

# ALLIANCE OF CHIEF EXECUTIVES

LEADERS COMING TOGETHER  
EXCHANGING STRATEGIC INSIGHTS  
TAPPING COLLECTIVE EXPERIENCE

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Since 1996 the Alliance of Chief Executives has been helping CEOs solve their most profound, strategic challenges. As the premier organization for chief executives in Northern California, we gather leaders from virtually every industry and market sector to engage in confidential exchanges that typically wouldn't—or couldn't—take place anywhere else.

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## Who Will Lead the Robot Revolution?

By Warren Lutz

We hardly notice they exist, but they are everywhere—quietly making our lives easier, our businesses more productive and our world a safer place to live. In fact, a robot might one day even save your life.



John Pavlidis  
Vytronus

Capable of incredibly precise movements and imaging that is far superior to the human hand, robots are playing an increasing role in operating rooms, according to **John Pavlidis** (Group 321), CEO of Vytronus, a medical device company developing a novel technology platform for the treatment of cardiac arrhythmias and other conditions.

"The time spent in a hands-on interventional procedure, in which a doctor intensely focuses and is stressed for several hours over a single

procedure, can be reduced to just a quarter of that time by someone directing and observing the work of a precise robot," Pavlidis says. "Instead of having the expert perform one procedure at a time, they could do three in parallel, moving from one room to another while the other patients are being observed."

Of course, robots aren't just in our hospitals. They're in our manufacturing plants, on our roads and in our homes. And according to some projections, they will reshape the way we work in very profound ways. A recent *World Economic Forum* report, for example, predicts a loss of 5 million jobs by 2020 due to automation.

According to Pavlidis, there are a few electrophysiologists who feel robots could diminish their unique value based on their special skills. But the vast majority welcome robotic advancements that will democratize complex medical procedures and help save more lives. "There is a big variation

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## Design Innovative Products Around the Price

Madhavan Ramanujam: The Cost of Getting Monetization Wrong



Madhavan  
Ramanujam  
Simon-Kucher &  
Partners

By Brett Garling

Product innovation is paramount to success, especially in Silicon Valley. However, the pricing strategy is just as important. This was the central thesis of our Keynote Speaker **Madhavan Ramanujam**, who led an insightful discussion during our Alliance Regional meeting on March 9th in Santa Clara. Madhavan, a partner at Simon-Kucher & Partners, has conducted extensive research on innovation and pricing, and co-authored the book *Monetizing Innovation: How Smart Companies Design the Product Around the Price*.

In a major recent study, 80% of companies reported having price pressure and a full 60% described themselves engaged in a price war. Many companies choose to mitigate this pricing

compression by innovating and then pricing differently on the innovation. However, 72% of innovations did not hit profit and revenue targets. Failure has become accepted as a necessary part of innovation. But how can business leaders leverage pricing strategies to fail smart or, even better, produce successful innovations that generate market advantage and profit? Madhavan maintains that the key is to understand if people will pay for your innovation *before* a business starts innovating.

According to Madhavan, there are four principal reasons that innovations fail. First, what he calls "feature shock," is when a product is over-engineered to the point that one size fits none. The way to avoid this is restraint. Second is "minivation," where the product-market fit is great, but the company fails to have the courage to charge the right price. They undercut themselves. Third, are the "hidden gems," fantastic innovations that lurk in the product

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# In Pursuit of Smarter, Better Leadership



**PAUL WITKAY**  
**FOUNDER**

productivity, I found the following three concepts particularly relevant to Alliance members.

## Creating High-Performance Teams

Most people know that high-performing teams can outperform individuals working on their own. However, not every team is high performing, and poor teams can actually be less effective than individuals working alone.

Google ranks among the very best workplaces, and since the company studies virtually everything, it was only natural for them to create a "People Analytics" group to study the productivity and happiness levels of its 60,000 employees. According to Duhigg, Google first looked at why some managers were considered great, while others were average at best, and then created management training programs to upgrade its managers.

In the process, Google heard from employees who loved their managers but did not click with their team. Other employees had to deal with a poor manager, but felt their team was fantastic. As a result, Google launched Project Aristotle to learn why some teams were so much more effective than others. Yet, after exhaustive reviews of academic research gathering tons of data from 180 teams, Google couldn't find any patterns. So the company pivoted and began to focus on how teams operated, instead of who was on them.

Digging deeper, Google found the common characteristic of high-performing teams was psychological safety - a shared belief that the team was a safe place to take risks. Members of these teams were confident they would not be embarrassed or rejected for speaking their minds. The company found that the best behavioral norms could raise the collective intelligence of an otherwise average group, while the wrong norms could hamper a group of very intelligent individuals.

Google identified two behavioral patterns in all of the best teams:

- All of the members spoke up and contributed to every discussion and, over time, their contributions were roughly equal.
- Members could sense how other members were feeling and were able to help each other feel respected and valued. It was also found that, on average, good teams had more women—perhaps because women are more skilled at sensing feelings.

Every CEO I work with wants to be a more effective leader – even those who are incredibly successful by all "normal" standards. So when I saw Charles Duhigg's new book, *Smarter Faster Better: The Transformative Power of Real Productivity*, at an airport bookstore, I had to pick it up.

*Smarter Faster Better* explores why some people get so much more done and with better results. Duhigg, a Pulitzer-winning *New York Times* reporter, draws lessons from neuroscience and behavioral psychology to identify eight concepts for greater productivity. Although all eight concepts are valuable for improving individual

## Encouraging Innovation

Duhigg also shares the findings of two business professors, Brian Uzzi and Ben Jones, who studied creativity and published their findings in *Science* magazine in 2013. Uzzi and Jones studied 18 million scientific papers from 12,000 journals and concluded that almost all of the creative papers had one thing in common: previously known ideas were mixed together and applied to new questions in ways no one had done before. Uzzi stated that "a lot of people who we think of as exceptionally creative are essentially intellectual middlemen. They've learned how to transfer knowledge between different industries."

Knowing when specific creative ideas will emerge is very unpredictable. According to Duhigg, however, we can create conditions in which creativity happens more often.

- First, pay attention to how things make you *think* and how they make you *feel*. Steve Jobs once said that "the best designers are those who have thought more about their experiences than other people."
- Second, the anxiety caused when facing a difficult problem is often what pushes us to see old ideas in new ways. We should challenge any and all assumptions and ask "What if?" and "Why?"
- Third, we should look at problems and potential solutions from as many different perspectives as possible. Refrain from accepting the first solution until as many other alternatives as possible have been discovered and explored.

## Decision-Making

Every CEO would like to make better decisions and avoid making bad ones. Duhigg explains how we must train ourselves to think probabilistically. To do this, we must force ourselves to envision all reasonable future scenarios and develop the ability to forecast their probability of occurrence. Most mistakes are made when our desire for certainty and speed overcomes our patience to dispassionately assess each scenario.

Duhigg also observes that, although we must use our intuition to predict most future outcomes, our memory often affects our accuracy. We tend to remember our successes more than our failures. Even if we have very little data, we can still forecast the future by making assumptions and then adjusting them based upon our observations and experience. This ability to intuit patterns is called Bayesian psychology. It turns out that humans are pretty good at making predictions—if they take the time to identify every potential outcome and to rank their probability before making final decisions.

Every successful CEO strives to be more effective, make better decisions and become more productive, which are key reasons why we bring leaders together at the Alliance of CEOs. For anyone serious about becoming smarter, faster and better, Duhigg's book is a great read.

## Experience a Tasimba Leadership Safari This Fall

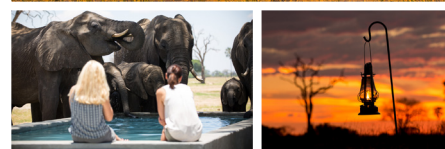
**Paul Witkay** and his wife, Cathy, will be fulfilling a lifelong dream to visit Africa this fall, and invite Alliance members to join them on the superb **Tasimba** safari experience from October 29th to November 5th. Tasimba is curated and led by Alliance Group Director Hugh Coppen, and was enjoyed in 2016 by Alliance CEOs **Jeremy Tibbets** and **Matt Clementz**.

Tasimba offers members a unique variety of benefits like sole occupancy of a luxurious safari camp in a vast private wilderness, inspiring group discussions led by experts on lessons from nature, conservation, culture and regional history, twice daily safaris led by Africa's most highly qualified professional guides, a special rural village visit - and much more!

This is an extraordinary opportunity to share an unforgettable safari experience with other Alliance leaders. The week-long Tasimba safari is offered to Alliance members at an exclusive discounted rate of \$11,000 per person for double occupancy and \$16,000 single.

For full details, contact **Hugh Coppen**, at (415) 595-5323 or [hughcoppen@tasimba.com](mailto:hughcoppen@tasimba.com).

[www.tasimba.com](http://www.tasimba.com)



# Nuggets from Behind Closed Doors

*Alliance members allow selected insights to be captured and shared*

*Inside every private Alliance meeting, there are hundreds of years of experience. While keeping confidentiality of the member who provided the challenge to their group, we've captured (with permission) just a few of the insightful comments from a handful of members. Read what these two members had to say to get a glimpse of what it is like to be an Alliance member.*

## Jeff Antrim: Double Down on Quality and Accountability



*It can't always be the best of times. So how can a CEO manage revenue when cash flow is tight and profitability has declined?*

*Jeff Antrim, President of Proforma Construction, shares a few battle-tested approaches to weathering the storm while keeping the dollars flowing.*



*The case at hand was brought by a CEO whose services firm was suffering*

*from expensive "go-backs," where he would often find it necessary to send his staff back to client sites to fix mistakes. He came to the Alliance seeking strategies to keep this trend at bay and protect his profit margins.*

**Jeff Antrim comments:** If I were in this situation, I'd inject more quality control into the processes, while also providing

new incentives for staff to get it right the first time.

Before getting into the weeds, let me congratulate you on the rapid growth your firm has experienced in the past year. I believe your growing pains are normal and can be mitigated in a straightforward fashion. If I were in your shoes, I would first create a pre-bid audit where estimators assess the cost of the project and recommend a bid. They can make judgement calls like increasing the project bid if there

is a difficulty factor, or decreasing the bid for a repeat client that deserves a quantity discount. But most importantly, the task must be defined correctly. Then, I would put in a quality control officer who will do random checks on completed jobs to make sure they were estimated correctly. These project scope audits could be random for smaller jobs and then, once above a certain dollar amount, they can become mandatory.

Now that I have audits establishing credible anticipated cost, I can better incentivize managers to stay on budget. I would build in a few basis points for each project that go into a bonus pool. If mistakes are made, the increased costs get taken from the pool. However, if efficiencies are found, these savings can then flow into the bonus pool. With luck, the results will show less mistakes and happier employees.

## Jorge Titingier: You are the CEO. Time to Turn up the Heat.



*Boardroom pressures can derail a CEO's agenda to the detriment of the company's ultimate performance. Jorge Titingier, former CEO of SGI, walks through a few strategies to regain control and deliver shareholder value, rather than appease problematic board members.*



*The case at hand was brought by the CEO of a company that had developed*

*technology with the potential to create hundreds of millions of dollars of revenue in the near term. Yet, a strategic investor on the board had first right of refusal for an acquisition and was stymieing the sales process in preference for the status quo.*

**Jorge Titingier comments:** If I were captaining your ship, I'd employ a battery of simultaneous tactics to drive ultimate shareholder value. Remember, if you bow

to other influences and the company suffers, your reputation is ultimately on the line.

You are living the CEO's dream by holding a blockbuster technology with huge revenue potential. If I was living that same dream, I would move quickly to deal with this impasse by employing a few key tactics. The goal would be to gain alignment at the boardroom level, so that as CEO I could execute my vision and move forward with the best course of action for the company. Right of first refusal does not mean the company must

sell to the strategic investor. I would make sure to add other bids into the mix. I would work with an investment banker to determine the company valuation now and upon future milestones. Then, I would consider courting a major private equity firm, or several, who recognizes the company's value and aligns with my strategic vision. I might even consider negotiating a discount on services to major marquee customers whose names are recognized around the world, in exchange for the inclusion of their name in my marketing materials.

With those actions taken, you're bound to have a solid understanding of the company's value, established talks with several private equity firms and have the added imprimatur of a major global player. Right of first refusal or not, let the acquisition chips fall where they may knowing that shareholder value has been maximized.

## Dare with Greatness and Disrupt with Innovation



Kevin Surace  
Founder & CEO  
Appvance

**Kevin Surace:  
Today's Tasks Will Be  
Automated by 2050**

**By Brett Garling**

A veteran disruptive innovator, [Kevin Surace](#), wowed Alliance CEOs during our February 3rd Alliance Regional meeting in Santa Clara by reviewing a short history of innovation and then making bold projections into the future. Kevin's favorite book is *Daring Greatly: How the Courage to Be*

*Vulnerable Transforms the Way We Live, Love, Parent, and Lead*, an inspiring work written by Dr. Brené Brown that explores the power that comes with vulnerability. This book formed much of Kevin's approach to innovation, a process that necessarily comes with risk and liability. Yet, it is those leaders who dare greatly with disruptive innovation that end up building lasting businesses and changing the world.

Kevin highlighted this point by describing the moment when Steve Jobs came back to Apple. The Board of Directors had lost its way and was willing to do almost anything. Jobs felt no shame and took great risks with the iPod, iPhone and iPad. The result was a torrent of disruptive innovation that stretched across the telecommunications, music, computer and transportation industries – and beyond. Kodak, on the other hand, was an example of the opposite approach. They developed many technologies including digital photography, but saw themselves linked to film and paper photography. The result? They lost the company and went into bankruptcy.

So how does one dare greatly with disruptive innovation? Kevin described his own experience when he looked at the raw carbon dioxide emissions data from NASA and discovered that significant energy loss came from windows that offered little protection and insulation from the outside environment – what is known as the "R factor." Over the past decades, walls had increased their R values, but windows had not. Sensing a market ripe for disruptive innovation, Kevin developed a process to reuse and manufacture window glass to obtain R values 5-7 times more than previously possible. He manufactured all the windows for the Empire State Building, which resulted in savings of \$450,000 per year in energy, a 3-year break-even point and has saved \$30,000,000 over the life of the windows.

Next, Kevin identified the pervasive issue of sound going through walls and developed the first soundproof drywall. This development was especially difficult because the sheets needed to be split to insert non-paper material into the center. Yet, he eventually developed a manufacturing process and automated it to great success. The risk and vulnerability he took on by re-engineering something as pervasive as drywall was real, but then so was the reward.

Kevin concluded his talk by forecasting mass automation as the next major innovation. By 2050, he estimates that tasks performed today will be automated, and that companies must either embrace this change or die. He further predicted that future successful companies will develop software that underlies robotics process automation. With Kevin's proven track record of innovation, these predictions are certainly not to be taken with a grain of salt.

## Madhavan Ramanujam

*Continued from page 1*

portfolio and are not adequately promoted, leading to a failure to monetize. Finally, there are zombie products called the "undead" that simply should never have been engineered or launched in the first place.

The bottom line, argues Madhavan, is that successful products are priced before they are created. Having the price early in the process guides smart business decisions and results in a more realistic, vetted go-to-market strategy. Madhavan also recommended that the CEO be directly involved in the pricing discussion from inception to product launch, as this demonstrably improves performance.

The talk was filled with gems of wisdom, all of which are compiled in Madhavan's book. Some key take aways resonated with the crowd, such as the importance of having a willingness to walk away from features to keep price realistic. Madhavan also encouraged the audience to recognize that markets are heterogeneous and to engineer customized products for various segments. He stressed that *how* you charge is often more important than *what* you charge, and underscored the importance of communicating clearly to the market about the real value of the innovation. To read case studies and learn more about his book, you can visit [www.monetizinginnovation.com](http://www.monetizinginnovation.com).

Members throughout the Alliance are welcome to attend any of our keynote breakfasts and meet other members. Look on the back page for a list of upcoming events, or go to the "Events" section of the Alliance of CEOs website.

# Welcome New Alliance Members!

Member	Group	Company	Website	Industry
Mohamed Ahmed	120	Admiral Security Services	<a href="http://www.admiralsecurityservices.com">www.admiralsecurityservices.com</a>	Custom Security Services
Will Anderson	321	Complete Solar	<a href="http://www.completesolar.com">www.completesolar.com</a>	Custom Solar Solutions
Sunil Bhatia	Q400	Infogain Corporation	<a href="http://www.infogain.com">www.infogain.com</a>	IT Consulting
Hans Bukow	275	Provade	<a href="http://www.provade.com">www.provade.com</a>	Vendor Management System
Neil Chaudhari	275	Propane Studio	<a href="http://www.propanestudio.com">www.propanestudio.com</a>	Digital Marketing
David Earp	110	Circle Pharma	<a href="http://www.circlepharma.com">www.circlepharma.com</a>	Bioavailable Macrocyclic Peptide Therapeutics
Sue Eccleston	109	PALECEK	<a href="http://www.palecek.com">www.palecek.com</a>	Home Decor
Irit Eizips	310	CSM Practice	<a href="http://www.csmpractice.com">www.csmpractice.com</a>	Customer Success Consulting
Mike Jellen	T250	Velodyne LiDAR	<a href="http://www.velodynelidar.com">www.velodynelidar.com</a>	3D Data Sensors
Sean McCarthy	Q200	CytomX Therapeutics	<a href="http://www.cytomx.com">www.cytomx.com</a>	Oncology Antibody Therapeutics
Bart O'Brien	271	O'Brien Estate Winery	<a href="http://www.obrienestate.com">www.obrienestate.com</a>	Estate Wines
Thorsten Ochs	T250	Bosch Battery Systems SEEO	<a href="http://www.seeo.com">www.seeo.com</a>	Rechargeable Lithium Batteries
Steve Pietkiewicz	T300	Linear Technology	<a href="http://www.linear.com">www.linear.com</a>	Integrated Circuits
Jaume Pons	202	Alexo Therapeutics	<a href="http://www.alexotherapeutics.com">www.alexotherapeutics.com</a>	Immuno-Oncology Therapies
Jeff Rogers	431	Big Green IT	<a href="http://www.biggreenit.com">www.biggreenit.com</a>	Corporate IT Services
Ryotaro Shima	T250	GREE International	<a href="http://corp.gree.net">corp.gree.net</a>	Mobile Social Gaming
Phil Storey	110	XenData	<a href="http://www.xendata.com">www.xendata.com</a>	Digital Video Storage Systems
Ryan Tweedy	T125	The DeWinter Group	<a href="http://www.dewintergroup.com">www.dewintergroup.com</a>	Executive Search
Christy Wyatt	307	Dtex Systems	<a href="http://www.dtexsystems.com">www.dtexsystems.com</a>	Data Security

To learn more about the Alliance of Chief Executives, including membership information, visit us online at [www.AllianceofCEOs.com](http://www.AllianceofCEOs.com) or call (925)942-2400.

# Alliance Community Activities

## Alliance Spring Dinner

The Alliance hosts three All-Alliance Dinners each year to enable our members and guests to meet others within the larger Alliance community. Attendees from the throughout the Bay Area gathered on April 27th to enjoy our 2017 Alliance Spring Dinner at the Silicon Valley Capital Club in San Jose. The evening celebrated our members, and included: a fun wine tasting reception with several winners, dinner, and lively conversations.



## Alliance CyberSecurity Roundtable

Alliance member John De Santis of HyTrust hosted our May 23rd Alliance CyberSecurity Roundtable at La Rinconada Country Club in Los Gatos. Alliance members representing 5 continents came together to discuss their specific challenges and opportunities in the complex and vitally critical world of CyberSecurity. L-R: Alliance Founder & CEO Paul Witkay, Yorgen Edholm, Craig Hinkley of WhiteHat Security, John De Santis, Manoj Leelanivas of Cyphort, Doug Dooley of Venrock, Hung Nguyen of LogiGear, Himanshu Dwivedi of Data Theorem, Hans Bukow of Provade, Bob Lundy of RedVector, and Thereza Bukow.



## Alliance Group 153's Grand Old Time at The Grand Tavern

Following their private group meeting in April, members of Alliance Group 153 were treated to a fun afternoon at Alliance member Geetesh Goyal's Oakland restaurant, The Grand Tavern. Pictured here are: Jans Aasman of Franz, Art Paradis of Dynamic Graphics, Geetesh Goyal of Neozene, Chris Chang of Wyse Logistics, Ken Haven of Acorn Product Development, Ted Christianson of Christianson Systems, Anne Bisagno of Xantrion, Robert Chamberlin of DataXoom, Nick Nicholas of Nicholas Pension Consultants, Jason Petralia of Raizlabs and Alliance Director Steve Adelman.



## Alliance Group T125's April Mariani Packing Company Tour

Following Group T125's April private group meeting, Alliance member Brian Karr of Mariani Packing in Vacaville, hosted a plant tour. For over 100 years, the family-owned and operated Mariani Packing Company has provided customers around the world with premium quality dried fruit. L-R: Oli Mellows of MBH Architects, Dave Wetzel of MLSListings, Richard Rothschild of TELADATA, Brian Karr, Andy Barrons of Navis, and Steve Sevearid of the Greenspan Company/ Adjusters International.



# Who Will Lead the Robot Revolution?

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between top electrophysiologists who perform over 200 procedures every year, and those who only do them occasionally," he said. "With robotics technology, we can increase visualization, precision, reproducibility and safety."



Lizz Vilardo  
Palo Alto Medical  
Foundation

**Lizz Vilardo** (Group T300), CEO of the Palo Alto Medical Foundation, says technology is poised to transform many aspects of healthcare, not just surgeries. "I think automation will change who delivers care and how it's delivered, such as filling prescriptions and processing medications. Medical records are already electronic, but

certainly there are other tasks that can be accomplished electronically or with robots," she said.

Robotics can also be used to develop new, minimally invasive medical techniques, Vilardo said. In fact, a colleague is developing a technique to examine human lungs using robotics, and the prototype started with a game controller. Another is developing ways to apply artificial intelligence to medical decision-making. Vilardo says the key driver behind these innovations is not to eliminate jobs, but to increase safety. "Currently physicians must keep track of enormous amounts of information about each patient over long periods of time. Taking physicians out of the data tracking equation is one thing that we can do to make things safer," she said.



Irit Eizips  
CSM Practice

Automation can also be used to deliver a consistent customer experience and maximize lifetime value more efficiently. **Irit Eizips** (Group 310), Founder & CEO of CSM Practice, says the advent of online, subscription-based products and services makes it easy to detect changes in adoption, engagement,

and overall account health. Customer success and account managers use automation to identify opportunities to deliver additional business value. Leveraging actionable business intelligence tools helps them become proactive in mitigating churn risks and detecting expansion opportunities.

"We target client data and apply algorithms that identify accounts needing attention, then automatically trigger whatever the playbook calls for – a visit, a phone call, an email or even live chat – to make sure the customer success manager is more efficient in triaging churn risk or pursuing expansion opportunities," Eizips said. "If you handle hundreds of accounts, you cannot scale managing your book of business without automatically identifying what your clients need."



Lisa Im  
Performant  
Financial

Automation and robotics are not transforming every industry the same, however. "A lot of the work we do requires a human element," says **Lisa Im** (Group Q200), CEO of Performant Financial, a specialty servicing provider. "Our employees have to reach out to people to restructure their financial obligations. Automation will

allow our employees to be more productive, but not to the extent that we'll see a significant reduction in headcount."

A major reason for this are federal regulations, which restrict how and when companies like Performant can contact consumers. "We're still bound by TCPA (the Telephone Consumer Protection Act) regulations that restrict the methods we can employ to call cell phones, but that was created at a time when cell phones were a luxury item and you paid by the minute." Could the continued acceleration of automation prompt changes in federal law? Im hopes so. "It would be great to have a balance of automation and human touch. The rate at which technology changes and transforms is amazing. Even though I may not see how technology can transform an industry like ours, if the regulatory environment allowed it in two or three years, it could happen."



Jane Macfarlane  
Lawrence  
Berkeley National  
Laboratory

Depending on the industry involved, robotic technology has its limitations. **Jane Macfarlane**, (Group T300), Executive Director of the Sustainable Transportation Initiative at Lawrence Berkeley National Laboratory, says there is currently "a lot of hype" surrounding automated vehicles, but it will be many years before they become ubiquitous.

"Automation is not yet able to replicate how humans operate," she said. "For example, we have technology that can recognize objects in a scene, like stop signs and painted lines, but automated vehicles don't have any notion of context. If you see a ball roll out in front of your car, you stop and wait for a child to come running after it. Will an automated vehicle do the same?"



Christy Wyatt  
Dtex Systems

**Christy Wyatt** (Group 307), CEO of Dtex Systems, a cybersecurity firm, described robotic technology as a "gold rush" with many new companies with new platforms and capabilities. But she says robots can be hacked and microphones, cameras, appliances and even automobiles can be commandeered by nefarious

parties to spy on unsuspecting victims. "When you're hiring employees, you would go through a vetting process and screen people for quality," Wyatt says. "With robots, it's less of a human resources process and more of a security process. People will find ways to hook into them."

While most Alliance leaders agree that automation will eliminate jobs, such discussions leave out the enormous economic and societal benefits.

"I think jobs will move to higher level tasks," Macfarlane says. "For example, you're still going to have truck drivers, but collaborative robotics will take some of the stress off the drivers so they aren't as tired. They will become assistants to humans because robots are really good at repetitive tasks that we really don't like to do."

Wyatt notes that the rise of automated technologies such as ATMs and online banking have not killed off banking jobs. In fact, big banks like Citigroup have more employees

than ever. But Wyatt says leaders need to ask important questions. "What are the opportunities with these technologies?" she said. "When is the right time? How prepared is your market to embrace these technologies—and how critical is it that you're the first one there?"



Steve Cousins  
Saviok

As for future job losses, **Steve Cousins** (Group 309), CEO of Saviok, a robotics provider, says the U.S. economy remains "pretty healthy" considering rapidly accelerating technology. "We have a larger workforce than we did 40 years ago and under 5% unemployment, which most economists consider

reasonable," he says. But some jobs, Cousins adds, will become obsolete, and workers will need to dedicate themselves to lifelong learning to be successful. "It's not enough to have whatever skills you came out of college with and assume that's all you need to know."

Cousins doesn't believe professional development is an entitlement, but there are good reasons for leaders to provide their employees with training opportunities. For example, at IBM, every two years, employees are asked about their goals, what they are doing to improve their skills, and how the company can help. "Then IBM carves out time to do that," Cousins says. "People get better over time, and there's more loyalty to the organization."



Mike Jellen  
Velodyne LIDAR

**Mike Jellen** (Group T250), President & CCO of Velodyne LIDAR, which makes sensors for autonomous cars, believes automation's positive impact has far exceeded any short-term job loss. "Automation produced cell phones and computers at affordable prices for the mass market. In turn, the accessibility and mass

adoption of such innovations created whole new industries and employment," Jellen said. "With autonomous driving, automation will provide chauffeur service to the mass market, not only reclaiming lost time to make the day more enriched and productive for commuters, but also empowering a group of people without affordable transportation the means of travel for employment or experiences that they might not have otherwise had." And that's just the beginning. "Big data and a world of connected devices will lead to all kinds of new businesses and life improvements," he said. "As one example, your house will not only always be at the right temperature, but also will have enough intelligence and connectivity to automatically maintain its own food supply."

"The Jetsons are almost upon us," Jellen said. "And this is just the beginning."

Flying cars and laundry that folds itself? Sign us up! But if such a utopia awaits, we'll be counting on the vision, ideas and decisions of today's leaders to make it so. And according to these Alliance members, embracing innovative technology may be the best way to not only survive tomorrow's robot revolution, but actually lead it.

Warren Lutz is a writer for the Alliance of Chief Executives newsletter. He may be contacted at [wllutz@allianceofceos.com](mailto:wllutz@allianceofceos.com).

# Members In The News

## **VeloCloud Earns 2017 Cloud Product of the Year Stevie Award**

May 16, 2017



American Business Awards<sup>SM</sup> recently honored VeloCloud as Bronze Winner for "Innovative SD-WAN Supporting Network Agility, Scalability and Simplified Branch Implementations" while delivering superior access to services. Alliance member Sanjay Uppal (Group 321) is the CEO of VeloCloud.

## **Folio3 Awarded 2017 SuiteCommerce Partner of the Year**

May 4, 2017

Folio3 announced that it has been awarded the 2017 SuiteCommerce Partner of the Year Award by the Oracle NetSuite Global Business Unit (GBU), the industry's leading provider of cloud financials / ERP and omni-channel commerce software suites. Alliance member Adnan Lawai (Group 341) is the Chief Executive Officer of Folio3.



## **Alliance Member Chris Mittelstaedt and The FruitGuys Profiled in Forbes Magazine**

May 4, 2017

South San Francisco-based The FruitGuys is a national operation with \$30.5 million in revenue last year – and expectations of topping \$35 million this year. In a recent *Forbes* article, Alliance member Chris Mittelstaedt (Group 272), talked about bootstrapping the business, almost going under, and coming back strong.

## **Duncan Channon Snags "Campaign of the Year" at 2017 sfBIG Star Awards**

April 26, 2017

Duncan Channon, a 2016 Ad Age Small Agency of the Year, claimed "Campaign of the Year" honors for its "Stir the Pot" campaign for Kettle Brand at the 2017 San Francisco Bay Area Innovation Group's BIG Star Awards. The win marked the second consecutive year Duncan Channon took the show's top campaign award. Alliance member Andy Berkenfield (Group 202) is the CEO of Duncan Channon.



## **Douglas Murray is EY Entrepreneur of the Year Semifinalist**

April 12, 2017



Congratulations to Alliance member Douglas Murray (Group Q400), CEO of Big Switch Networks, upon being named a semifinalist, along with Big Switch Networks' Founder Kyle Forster, for the EY Entrepreneur of the Year 2017 Northern California Region Award.

## **Jes Pedersen Named 2017 Junior Achievement Business Hall of Fame Laureate**

March 21, 2017

Congratulations to Alliance member Jes Pedersen (Group Q200), President & CEO of Webcor Builders, who was inducted into Junior Achievement of Northern California's 2017 Business Hall of Fame.



## **Light Polymers Closes \$24.3 Million in Series A Funding**

March 20, 2017



Light Polymers announced that it has closed \$24.3 million in Series A funding to fund R&D expansion and commercialization for its flexible and foldable OLED display chemistry and a planned acquisition. Alliance member Marc McConnaughey (Group 275) is the President & CEO of Light Polymers.

## **2 Alliance Members on List of the 100 Biggest VC Recipients of 2016**

March 10, 2017

Congratulations to Alain Harrus (Group 321), CEO of Kateeva, and Rachel Haurwitz (Group 110), CEO of Caribou Biosciences, whose companies were included on the *San Francisco Business Times*' list of the 100 biggest VC recipients of 2016.

100 BIGGEST  
VC RECIPIENTS

## **KMWorld Names ABBYY among '100 Companies that Matter in Knowledge Management'**

March 7, 2017



For the 10th year in a row, ABBYY®, a leading provider of technologies and solutions to action information, is named on KMWorld's '100 Companies that Matter in Knowledge Management' list. The annual listing recognizes companies that exude innovation, ingenuity, resourcefulness, usefulness, collaboration, community and expertise and help their customers attain those qualities. ABBYY is led by Alliance members Dean Tang (Group 307), CEO, and Joe Budelli (Group T225), SVP Sales.

## **WhiteHat Security Wins 'Best Application Security' Product In 2017 Cybersecurity Excellence Awards**

February 9, 2017

WhiteHat Security, the only application security provider that combines the best of technology and human intelligence, announced that its SaaS platform, Whitehat Sentinel, won 'Best Application Security' product in the 2017 Cybersecurity Excellence Awards. Alliance member Craig Hinkley (Group 307) is the CEO of WhiteHat.



# Upcoming Alliance Events

For an updated list of all Alliance events, go to [www.allianceofceos.com/events\\_upcoming](http://www.allianceofceos.com/events_upcoming)

The core of the Alliance is our private groups which meet throughout Northern California. Because the collective experience within the Alliance is truly extraordinary, we enable our members to come together in a variety of ways to "cross-fertilize" their diverse knowledge and experiences and connect in meaningful ways. If you would like to be invited to any of the Alliance events below, please contact Laurel Madal at (925) 942-2400 ext. 201 or [lmadal@allianceofceos.com](mailto:lmadal@allianceofceos.com).



**Keynote: Thom Shea, CEO, Adamantine Alliance: Friday, June 16 in San Ramon**

Thom Shea, who served 23 years with distinguished Valor as a Navy SEAL, will join us for this Regional Alliance meeting. The author of the best-selling book *UNBREAKABLE: A Navy SEAL's Way of Life*, Thom served in three wars, ultimately leading a team of Navy SEALs into Afghanistan in 2009 where he earned numerous commendations. He is currently the CEO of Adamantine Alliance, an exclusive private executive performance organization. Event begins at 7:30 am at the Roundhouse Conference Center in San Ramon.

**ALLIANCE  
ROUNDTABLE**

**Alliance Roundtable: CEOs Explore Technology's Next Leap Forward: Tuesday, June 27 in Palo Alto**

Technology is revolutionizing our world and we will soon be experiencing an unprecedented pace of change. But don't take our word for it. We're bringing together Alliance CEOs who are at the forefront of many of the hottest technology trends for a closed-door panel, followed by our private roundtable discussions. Our panel, including Steve Cousins of Saviok, Rachel Haurwitz of Caribou Biosciences, and Jane Macfarlane of Lawrence Berkeley National Labs, is just part of the expertise in the room - many of our Alliance members are leaders in a wide range of cutting-edge technologies as well. Event begins at 7:30 am at VMWare in Palo Alto.



**Keynote: Alfred Chuang, Co-Founder BEA Systems & Magnet Systems: Thursday, July 13 in Santa Clara**

Alfred Chuang, who founded BEA Systems in early 1995 with Bill Coleman and Ed Scott, will join us for this Regional Alliance meeting. He managed just about every aspect of BEA by the time he became CEO in October 2001, leading the company until it was purchased by Oracle in April 2008. Alfred is currently the CEO of Magnet Systems, a company he founded in 2008 to power the next generation of mobile applications with an open architecture to enable businesses and developers to create more engaging and productive enterprise-class mobile applications. Event begins at 7:30 am at the Hyatt Regency Santa Clara.

**PROFESSIONAL  
SERVICES**

**Professional Services Roundtable: Thursday, July 27 in San Francisco**

The Alliance brings leaders of Professional Services companies together for this Alliance Roundtable. Members in this sector are invited to discuss their challenges in high-level, direct, candid discussions in this invitation-only Roundtable. Event begins at 7:30 am at Duncan Channon in San Francisco.

**LIFE  
SCIENCES**

**Life Sciences Roundtable: Friday, July 28 in South San Francisco**

This invitation-only Life Sciences Roundtable will address the specific challenges and opportunities in an industry that continues to change. In addition to our private, confidential groups, Alliance Roundtables are designed to enable top executives from throughout the Bay Area to leverage the collective wisdom of our entire Alliance community. Event begins at 7:30 am at Calithera Biosciences in South San Francisco.



**Alliance Fall Dinner: Thursday, September 28 in San Francisco**

All Alliance members and their guests are invited to attend our Alliance Fall Dinner at The City Club in San Francisco. Our wine reception and dinner are free for Alliance members and their guests! We host three "All-Alliance" Dinners throughout the Bay Area to enable our members to get to know their fellow Bay Area leaders. Event begins at 6:00 pm. This is always a popular event so reserve your space early!

**FAMILY  
BUSINESS**

**Family Business Roundtable: Friday, September 29 in Hayward**

The Alliance brings leaders of family-run companies (those which include more than one family member) together for this Alliance Roundtable. Members in this sector are invited to discuss their challenges in high-level, direct, candid discussions. Event begins at 7:30 am at R. F. MacDonald Company in Hayward.



**Keynote: Behnam Tabrizi, Managing Partner, Rapid Transformation: Friday, October 6 in Santa Clara**

Leading global business consultant, best-selling author, award-winning teacher and respected scholar, Behnam Tabrizi, will join us for this Regional Alliance meeting. Behnam has advised thousands of leaders in more than 20 industries on their organizational transformations, and has served as a senior advisor to the U.S. President's transition team and the President's health and technology initiatives. He is the author of four books on corporate transformation - the latest one, *Rapid Transformation: A 90-day Plan for Fast and Effective Change*. Event begins at 7:30 am at the Santa Clara Convention Center.



**Alliance Holiday Dinner: Thursday, December 7 in Pleasanton**

Join Alliance members and their guests for cocktails and dinner at the Castlewood Country Club in Pleasanton to celebrate the holidays! The Holiday Dinner is one of three "All-Alliance" Dinners held throughout the Bay Area each year to enable our members to get to know their fellow Bay Area leaders. Event begins at 6 pm. Reserve your space early. This is always a popular event, and it's free for all members and their guests!



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