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# AFJAGS Podcast: Episode 13

## How to Innovate with (Ret.) Colonel Bill DeMarco – Part 1

**HOST:** MAJOR RICK HANRAHAN, USAF

**GUEST:** COLONEL BILL DEMARCO, USAF (RET.)

This is part 1, of a two-part interview, with Colonel (ret.) Bill DeMarco, where we discuss "How to Innovate" from both the Air Force level and personal level.

### **MAJOR RICK HANRAHAN:**

In this interview, we discuss how to innovate from both the Air Force level and personal level with retired Colonel Bill DeMarco, a command pilot with over 2700 flying hours and numerous deployments and multiple command experiences under his belt. Colonel DeMarco currently sits as Air University's chair and dean of education for the Leadership Department and is a true leader in the innovative space. Here are a few highlights from part one of the interview.

### **BILL DEMARCO:**

An innovation has to enhance something, it eliminates something, it returns something, and then it also can reverse into its opposite. You can set the direction with a strategy and with a vision, but then you have to unleash the creative capacity inside your folks and just get out of the way.

### **ANNOUNCER:**

Welcome to the Air Force Judge Advocate General's Reporter Podcast where we interview leaders, innovators, and influencers on the law, leadership, and best practices of the day. And now to your host from the Air Force Judge Advocate General's School.

### **MAJ RICK HANRAHAN:**

Welcome to another episode from the Air Force Judge Advocate General's School at Maxwell Air Force Base. I'm your host, Major Rick Hanrahan. Remember, if you like the show, please consider subscribing on [iTunes](#) and leaving a review. This helps us to grow in outreach to the JAG Corps and beyond.

Today's topic is entitled "How to Innovate" with a focus on exploring innovation and leadership from both an Air Force perspective and a personal one and show how

you can begin developing your own innate innovative abilities right now. Our guest is truly a leader and influencer in the innovation and leadership space. I'm excited to introduce our guest, retired Colonel Bill DeMarco, passionate about all things leadership, developing the ultimate in high-performance leaders, and labeled as a quote, "leader in permanent beta." Sir, it's a pleasure to have you in studio today.

**BILL DEMARCO:**

Thanks, Rick, it's an honor to be here. I look forward to the conversation.

**MAJ RICK HANRAHAN:**

Colonel DeMarco is a native of San Carlos, California and graduated from the Citadel in 1988 with a bachelor of science in business administration and management and commissioned as a second lieutenant. He is a command pilot with over 2700 flying hours, and his experiences include command at the squadron, group, and regional levels. He has been involved in all aspects of air mobility, including as a tactical and strategic airlift pilot, qualified in airdrop and special operations, tanker pilot, airbase command and control officer, and commander, and served as the 44th **Air Command and Staff College** (ACSC) commandant. He has served in Operations Desert Shield and Desert Storm, Mogadishu, Rwanda, Haiti, Bosnia, Kosovo, Northern and Southern Watch, Nobel Eagle, and most recently, Enduring and Iraqi Freedom with four tours in theater.

He holds three master of science degrees and currently sits as the director of **Air University**, chair in Leadership Department, and professor of Leadership Studies Air Command and Staff College at Maxwell Air Force Base. He's also an adjunct professor at Auburn University in leadership. He serves as a National Security Affairs Fellow at Stanford's University Hoover Institution and is a fellow at the Judge Business School at Cambridge University in England. He's also been a **TEDx speaker**, contributes as a leadership consultant for the **National World War II Museum** in New Orleans, and is the founder and CEO of **Mastermind Century Group**, LLC. Well, sir, quite a

background there, very impressive. Today's topic is going to be on how to innovate or innovation in leadership. Perhaps you could provide a little more background on how you initially became interested in innovation and leadership.

**BILL DEMARCO:**

Well, you know, Rick, a lot of it comes from I'd almost say my personality. I just really enjoy creating things. It's funny that after you create something, you usually have to run something. So the creating is really fun. The running can be fun to a point. But I usually talk about my ADD personality where after a while I lose interest. So building things has always been something I've loved. But it also comes from a foundation. You mentioned I'm a big student of leadership, and I've spent a lot of time studying leaders. And one thing I noticed over the years was it seemed to me the best leaders, at least the ones that I worked for, seem to have an innate ability to lead, which sounds really obvious. But I'm pretty sure folks that are listening have had leaders that you kinda wondered, do they know how to lead? Next was the idea of strategy. How does a leader develop strategy? And finally, this idea I called creativity. Now innovation has become a bit of a buzzword. So we'll say innovation or creativity. But I think the best leaders live at the nexus of understanding leadership, strategy, and innovation. So for me, those three things have just been a passion, so I've been looking at it for several years.

**MAJ RICK HANRAHAN:**

So, a question I've asked many guests is are leaders born or can they be taught?

**BILL DEMARCO:**

The ultimate question, right? And of course, you say yes. 'Cause I really do believe there's people that just have this innate ability to lead. And I think we've all worked for people like that. We're just blown away by how he or she can just lead an organization. But I've also been around and worked for people that I think really had to work harder than the average bear when it came to leading, and they still were amazing leaders.

You think if this guy's born a leader and he's a 10 and she's not born a leader, she can be a 10. It's just one of those things I think we have to spend some time truly understanding our strengths and weaknesses. And we all have them. So do you know your strengths? Do you know your weaknesses? And can you accentuate your strengths and learn from your weaknesses?

**MAJ RICK HANRAHAN:**

So sir, could you speak a little bit about your current position, main areas of concentration in any current projects or curriculum that you're particularly passionate about at the moment?

**BILL DEMARCO:**

That could be a really long conversation. So right now, I sit as the chair of the Leadership Department at ACSC, which gosh, I know I'm biased, but I couldn't think of a better place to be. So I get to work with amazing officers that are right at that nexus of being amazing tacticians and they're stepping into this world of leadership. So we have the opportunity to influence these folks at this critical juncture, so I love that. In the department, we have several what I call teams, but they're all things that we've developed.

So we have our Leader Development course, which is the idea of really talking about leadership, the idea of ethics, the idea of **Myers-Briggs** typology, personality index, all these kind of things where we really do this deep dive into knowing yourself to lead yourself, and then leading yourself to lead your teams. So I love that.

We have a Command course, that boy, we have great folks that are building that, but the idea of talking to people about what it means to be a commander. 'Cause to me, there's a difference between being a leader and being a commander. Being a leader is something that is sort of bestowed upon you. People have to grant that, oh, he or she's a leader, whereas command is something that is given to you. It's legal authority. So you can be a commander without being a leader, and I also think

you can be an amazing leader. You don't have to be a commander. So a passion thing of mine.

And then we have some electives that I love. So Leaders By Design is an elective that we built six years ago but is always changing, 'cause we're looking out at the horizon to see what new leadership trends are out there, then teaching our majors those things.

And the other is Innovators By Design, which, of course, that's what we're talking about today. Big, big, lot of attention on innovation. But Innovators By Design, we did it. It was a one-quarter class. It wasn't enough time. So this year, I worked with our former deputy chair, Brandie Jeffries, to develop it into a three-term elective. That turned it into what AU is now calling the Innovation Research Task Force.

So we're working with **Air War College** (AWC), ACSC, and **SOS** (Squadron Officer School). We work with SOS Think Tank because they can iterate very, very fast. For us, the blessing and the curse of a 10-month school is it takes 10 months to iterate. SOS can iterate faster than us. But it's all about looking out at what's being taught in the world of innovation, bringing it into a three-term elective, pouring it into, right now, we have 20 students, we have ACSC and War College working together, and seeing what they can do. So what we've done is taken Stanford's Design School, kinda their design thinking model, we've taken Michigan or Jeff DeGraff's model, smash those together. And so we walk them through the curriculum while they're working on strategic projects. So they're going through the idea of, as a team, we put them in teams with opposing personality types so there's a tension. But as you probably can imagine, the best innovations, I think, come when you have that idea of competing values, the idea of a tension between you and the person across from you, and to see what they can produce. So right now, they're in the middle of the course, just right about the halfway point. We have some amazing teams doing some amazing work, and I'm excited to see what they produce at the end.

**MAJ RICK HANRAHAN:**

Fascinating stuff you're doing there at ACSC, sir. So today's topic is on innovation. Maybe we can start very broadly. What is innovation?

**BILL DEMARCO:**

That's kinda like the ultimate question. It's funny, 'cause we say innovation, and we probably get, ah, maybe not 50%, but we get a lot of folks that roll their eyes because innovation is kind of, in the Air Force, I think become a little bit like for an old guy like me, we had total quality management, TQM, and then we've had AFSO 21, you've got CPI, you've got Lean Six, all these things that have been thrown out there that people think that this idea of innovation is just another one of those. Of course, I disagree. But it doesn't matter if I disagree and the person across from me thinks it's a buzzword. So for me, innovation really comes down to creating something new for the greater good. In other words, it's not something that you're doing for your personal gain. It's something you're doing in the Air Force, I would say as an example, to make the Air Force a better place. And that can look different in a lot of ways. It can be a tech solution.

One of the things we talk about in *Innovators By Design* is social innovation, and that's kind of where I work at Cambridge is with the folks at the Judge Business School, and they have a master's in social innovation. But that's like innovating with people. It's different. You're not building a computer program. You're innovating trying to, I don't know, help the poor in East London or what have you. It's a different way of looking at innovation. So innovation covers all of those things. But what is interesting to me is we are fortunate that we get to work with **Dr. Jeff DeGraff** at Michigan. And he's helping us a lot right now in a thing called **Project Mercury** that I'm sure we'll talk about later. But Jeff actually had to develop a definition for innovation. So he actually, I believe he stole it from somebody, and he fully admits that. But he talks about that an innovation has to enhance something, it eliminates something, it returns something, and then it also can reverse into its opposite.

So one of the things he talks about, enhances something. If you think about, gosh, again, I'm gonna show how old I am, but when I first came into the Air Force, we didn't have email. Yeah, I see you're laughing at me. So we didn't have email. And all of a sudden, this email thing shows up. And I remember, I was really confused as to email versus the Internet 'cause you had the email box and then you had your web browser, and I was like, well, how come the email just doesn't go through the Internet? Anyhow, long story. But the idea is they were telling us that we didn't need the Airmen to show up with the Holy Joe to pick up your paper and walk it to the wing headquarters. You could send it on email. Isn't this awesome? It's gonna set you free. It's gonna be amazing. And it didn't really. So I would use that maybe as reversing into its opposite. So email was gonna set us free, right? But how many of us are slaves to email now?

So the innovation of email flipped itself into its opposite because I don't know how long it takes me to get through my email every day, but it's a long time. Let me go back to the idea of enhances something. Think about Google and what they did with the search engine. There were search engines out there before Google, right? So Google really didn't invent the search engine, but it enhanced the search engine. Lot of times, we talk about the algorithm. We talk about all this stuff. But I don't know, you're much younger than me, but if you remember things like AltaVista or whatever these things were, the thing was that it was a, Google was a little window, and you just put your search in there, and it came up, and then it became a verb. The idea of, oh, did you google him? Have you googled that, have you? So really, Google just enhanced something, eliminates something.

**MAJ RICK HANRAHAN:**

And sir, if I could just interject for a second. I've heard through various sources that sometimes if you could innovate, maybe make something better by five or 10%, that that's innovation. Would you agree with that?

**BILL DEMARCO:**

I agree 100%. I think so many times, we look for this moonshot or as Safi Bahcall would say, I don't know if you've read his book, "[Loonshots](#)," the idea of these big, big, huge innovations. Man, I don't know, if you're always shooting for the fence, man, you're not gonna make it. Just get a single when you can. So I agree, an innovation doesn't have to be something huge. Eliminate something, I think about an innovation like, heck, think about brokers. It used to you had all these stockbrokers, all these other things. Innovation actually eliminated that. It's gone. The idea of returning something. Jeff DeGraff always says, "We think that we wanted to live like the Jetsons, "but really wanna live like hobbits." The idea of clean eating and all this sorta stuff. And he always mentions the idea that little blue pill that was discovered in Ann Arbor. That was an innovation that returns you to when you were 25. So the idea is that innovations do things like that. And I agree with you 100%. It doesn't have to be getting to Mars.

**MAJ RICK HANRAHAN:**

How closely linked is innovation with leadership?

**BILL DEMARCO:**

Well, you're talking to a leadership chair, so of course I'm gonna tell you that they're inextricably linked. But I think you could make an argument that they don't have to be. But the way I look at innovation, I think as a leader, part of your job is to enable innovation and also realizing that you don't have to be the innovator. You don't have to be the smartest guy or girl out there. But you have to be able to empower the people underneath you to innovate. Are you giving them the time? Are you giving them the resources? Are you clearing out all the poop to let them be able to really innovate? So that's why I think leadership is important to innovation. You can set the direction with a strategy and with a vision, but then you have to unleash the creative capacity inside your folks and just get out of the way and let them do it. There's gonna be failures, and that's something we hear all the time. Silicon Valley, the idea of fail fast, whatever it is, break things, whatever those mottos are out there.

And in the Air Force, it's a little more difficult. You start breaking things, that can get you into trouble. But I would tell you, the issue, I was ops group commander out at Mildenhall, and people would say, "Well, we're gonna start crashing airplanes." And I'm like, "No, there's a big difference "between looking at innovation "that might get our OPRs done faster"and then flying a tanker upside down up initial." I'm not saying we're crashing airplanes. There's a big difference. But as a leader, you have to be able to clear out the stuff to get your people to innovate. And once they see that you're serious about it and you'll take the risks for them, there's no stopping what they're capable of.

**MAJ RICK HANRAHAN:**

So from a government institutional standpoint, I think that's one of the maybe, one of the main challenges we face. I think [Jeff Bezos](#) spoke to the Air Force within the last year or so. Talking about those kind of institutional challenges to innovation, right, with particular to Amazon. And he basically stated that Amazon is very similar in some respects to the Air Force. It's a huge bureaucratic institution. Yet we have this mindset now that we're supposed to innovate at the quote, "speed of relevance," end quote. Yet some folks that may be critics that may say, well, actually, we're only innovating at the speed of bureaucracy. Could you speak to that?

**BILL DEMARCO:**

I always wonder what the speed of relevance really is. How fast is that? It sounds pretty fast, but I'm not sure. I understand that [General Goldfein](#), I've heard him use that term a lot. And so if anything, the nice thing is that what General Goldfein causes people to do is stop and think. I don't think there is a speed of relevance. I don't know what that even means. But when I first heard him say it, I think it was at AFA several years ago, and I caught myself having to stop and go, is that fast, is that slow? But I think if General Goldfein, and I can't, of course, speak for the Chief, but I think that the Chief of Staff would say, that's all I want you to do. I want you to pause and think. Because the speed of bureaucracy, we know what that is. That's really slow, so the speed of

relevance has to be faster than the speed of bureaucracy. But then again, the bureaucracy is a yin and yang. It's a blessing and a curse. And when I was out at Stanford, I was writing a paper on strategy, and I was talking to my advisor. And I remember I was saying, "Well, if we could just get rid of the bureaucracy, we could do strategy a lot faster." And he goes, "Yeah, that'd be great, Bill. We could make stupid mistakes or make stupid decisions much faster."

So if anything, the bureaucracy actually can help us to vet things. But then again, the bureaucracy also causes us to slow down. And I've got the scar tissue for bumping into bureaucracy several times and being told to slow down or, no, you can't do it. But if I were to look back, being the old guy and looking back, a lot of times when the bureaucracy slowed us down, it wasn't always a bad thing. It's understanding how to maneuver inside the bureaucracy, understanding who the decision-makers are, understanding how do I align my cool, new innovation with General Goldfein's vision, or let's say our new AU commander, **General Hecker**, or General Webb at AETC.

If you have an innovation but it has nothing to do with say **General Webb's** vision, then you can understand why the bureaucracy might go, well, why are we doing that? But if I can look at what General Webb is saying, and now align our innovation to what General Webb is trying to take them, the MAJCOM forward, well now we have a much better chance of operating inside the bureaucracy.

And I understand the frozen middle. So the idea is how do you maneuver around the frozen middle, and there's ways to do that. How do you melt the frozen middle? Sometimes it's solving the frozen middle's problem, right? Funny thing is that the frozen middle is always where you're not, you know what I mean? You're not part of the frozen middle. So as interesting as some of our majors might think that squadron commanders are the frozen middle, the squadron commanders believe the group commanders are the frozen middle. The group

commanders are pretty sure the wing commanders are frozen middle. And I guarantee the wing commanders are sure the NAF commanders are the problem. So it's just interesting. I haven't been able to find. Maybe it's the pot of the gold at the end of the rainbow. As you get closer to it, it keeps moving. But where is the frozen middle? And then understanding and having the relationships to move around it.

**MAJ RICK HANRAHAN:**

Could you perhaps offer any examples of maybe some tactical examples of how to eliminate what would appear to be this bureaucracy in this innovation model?

**BILL DEMARCO:**

You asked about the leadership thing. I think it does come down to leadership. So one of the things that we were able to do, and again, it's been a few years, but over at Mildenhall, I never flew in KC-135s before, and who would not want to go to Mildenhall? So it was one of those that I found out I'm going to Mildenhall, I'm gonna be the 100th ops group commander, and they have KC-135s. So what do I know about 135s? Well, I know I flew KC-10s, and the 135 is smaller. It's got four engines, the 10 has three engines. That's the extent of my knowledge. So I showed up and I asked the wing commander, I said, "So why'd you hire me?" And he said, "To take the group to the next level." And of course, the next question was, "Well, what's the next level?" (both laughing) And he looked at me and said, "That's why I hired you." So the ops group is on the other side of the runway. So as I was driving around the runway, I was thinking about basically, yeah, how big of a failure this was gonna be because I had no doubt right now, the 100th ops group was probably the world's greatest KC-135 crews, and I can barely start the motors on the KC-135.

So quickly, I realized that I wasn't gonna teach these guys anything about KC-135s, but what I could teach them about was leadership and innovation. So on the innovation side, Creg Paulk was the commander before me, and he's amazing leader, well-loved, all the things

you would hate to take over command from a guy like Creg Paulk 'cause he's awesome. So Creg had mentioned that, I said, "Hey Creg, "what's the one thing you wish you would've done "you didn't do?" And he kinda looked at me, he thought about it, and he said, "Well, you know, they said I could have a CAG." And he goes, "I don't know if I need a CAG. What's a CAG do?" Commander's action group.

So I started wondering about a CAG, and I thought, yeah, CAG, kinda pretentious. I don't know if I need a CAG. But what I do need is what I called ops group creative, so OGC. Think pre-Spark Cell. There was no Spark Cell back then. But I thought if I can have a CAG, could I create an ops group creative, which would be a cool kid room next to the command suite where people would hang out and they would solve problems? So what I did was I went and found really smart captain-ish people. I had a few majors in there. I had one lieutenant colonel. I asked them to come in and try to help me figure out how to solve these problems. What I did was give them problems to solve. But you talked about how to do these tactical innovations inside the bureaucracy. I had to buy in to what they were working on. You know what I mean? And so once we would have a conversation, they would say, hey, I wanna work on this, then it was up to me as the colonel to clear out the fodder and also find the funding for them.

So again, where's the frozen middle? I don't know, but we had some great successes. In fact, we had one of our guys that actually won the Air Force, I don't remember the name of it, but the innovation award. It's like \$10,000 or whatever it was. But one of our guys actually won that award that year for his way he did the replanning the fuel planning for the KC-135. But when I asked him if he thought of this, he said he had. He drew it out on the board, which meant nothing to me, 'cause remember, I'm not a KC-135 guy. So I rubbed my chin and stared the board like I knew what he was talking about. And then I asked him, "What do you need from me?" And he said, "I need six hours in a simulator." Well, hey, I can do that, you know what I mean? So I went down to the

sim scheduling, and I said, "I need six hours for this guy in the sim." And of course, they told me no. And I had to sit there and think about the fact that, again, I was just thinking, well, I think I'm the ops group commander. I asked for six hours, and I said, "Well, so if I can't give him six hours, what can I give him?" And he said, "We only schedule in 1.5-hour blocks." Now I went to the Citadel, so I'm a little slow in math, but I'm pretty sure 1.5 plus 1.5 plus 1.5 plus 1.5, yes, that's six. (Maj Hanrahan laughs) And so all I did was look at the scheduler. It was a civilian, I kinda patted the desk, and I said, "You'll figure it out."

So we did get him in the sim, and he was able to prove his numbers in the sim. But that's just an example like I'm saying. That wasn't really tactical because that went all the way to AMC, and AMC started adopting this guy's fuel planning. But the fact was it started at a tactical area where what can I do as a colonel? And I would say lieutenant colonel, any commander, what can you do to clear out the crap to let your folks innovate?

**MAJ RICK HANRAHAN:**

I think one of the biggest challenges is you have young Airmen with great ideas but they're afraid to make mistakes. It's the fear factor, right? So maybe you could speak to both those Airmen but also the leaders of the Airmen on how to manage expectations, providing left and right boundaries, in that path to innovation.

**BILL DEMARCO:**

I've had a lot of failures. It's one of those that I think that that's part of it, too, that maybe there's some commanders that haven't, they feel like they haven't had those failures. You know what I'm saying? That they feel like, well ... I'm sure there's commanders out there that maybe, in their minds, they've never failed. But I think for those of us who have failed, we know what that feels like. So what I always do is when we have an innovation, the first thing I ponder is how do I beta? How do I do this? And again, I keep quoting Jeff DeGraff, but how do you fail off Broadway? Is there a safe space that I can go to that we can launch this beta, this small test?

So I'll go back to the fuel savings thing. What we did was we tested the numbers in the sim and it worked. So that was our first thing. Okay, we didn't fail there, so that gave us data. Next, we went and tested on local sorties. So guys that we knew were at Mildenhall out area eight over the channel where if they had to, they could get back if the numbers didn't work or the fuel started looking sketchy. And then we started doing it on training sorties around Europe. And then we started doing it on combat sorties. So the idea was we had ways, if we failed, it was always recoverable. The fact was we weren't, again, we weren't swinging for the fences on the first go. And then there's other things. Sometimes, you have to ask yourself, what does failure look like?

One of the things we've done here at Air University is we created this leadership symposium called **LEDx**. It's a two-day event. This year, we're gonna have 29, I think, speakers on March 5th and 6th. But the first time we launched LEDx, how do we know that was gonna work? I think we had 15 speakers over two days. But then I would ask myself, what does failure look like? Really, what if we failed? No one's hurt, no one's injured. I'd look like an idiot, but that's okay, you know what I mean?

So I think that's how we have to get around that. Also, I think as a leader, we have to be sure our folks know that we will assume responsibility for the failure. But that's interesting 'cause you gotta think about it. Who owns success? And as a leader, you have to think about that. And I would just argue that as a leader, as a commander, you don't own success. I would say, you take success, and you push it down to the lowest ranking person you could find 'cause there's plenty of credit for that success. And if you're worried about it, don't worry, it'll bounce back up to you. But if you try to hoard it, that's when

you start to lose. Now who owns failure? I would say the highest ranking person in the room. And if you're the commander, it's probably you. So how do you handle that? How do you own success and then own the failure when it goes wrong if it does go wrong. It's your fault. And when people see you taking responsibility for the failure, I think people will understand and they'll wanna keep going, if that makes sense.

**MAJ RICK HANRAHAN:**

That concludes part one of our interview with Colonel DeMarco. In part two, we dive into how to innovate from a personal standpoint, including determining your innovative profile which is the first step to harness your innate innovative abilities. We also discuss the innovative life cycle curve and success and failure insights through the innovative process. Thank you for listening, and see you on the next episode.

**ANNOUNCER:**

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