once you've done a few of those, it is more interesting to find smaller conferences that are aligned to your learning goals.

Regarding risk oversight, I have built my own lists of questions by drawing on several toolkits provided by professional associations of board members: NEDCommunity in Italy and NACD in the United States are worth following and regularly come out with helpful publications.

Q7. What are some of the critical lessons learned throughout your career? Did you have many mentors along the way who were able to help you navigate the rough patches?

If I had to abstract from decades of learning, I would say that collaboration and influencing skills make all the difference. In startup world myth, the so-called "10x engineer" is someone whose productivity leads the progress of the entire team; in reality, this is rarely someone with hard skills only, since communicating and working effectively with other people are the soft skills that make the project win. I saw the importance of soft skills throughout my time spent in corporations: leadership development is all about being able to lead more effectively, above and beyond your content or functional skills. And in boards, again, board leadership skills have to do with working effectively with others.

Regarding mentors, I had a senior partner I considered a mentor while I was at McKinsey. After that, for a while, what I did ended up being too new for experienced mentors to understand, so that I really had to start charting my own course. And now I'm learning from younger people.

Q8. Italy has a quota for board diversity. Do you believe gender quotas for boards are effective or do you believe we can reach parity in other ways?

It has been several years since the Italian law was introduced, and the academic research² is now ironclad: in Italy, mandating a certain number of women directors has raised the average level of educational attainment among board members, increased their international experience, and decreased the average age of directors. The impact of gender quotas gave rise to a beneficial restructuring of boards, with a positive reception by the market. Interestingly, the share of female directors is associated with a lower variability of stock market prices. Would we have been able to reach one third of women directors in the absence of a law, by moral suasion alone? Absolutely not. The law was a key factor in getting search committees to

² <https://www.iza.org/publications/dp/11462/do-board-gender-quotas-matter-selection-performance-and-stock-market-effects>

go beyond the “usual suspects” and recruit a new generation of high-performing directors.

Q9. What do you like to do in your personal time?

I love travel, yoga, and reading. I also volunteer my time in building and nurturing communities of like-minded people: I have now served for seven years as the president of Stanford Club Italia, the local alumni chapter of Stanford University. More recently, I have volunteered as the local ambassador for Inspiring Fifty,³ a fabulous initiative to showcase women in technology, which started in the Netherlands a few years ago and came to Italy last year.

Q10. What value have you derived by being a member of WCD Italy?

I have been exposed to a wide range of experienced directors and chairmen. Sometimes they have been truly forward-thinking, insightful and pushing the envelope of what it means to lead a board; other times, they’ve shown more of an “old boys’ club” approach, doing the ladies a favor in coming and speaking to us! This, too, has been useful – it’s an attitude a woman director might still encounter when joining a board, and it’s good to figure out in advance how to be smart and strategic in deflecting bias and moving the board ahead.

³ <https://inspiringfifty.org/>
