

A Leading-Edge Disruptive Brand

An Interview with Holly Hess,
Executive Vice President and Chief Financial Officer, AOL



Holly Hess

EDITORS' NOTE Prior to her current post, Holly Hess led Verizon's Internal Audit organization. Hess previously held a number of finance leadership positions in Verizon of increasing responsibility, including Treasurer, CFO of Verizon Wireless, and CFO of Verizon Business. She also led the Operational Excellence & Process Transformation organization. Hess also worked as a senior auditor at Price Waterhouse and Deloitte & Touche. She holds a bachelor's degree in accounting from Miami University of Ohio and is a certified public accountant.

COMPANY BRIEF AOL is a global, mobile media technology company with a mission to build brands people love. AOL is recognized as a leader in the digital space, dedicated to delivering premium content to consumers and innovative advertising solutions to brands and publishers. A subsidiary of Verizon, AOL is shaping the digital future.

Will you talk about the strength of the company today and where you see it positioned?

AOL has been very focused on culture and code, so culture and talent is a competitive differentiator. Tim (Armstrong, CEO and Chairman) has done a great job of transforming an old brand to a leading-edge disruptive brand, and that is one of the things that really attracted me to AOL.

Is it harder to maintain culture when there are so many brands within AOL?

Every brand has something that differentiates it, and each has their own identity. Tim talks about building brands that people love so, if AOL is a builder of brands, then every brand should feel that they can grow and flourish. They should still have an identity but be under an umbrella of nurturing and growing, and leveraging off each other.

I don't think our position has been to change a brand other than to give it what it needs to be successful.

Having gone through a transformation, is the new message now understood?

It's a work in progress, because AOL is a misunderstood brand. When Verizon bought AOL, many of the Verizon folks didn't even get it. Verizon bought AOL because of their ad-tech platform and the brands they have. They desire to marry that with Verizon and its wireless subscriber base, as well as with some of the data that Verizon has, because it's a great combination. When we explain that, then it becomes clear.

It's still, however, an underdog brand.

Has the CFO role evolved and how do you define it?

Finance folks used to be historians and they would always look back and never talk about the present, or shape or define the future. The role of the CFO today has to be as a trusted business partner, hand-in-glove with strategy and making sure we're creating the ability to invest in the future and in the strategy. We can never shortchange investment in that and must make sure that we're not harvesting areas of the business we're not going to grow or that are not core to the future.

The CFO has to help enable the strategy through setting the proper targets.

How do you create a balance between short-term and long-term pressures?

We have to do both, even though it's easier to do one or the other. Part of the discipline with being an "and" leader is that we have to make sure that as we're delivering results in the short-term, we don't starve our building for the future. It takes discipline to make sure that we're not indexing towards short-term.

How important is it to mirror the customer diversity you have within your workforce?

One of the things I love about AOL is the diversity part of it. Forty percent of Tim's direct reports are women. Some of the brands promote diversity, like MAKERS, which is a women's leadership brand, as well as BBG Ventures, which is a venture fund to support women-owned businesses. Even the AOL Foundation Citizen AOL helps women, girls, and underserved youth.

The workforce has to reflect who we want to be as a company and what we want our culture to be, and this gives us different perspectives on things. AOL has done a really great job of creating an environment to attract different kinds of people who all have a common goal in mind.

How important is it to have a culture of giving back?

It brings the employee base together. Once a year, AOL has a Monster Help Day where everybody does volunteer activities to serve the community and give back. It creates a sense of community within the employee base and it's such a rewarding experience that it grows into helping other areas of the community. We bring along some of the folks we work with to do that.

Are there adequate opportunities for women across the industry?

The opportunities are there. Verizon, which is where I came from, does a very good job of trying to promote and cultivate diversity in leadership. In finance, it depends on the discipline. Tech and engineering are further behind in terms of diversity; finance is much further along. With balancing work and family, many times women thin out of that workforce for a period of time and then re-enter it, and that impacts the pyramid of diversity as it goes further up the corporate ladder.

Tim's leadership team and the number of women who are present within it is a testament to the opportunities out there.

Do you look at growth both organically and through acquisition?

We have to do both. As a company, if we're growing, we go through a make-versus-buy decision tree to reach our strategic goals and make sure we're not missing the market by taking too long to make a decision.

Inorganic has to be part of how we get to our strategy, either through acquisitions or through strategic partnerships. Verizon is a go-big or go-home company so, in buying Yahoo and combining it with AOL, it creates much more market power and strength for a third competitor in the marketplace.

Has taking on this role been what you expected?

Most of my career was with Verizon Wireless and when I started there, cell phones were carried around in bags. It had a small, gritty leadership team at the time and we wanted to grow and beat the competition. We grew to be a really big company.

AOL was described to me as being like Verizon Wireless in the early days, and when I met with Tim, it felt like that. It's more casual and more dynamic. ●