

The CEO Forum

The Quarterly Publication **by CEOs for CEOs**

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Sean Connolly
President & CEO
Conagra



Governor Tom Ridge
Founder & CEO
Ridge Global



Cindi Bigelow
President & CEO
Bigelow Tea

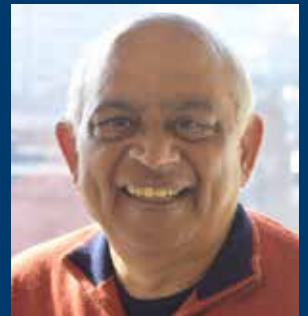


Haywood Talcove
CEO, Government
LexisNexis Risk Solutions



Randy Levine
President
New York Yankees

In this Issue CEO Interviews with:



Ashok Vasudevan
Founder & CEO
Preferred Brands



Don Joos
President & CEO
ShoreTel



Tom DeRosa
CEO
Welltower



Steven C. Witkoff
Chairman & CEO
Witkoff



Jay Walker
Founding CEO Priceline
Founding CEO Upside Travel



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The CEO Forum



Table of Contents

THE INTERVIEWS

- 8 **Sean Connolly**
President & CEO, Conagra
- 18 **Governor Tom Ridge**
Founder & CEO, Ridge Global
- 26 **Cindi Bigelow**
President & CEO, Bigelow Tea
- 34 **Woody Talcove**
CEO, Government
LexisNexis Risk Management
- 40 **Randy Levine**
President, New York Yankees
- 46 **Ashok Vasudevan**
Founder & CEO, Preferred Brands
- 56 **Don Joos**
President & CEO, ShoreTel
- 62 **Tom DeRosa**
CEO, Welltower
- 68 **Steven C. Witkoff**
Chairman & CEO, Witkoff
- 74 **Jay Walker**
Founder & CEO, Priceline

- 5 **From the Desk of Robert Reiss**
- 6 **Companies in this Issue**
- 81 **CEO Library**

CEO INSIGHTS

- 52 **Corporate Culture**
Kathleen Ruddy, CEO, St. Baldrick's Foundation
- 54 **Board Evaluations - Who's on Your "A" List**
Nancy May, President and CEO of BoardBench Companies

EXPERT ADVICE

- 16 **Cybersecurity**
Steve McGaw, CMO, AT&T Business Solutions
- 32 **Marketing**
Rashmy Chatterjee, Chief Marketing Officer, IBM North America
- 82 **Family Office**
Carolann Grieve, CTFA, Senior Family Wealth Advisor

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BUSINESS FUNDAMENTALS

5 Top Podcasts Every CEO Should Listen To

By Lola Kolade, Axial | February 17, 2016

We see a lot of articles on **what CEOs are reading**, but sitting down and reading a whole book can take up a lot of time. Podcasts are a productive way to fill some of the little bubbles of idle time that unexpectedly pop up into our days — with news, business inspiration from other CEOs, or insights into unexpected subjects like the intersection of sports and technology.

Here are 5 of the top podcasts every CEO should check out.

1. The CEO Show with Robert Reiss

If you can only add one of the podcasts on this list to your listening repertoire, The CEO Show should be the one. Since 2007, Reiss has interviewed over 500 CEOs in a variety of industries, including James H. Quigley of Deloitte, Anne Mulcahy of Xerox, and even David Stern, former commissioner of the NBA. A veritable wealth of knowledge and experience, The CEO Show is enormous in scope and definitely worth a listen.

2. From Scratch (NPR)

In this series, host Jessica Harris interviews pioneering entrepreneurs about their business journeys, providing listeners with insight on what it takes to be an entrepreneur. Featuring business owners and professionals from various backgrounds and at all different stages of the business process, From Scratch is a nice counterpoint to The CEO Show. It's marketed as a show about "those who make new ideas happen." Guests include Elizabeth Cutler and Julie Rice of Soul Cycle, photorealist Chuck Close, and yogi and founder of Bikram Yoga, Bikram Choudhury.

3. Business Story of the Day (NPR)

The title says it all for this one. This daily podcast covers the top headline of the day, as chosen by the show's producers. With stories on business, money, and the economy around the world, Business Story of the Day is a great choice to stay on top of current events.

4. Stanford Entrepreneurial Thought Leaders Series

Students at Stanford are lucky enough to see these lectures in person, but thanks to the Stanford Technology Ventures Program, we all have access to the thought leaders delivering these talks via podcast. Speakers come from the fields of technology, finance, and philanthropy among others, and topics are equally varied. Great episodes to start with are Nailing the Hard Things, a conversation between Ben Horowitz of Andreessen Horowitz and Stanford Engineering professor Tom Byers, Education Reimagined, by Sal Khan, founder of Khan Academy, and The Path to More Inclusive Innovation by Sharon Vosmek of Astia.

5. HBR IdeaCast

The weekly podcast from the Harvard Business Review, the HBR IdeaCast shares research published in the journal alongside insight from business professionals and leaders in other industries. Guests include astrophysicist Neil Degraesse Tyson, the late Maya Angelou speaking on courage and creativity, and PepsiCo CEO Indra Nooyi.

Read more at axial.net/forum.

From the Desk of

Robert Reiss



As we look at the 2017 business environment, it can be said the one constant is change. In this issue you will learn from 10 great leaders, all who have experienced significant success, and yet all with very different backgrounds and diverse perspectives on the concept of positive change. It is my hope the thought leadership shared in this issue, which kicks off our 10th year, will provide you with insights you can use to drive positive change with your company.

We start with Sean Connolly, who within his first two years as CEO of the 100-year-old Conagra, boldly changed the brand, headquarters and portfolio to meet the needs of the evolving customer and stakeholders. Next is Governor Tom Ridge, a personal case study of changing focus by adding value where it is needed in society. After being a District Attorney, he became one of the first enlisted men in Congress and then had a perfect 8–0 record in politics including Governor of Pennsylvania. Then Ridge was called to duty under the most challenging of times during 9/11 where he led the development of our homeland security. In the next phase, he became an expert and global advisor on cybersecurity at Ridge Global, and Chairman of the National Organization on Disability, helping 57 million disabled people work and add value to our society.

Cindi Bigelow, 3rd generation leader of Bigelow Tea, talks about how a family company evolves to be a societal brand where of the 1.8 billion tea bags they produce, there is zero waste to landfill. Woody Talcove from LexisNexis Risk Solutions shares a brilliant suite of leadership principles including randomness. Randy Levine, the 17-year President of the most iconic team in sports - The New York Yankees - discusses a different philosophy on change, one built on tradition, and knowing what not to change.

Ashok Vasudevan, founder and CEO of Preferred Brands, discusses their unique philosophy on growing an impactful global business from scratch including that the business is actually like an organism. The next feature is Don Joos, CEO of ShoreTel who, when I interviewed a few years back, was embarking on a huge transformation from product to service. His team succeeded and he shares his fascinating philosophy of the change management principles they used.

The next two interviews are leaders in real estate who each share important perspective on significant global and societal issues. Tom DeRosa, CEO of Welltower, a \$40 billion company that owns about 1,500 healthcare buildings, talks about the future of healthcare and why a new healthcare and economic policy need to be created for the elderly, as well as the role Alzheimer's plays in our future. Steve Witkoff, founder and CEO of his leading real estate development and owner company, talks about his personal change from lawyer to real estate leader. He also shares how infrastructure and real estate play into America's future, including insights from a long relationship with President Trump.

Our final interview is with one of the greatest inventors of our time who shares insights on how to predict change. Jay Walker, with over 650 patents, also discusses the future and his new company, Upside Travel, and how it will not only transform travel, but several industries.

Hope you gain important insights from this issue on how to drive positive change throughout your enterprise. And speaking of change, we too have changed and developed a new web portal so you can learn more directly from the top CEOs. Please visit and let me know what you think www.ceoforum.ceo. Finally, across the page is an independent rating of top podcasts for CEOs. We, of course, agree with the findings.

Robert Reiss

Companies In This Issue



Conagra Brands, Inc. (NYSE: CAG), headquartered in Chicago, is one of North America’s leading branded food companies. Guided by an entrepreneurial spirit, Conagra Brands combines a rich heritage of making great food with a sharpened focus on innovation. The company’s portfolio is evolving to satisfy people’s changing food preferences. Conagra’s iconic brands, such as Marie Callender’s®, Reddi-wip®, Hunt’s®, Healthy Choice®, Slim Jim® and Orville Redenbacher’s®, as well as emerging brands, including Alexia®, Blake’s® and Frontera®, offer choices for every occasion. With an ongoing commitment to corporate citizenship, Conagra Brands has been named to the Dow Jones Sustainability™ North America Index for six consecutive years. For more information, visit www.conagrabrands.com.



Ridge Global, the risk management and cybersecurity firm founded by Tom Ridge, the first U.S. Secretary of Homeland Security, helps organizations decrease security risks and improve enterprise resilience. Ridge Global possesses a team of globally recognized experts who offer clients strategic counsel on identifying, preparing for, and mitigating cyber risk. Ridge Global offers leading cyber advisory services and ground-breaking technologies, as well as innovative training and insurance solutions. To learn more, visit www.ridgeglobal.com.



Bigelow Tea, based in Fairfield, CT and 100% family owned, pioneered the specialty tea category more than 70 years ago. The three-generational company, started by Ruth Campbell Bigelow in 1945, takes pride in its heritage and successful growth from a one-product, entrepreneurial venture into America’s leading specialty tea company. Producing 1.8 billion tea bags annually, the Bigelow Tea line today includes more than 130 varieties of teas – including its flagship specialty tea flavor, “Constant Comment”®. Bigelow Tea products are available nationwide. Tea lovers and enthusiasts can also enjoy sharing their photos and stories at #TeaProudly and get tea facts by visiting the Bigelow Tea website, Bigelow Tea Blog, Facebook, Twitter, Pinterest, Instagram and TeaProudly.com.



At LexisNexis Risk Solutions, we believe in the power of data and advanced analytics for better risk management. With over 40 years of expertise, we are the trusted data analytics provider for organizations seeking actionable insights to manage risks and improve results while upholding the highest standards for security and privacy. Headquartered in metro Atlanta, LexisNexis Risk Solutions serves customers in more than 100 countries and is part of RELX Group plc, a world-leading provider of information and analytics for professional and business customers across industries. For more information, please visit www.lexisnexisrisk.com.



New York Yankees Founded in 1903, the New York Yankees are the most successful and popular team in Major League Baseball history, having won 27 championships while appearing in 40 World Series. The club plays its home games at Yankee Stadium, which is one of New York City’s most-frequented tourist destinations and home to numerous non-baseball events, including college football’s New Era Pinstripe Bowl. As a result of their on-field accomplishments and iconic interlocking “NY” logo, the Yankees are among the most recognized brands in the world.



Preferred Brands International (PBI) is a Stamford, CT based Food Company that manufactures and markets Tasty Bite - a range of natural, convenient, specialty foods. The company, co-founded by husband & wife team Ashok & Meera Vasudevan has a track record of continuous growth for 23 years since inception. PBI is vertically integrated, with its own organic farm, an accredited R&D Center, a global supply chain and a large & versatile manufacturing facility. Tasty Bite is available in most major grocery stores and supermarkets in the US, Canada, Australia, New Zealand, & UK. The Indian subsidiary Tasty Bite Eatables Ltd. is publicly traded on the Bombay Stock Exchange (TSTY:IN).



ShoreTel® (NASDAQ: SHOR) provides businesses worldwide with communication solutions that make interactions simple. From business phone systems, unified communications and contact center solutions to a fully hosted voice and SMS development platform, ShoreTel delivers unmatched flexibility and ease for companies looking to increase productivity and drive innovation. ShoreTel offers solutions in the cloud, on-site or a hybrid of both, giving customers the freedom to choose the best fit for their business needs now and in the future. Headquartered in Sunnyvale, Calif., ShoreTel has offices and partners worldwide. For more information, visit shoretel.com.



Witkoff is a privately held, global real estate development and investment firm headquartered in New York City. Founded by Steven Witkoff in 1997, the firm is a market leader in the ownership and development of premier residential, hospitality, office, retail, and mixed-use projects in major cities both in the United States and abroad. Witkoff specializes in identifying and acquiring undervalued properties in key central business district locations as well as assets with strong repositioning potential in gateway markets. Over an 18-year period, Witkoff has been involved in over 75 projects comprising more than 18 million square feet and representing in excess of \$7 billion in total transaction value.



Welltower Inc. (NYSE:HCN), an S&P 500 company headquartered in Toledo, Ohio, is driving the transformation of health care infrastructure. The company invests with leading seniors housing operators, post-acute providers and health systems to fund the real estate infrastructure needed to scale innovative care delivery models and improve people’s wellness and overall health care experience. Welltower™, a real estate investment trust (REIT), owns interests in approximately 1,400 properties concentrated in markets in the United States, Canada and the United Kingdom, consisting of seniors housing and post-acute communities and outpatient medical properties. More information is available at www.welltower.com.



Upside.com (www.upside.com), launched in January 2017, is the groundbreaking on-line travel company that is changing the game for buying business travel. Using Upside, travelers at small- and medium-sized businesses can save 10-15% over the lowest published air and hotel prices available anywhere. As a reward for making money-saving travel choices, travelers earn \$100-\$200 or more in a free gift card on top of the savings for their company. All this is possible because the traveler chooses their flights and hotel on Upside.com, and then buys them together as a bundle for one low price. The Company is headquartered in Washington, D.C., with facilities in Stamford, CT and New York, NY.



“The name change from ConAgra Foods to Conagra Brands embodies the fact that we are a branded pure-play.”

Robert Reiss: When you became CEO on April 6, 2015, how did you view the portfolio?

Sean Connolly: When I joined the company, I made a point to not think about having all the answers coming in. I wanted to spend about 90 days figuring out exactly what we had before we put together a game plan and then I mobilized a plan of action. Frankly, we were a company that had been around for a long time. We had too many things competing for our attention, we had become fundamentally uncompetitive and obviously that had to change.

What was your strategy going in?

My strategy was to get focused. We had made a major acquisition a couple of years prior, which had not gone as planned. It was really consuming us and we made the decision to exit that business so we could refocus on the other priorities that we knew offered tremendous potential. Once that decision was made, we’ve been on the move.

How did you engage your senior management team?

Being new to the company, I had to learn, so the first step

“The consumer looks at brands through a lens that’s binary. You’re either contemporary and relevant or you are outdated and irrelevant. That’s why we constantly innovate.”

for me was doing my own onboarding. I went through a tremendous deep dive in every aspect of our business to understand what our strengths and weaknesses were and, most importantly, what our opportunities were. It was a very collaborative, high communication process with my management team, with all of our employees and then, of course, with the board because when you’re going to embark on the kind of change that we had taken on, you need to have everybody aligned. We invested a lot of quality time to ensure that we had that alignment.

What was the biggest challenge in making the transition?

It’s always a question of how much can you do at once, but we had a clear vision in terms of where we could go. I saw a tremendous opportunity with this company but we had to become more focused, we had to become more disciplined and there really wasn’t any reason to wait. Once we saw the opportunity, we knew what we had to do. We needed to mobilize and move quickly and that’s what we’ve done.

In a very short time you rebranded the company. You shifted headquarters to Chicago but have maintained a very large presence in Nebraska. Talk about those two moves.

It has been a couple of years of tremendous change. For about a hundred years, we were a global conglomerate. We had a lot of different businesses and we realized in the environment we’re in now, we needed to be focused and disciplined. Step one was making the decision to divest our private brands business. After that, we made the decision to exit a couple of small businesses -- a distribution business as well as a spice business. Then we made the decision to split ConAgra Foods into two companies, one which is Conagra Brands, a branded consumer packaged goods pure-play, and the second is Lamb Weston, which is a potato business. Those businesses really had nothing to do with one another. They weren’t benefiting from being together. We thought there was tremendous

opportunity for each of those businesses by separating them and letting them become focused pure-plays and that’s what we’ve been working on for the last year.

A couple of months ago, we completed the split and both businesses are off to a good start. In terms of the name change and the headquarters change, the name change from ConAgra Foods to Conagra Brands embodies the fact that we are a branded pure-play and the headquarters change is really a bit of a misnomer because we really have two major campuses for our company. We have our Omaha campus which is our number one employee base, still with about 1,200 people. We also have our Chicago location, with about 550 people, which is where we house our brands and our executive team. In the past, we had our brand team split across two campuses in Omaha and Chicago and that didn’t make any sense as we became a new branded pure-play. So we consolidated everybody together in the market that we thought worked best for a branded pure-play and that was Chicago.

Let’s talk about Conagra’s brands.

We’re a company of 50 plus brands, many of which are iconic. They have been around a long time. We have great assets to work with but like a lot of large CPG companies, we lost our way in terms of innovation and keeping those brands fresh, contemporary and relevant. That’s a major focus of what we’re doing now -- making sure that we strengthen our core business, making sure our brands are contemporary and relevant and working with today’s consumers who of course have had rapidly changing tastes. Part of how you manage a branded portfolio is you constantly renovate, you constantly innovate, and you keep iconic brands fresh for a whole new generation.

What is your philosophy on innovation?

Well, the simple way I think about it is the consumer looks at brands through a lens that’s binary. You’re ei-

ther contemporary and relevant or you are outdated and irrelevant. That's why we constantly innovate. We obviously need to be the former, not the latter, which means we need to be clear-eyed on whether or not our brands are delivering provocative, contemporary relevant benefits.

Specifically, how do you determine if you are delivering these contemporary relevant benefits?

One of our company values is external focus and if you're truly externally focused, your eyes are around the consumer and changing consumer taste all the time. When you're externally focused, you quickly realize whether or not your brands are connecting with consumers, whether the consumer sees them as yesterday's news or sees them as provocative, contemporary and relevant. This is something we have to be if we're going to be successful which is why innovation is really so central to our agenda moving forward.

“If you look at the businesses that are growing in the food universe today, they have what we call modern food attributes. They tend to be clean label. They are more natural and more organic. You don't see ingredient statements that are 50 items long. They tend to have global flavors, bold flavors and ethnic varieties.”

What are some of the areas that you're seeing as the hot growth areas in innovation?

If you look at the businesses that are growing in the food universe today, they have what we call modern food attributes. They tend to be clean label. They are more natural and more organic. You don't see ingredient statements that are 50 items long. They tend to have global flavors, bold flavors and ethnic varieties. These are the things that we see in today's growth trends and these are the things that we need to bring into our legacy brands – modern food attributes – and that's what we're doing. Talk about one of your new innovations and how it excited you.

Sometimes innovation opportunities are right in front of your face. If you talk about Reddi-wip, we have the number one whipped topping with Reddi-wip, made from real cream and we've had it for years. If you go to Starbucks nowadays, you might be in line behind somebody who is getting a latte but they're not getting it with

a dairy product, they're getting it with almond milk or coconut milk. So we say “Well, that works in Starbucks, why wouldn't it work for Reddi-wip?” So we're launching coconut milk-based and almond milk-based Reddi-wip. These are dairy-free products that are meeting the needs for consumers who have dietary restrictions. It's a simple no-brainer of an innovation but it's something that you can observe from being externally focused and seeing these trends happen elsewhere and then applying them to your business.

Any other thoughts on innovation?

It's really about making sure that you are on top of these evolving consumer trends. You cannot look at your brand or your business as static. What works one year may not work five years later. You have to evolve your brands, and you need to evolve them in a way that is in sync with what the consumer is asking. That could mean

just about anything but the answer is always going to be from looking out, not from being internally-focused, going to meetings all the time, working on PowerPoint presentations. That's not going to do anybody a lot of good. You're better off walking to stores and restaurants and watching what consumers are doing. In our business, that's the lifeblood of new ideas that are in sync with what the consumer is looking for.

So you, your managers and employees go to stores to come up with ideas?

Oh, yes. If I go into a grocery store with my wife, she just shakes her head at me because I might be in there for an hour staring at categories that we don't compete in because I can see trends emerging that might apply to categories that we do compete in. There are always new things emerging out there. You don't have to invent the next best idea. Sometimes, you can observe a smaller company that has taken a flyer on a new idea and say “Hey, that attribute may work for our business.” Being



externally-focused, studying what's going on out there globally in terms of trends is really a great way to come up with great innovative ideas that can be applied back to your business.

Let's shift gears and talk about being a global citizen. Let's start with what you're doing in your important work to eliminate hunger.

It's been one of our top civic priorities for a long time in the communities we operate in. Hunger is a problem. The average person doesn't think about hunger as continuing to be a major problem in our country today but it is. So we put a tremendous amount of our corporate and foundation effort into trying to eradicate hunger because it's the right thing to do. When we can see families that have been able to feed their kids because of the work we've done, that is a good feeling.

Conagra has won a lot of awards on sustainability as well.

Yes, we're incredibly proud of that. One of our company's values is integrity. That means making sure that we are focused on sustainability and doing the right things for our communities and for our environment.

We've spoken a lot about the business. Let's talk about Sean Connolly, the leader. What were

“If I go into a grocery store with my wife, she just shakes her head at me because I might be in there for an hour staring at categories that we don't compete in because I can see trends emerging that might apply to categories that we do compete in.”

some of the influences that you received growing up and in your life that impacted you in terms of your leadership philosophy?

A lot goes into leadership philosophy in all aspects throughout your career but if I think back as to what has had probably the most impact on me in my career, it's just simple advice I got from my mom and dad which is there's no substitute for hard work. If there's one thing I try to impart to my own children is the importance of a great work ethic and also being an optimist and having confidence in yourself. I am an optimist and that's a central part of my leadership philosophy – you need to be an optimist because leaders need followers and there aren't a lot of followers that follow cynics and skeptics. You need to be an optimist, you have to have a clear view of what your situation is and be prepared to embrace change to make sure that you're performing better but you have to believe that you can accomplish your goals

“Simple advice I got from my mom and dad is there’s no substitute for hard work. If there’s one thing I try to impart to my own children is the importance of a great work ethic and also being an optimist and having confidence in yourself.”

and you have to believe in yourself. You know that optimism and confidence are essential ingredients.

Let’s talk about optimism and challenges. What was a challenge that you faced where you needed optimism and you overcame that challenge?

I’ve been in the food business now for about 25 years and it’s a tough business. It’s a highly competitive business, growth may ebb and flow and when you’re in a period of adversity, people may say, “There’s no way to win with this business, growth is hard to come by” and I just kind of reject that as a notion and say “If you peel back the onion far enough, you will see pockets of growth and we’re willing to change and update our portfolio to bring in those modern attributes. We too can grow even in a period where growth is elusive.” You have to have that kind of optimism but it has to be grounded in reality and analytics and then you have to have the fierce determination to get it done. That’s all part of how we build a culture and how we create a team that’s motivated to win, and win the right way.

What insights do you have on growing a great culture at Conagra Brands?

One of the most important things is making sure the whole team feels like we’re in it together. I’m in a suit today but if you were to come visit our office, you would

“I don’t want any symbols of hierarchy in our office. I want everybody to feel like they can interact with everybody else in order to drive the business ahead. I don’t want any fear, I don’t want any barriers to communication, I don’t want people coveting the number of ceiling tiles in their office as something they want to achieve.”

see an incredibly casual environment, no executive row. I don’t want any symbols of hierarchy in our office. I want everybody to feel like they can interact with everybody else in order to drive the business ahead. I don’t want any fear, I don’t want any barriers to communication, I don’t want people coveting the number of ceiling tiles in their office as something they want to achieve. I want them to covet building a winning business, building winning brands and enjoying their time with their colleagues because they’re making the business better. That’s what it’s really all about.

Any unique practices on growing an innovative culture?

It all starts with establishing your company values and your mission, vision, and value strategy and making sure everybody is on the same page. Then as a senior leadership team, you need to walk the talk. If our team wants to walk the talk about being approachable, about authenticity, about having a sense of “We’re all in it together,” then I expect my senior leaders to be in the trenches, getting their hands dirty with their sleeves rolled up. Not to be off in executive row, somewhere distant and hard to come by. That’s not the way we’re looking to operate and certainly that’s not what our younger employees are looking for. They want a sense of equality amongst all executives and teams that we really have a common objective and that we are all working equally hard, equally invested to build a successful company.

What is your philosophy on surviving in a digitally disruptive world?

If you just look at how we invest our marketing dollars, there’s been a massive shift in our company in the last few years. We used to do what you would expect from big CPG companies which is advertise our brands on television at 9 o’clock at night. Now, you see the bulk of our investments are on digital social media. We are trying to reach our consumers where they are but also in a way that doesn’t feel like they are being marketed to. Consumers today have their antenna up when they



“I have learned to always challenge myself and challenge my team around two words, “What’s next?”

see companies that are working too hard to get them to buy their brands. We want to be authentic, we want to tell the story of our brands but we want to do it in an approachable way. Digital social media is the way we get the job done nowadays.

Let’s talk about the future of the food business.

It’s food so it starts with “It’s got to taste great” and that is job number one. But beyond that, increasingly today’s consumers are looking for food that’s good for you but they want it all. They want it to taste great, they want it to be good for you, they want bold flavors, they want ethnic varieties. It’s a real profound shift in our industry and it means that legacy brands have to evolve and they’ve got to bring in some of those new attributes that consumers are looking for. But the intersection of superb taste and health and wellness credentials and premiumness, these are all things that we are bringing together. You really see us premiumizing and updating our portfolio pretty much across the board.

You’ve had a long career in food from Procter & Gamble, Campbell to Hillshire. What have you

learned that’s shaped your leadership philosophy?

I have learned to always challenge myself and challenge my team around two words, “What’s next?” Because you have successes in your career, but you can never become complacent and feel like your last great innovation is really the end of the road because you’re going to have a competitor that is going to leapfrog you with something superior. You need to anticipate that. You always need to celebrate your success of course, but challenge your team. Are you prepared to go after what’s next? It never stops. It’s a perpetual cycle. You have to always believe that the next best thing is coming from your competition, you have to stay ahead of your competition and never be satisfied with your most recent success. You always have to ask, “What’s next?”

You learned from your parents about hard work as the core. Are there any unique practices that you have that you do in terms of hard work that have really worked for you and your career?

When I talk to our young employees, I always challenge them to cultivate their curiosity. Whether you’re study-

ing the development of your brand in Buffalo, New York and you're getting into that level of granularity or you're studying consumer trends or changing retailer priorities, you always have to cultivate your curiosity because you'll triangulate all these different data points and will sharpen your own thinking and lead to better ideas. If you're not curious and you're not externally-focused, that means you're internally-focused and you're probably missing out on something. You should assume your competitor has an edge and they're looking to be externally-focused. We always try to cultivate our curiosity at Conagra because that's going to lead us to identify the next big idea.

Talk about your board.

We have a fantastic board of directors, comprised of individuals who have phenomenal executive experience across an array of industries. We have a very high level of communication and collaboration and debate with our board because we compete in a tough industry. Many times the decisions are not black and white, they're grey, and having the benefit of all these folks with great experience really engage in a rigorous debate on tough decisions usually leads us to better decisions. Our board is intimately involved in every major decision we make and we have great dialog and great debate. I actually cherish the time I get with my board.

Finally, you spoke about "what's next." What's next for Conagra?

Growth. We are all about growth and innovation. We've taken on a ton of change but our priority right now is driving our top line. We've rebuilt our innovation funnel and you'll start to see some of those innovations hit the marketplace as we get to the middle of this calendar year and from there, it should only compound. We'll see more and more of that. New innovation takes time to build -- we've been building momentum and we're finally getting to the point now. We're going to see some of our new ideas hit the market and you should expect to see more of that going forward.

Sean, a pleasure speaking with you today.

Same here, Robert. Thanks for having me.

"When I talk to our young employees, I always challenge them to cultivate their curiosity."



Sean Connolly and Robert Reiss — Interview aired: 2/12/2017

Sean M. Connolly is President and Chief Executive Officer of Conagra Brands. Sean joined Conagra Brands, formerly known as ConAgra Foods, in April 2015. Prior to joining Conagra Brands, Sean was President and CEO of The Hillshire Brands Company from the time of its formation as an independent company in 2012 to its sale to Tyson Foods in August 2014. Prior to his Hillshire Brands leadership, Connolly was CEO for Sara Lee North American Retail and Foodservice, as well as President, Campbell Soup North America. He also managed numerous brands in the food and beverage division at Procter & Gamble. Sean has used his general management, marketing and innovation skills to improve business performance across a diverse range of food and beverage categories and channels of trade, with a focus on innovation and disciplined execution. Sean earned his bachelor's degree in economics from Vanderbilt University, and his Master of Business Administration from the University of Texas at Austin.



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More Data, More Threats: Why Technology Innovation is Leaving Businesses Vulnerable to Cyberattacks



by Steve McGaw, Chief Marketing Officer - AT&T Business Solutions

In the past year, the amount of data traffic crossing the global internet surpassed 1 zettabyte, or 1 trillion gigabytes. And that number is only growing. Business-specific internet traffic is expected to increase 18% annually until 2020. This traffic represents how rapid the growth of innovation is across the business landscape, as more and more devices are connected, and business operations are becoming digitally driven.

While the transition to new technologies has created tremendous advancements for businesses, it has also vastly increased the amount of data that may be vulnerable to cybersecurity attacks. Each connected device could be an entry point for an attacker seeking to access proprietary information on a company network. Virtually every piece of data entering the digital space unprotected is now at risk for potential compromise.

Fortunately, innovations in cybersecurity have led to solutions that help protect this digital, data-driven landscape. Yet, many businesses remain unprepared. Recent research from AT&T shows that 50% of businesses have an out-of-date security strategy.

Across the AT&T network, 75% of the email traffic we see is flagged as malicious. With the high number of threats, it's essential for businesses to continually evaluate and update their security protections and strategies to help keep their valuable data safe.



Tactics for your Cybersecurity Strategy

- Update Identity and Access Management Systems – The latest technologies often have the ability to help restrict device use to only approved users, and use software-defined networking perimeters to prevent malicious actors from accessing proprietary information.
- Implement Threat Analytics – Threat analytics systems scan overall network activity to flag behavioral changes like a spike in data traffic or a new user on the system to help identify new emerging threats.
- Move to Virtualized Security Functions– Moving to software-defined networking means that security can be deployed and updated in near real-time over software systems to help protect data stored in the cloud or on premise.
- Create an Incident Response Team – Make sure your organization has a plan and team in place ready to handle a possible security issue. Having the ability to respond quickly is essential to mitigating a cyberattack and reducing the impact it could have on your business.

The security tactics above represent some of the latest innovations in cybersecurity protections. In order to maximize the benefits of new technologies, implementing the latest security protections will help sustain improved business operations and efficiencies.

With the industry evolving so quickly, it's important to keep security at the forefront of your development planning. Don't let a cyberattack keep your company from reaching your business goals.

Steve leads AT&T's business marketing organization, where he oversees marketing of telecom services to millions of business customers across the globe. This includes serving businesses of all sizes and managing go-to-market execution, such as product development, marketing communications and sales activation for the entire portfolio.



“I really wanted to be the CEO – to be the one who sets the agenda, who articulates that vision, who can rally the House and the Senate. I don’t mind being accountable for the results.”

Robert Reiss: Governor Ridge, many people don’t know about your career path and the perspective you gained along the way. Let’s start off with what you learned from your experience in Vietnam.

Governor Ridge: I was taught a lot of lessons about leadership, about the importance of every man in a unit, about the importance of articulating the mission and what everybody has to do in order to accomplish the goal. It taught me a lot of things, and frankly, while I don’t dwell on it, I draw from those experiences on a regular basis.

You were among the first enlisted men to be in Congress.

Yes. I was privileged to serve my country as an infantry staff sergeant. Now, you talk to all the NCOs, we think we ran the army anyhow. So, it’s a proud group of individuals with whom I’m associated and one of the great blessings of my service there is I got the same year as my good friend, Senator John McCain. And immediately ties that bond, he became a great friend, a great warrior and a great statesman as well.

What made you select law as a degree?

“Governing a state requires you to appreciate the competitive nature of the states around you, but you have to be able to compete. Your economy has to be competitive with the broader billable community since the economy these days is international, it’s not local.”

I always thought that the area of law that I would ultimately practice would be with people. It’s a service industry to a certain extent. While I went to law school, I never thought I’d spend so much time in the courtroom both as an assistant district attorney and a defense attorney as well. So it’s a service industry, it’s a day-to-day engagement with the people. It’s something that I’ve enjoyed all my life and I look back to those 10 years of practice and I am grateful for those experiences as well, which had some useful applications down the road when I got into the world of government and politics.

When you talk about politics, you’re 8-0, you’re undefeated in running. How did you do that?

I’m going to retire undefeated, that’s the best thing to do! It’s interesting. The congressional district which I won was really a blue-collar district, probably 75,000 to 100,000 more of these. I won by the magnificent sum of 729 votes, but I really worked hard. Those were the days you could do multiple town meetings. People didn’t show up to congratulate you but you could have an interesting conversation with them. I’m not sure you can do that anymore. I worked hard, and after that I had almost a 10-year run with most of the time winning pretty resounding victories. The challenge was running for Governor. When you want to be the chief executive officer of the sixth largest state that would be tough.

In running for Governor, what was your thought process?

It was an interesting transformation. I enjoyed the experience as being a federal legislator. I was in the minority for 12 years as a republican. But at that time, the environment was different. I had friends on the other side of the aisle primarily in the banking committee. Normally in the veterans committee we got along just fine. I’m not sure if you have that kind of collegiality or camaraderie today. But I never wanted to spend a life-

time as a legislator. And when the opportunity came to run for governor, I said, “I really wanted to be the CEO – to be the one who sets the agenda, who articulates that vision, who can rally the House and the Senate. I don’t mind being accountable for the results.” So that was the attraction and we wrapped everything around the notion that I wanted to make Pennsylvania a leader among states, and a competitor among nations. Because governing a state requires you to appreciate the competitive nature of the states around you, but you have to be able to compete. Your economy has to be competitive with the broader billable community since the economy these days is international, it’s not local. And given the size of Pennsylvania – more than 12 million people at the time – you’re talking about an annual operating budget of about \$21 billion. I believe today it’s closer to \$30 billion. If Pennsylvania were a country, its GDP would rank slightly higher than Switzerland’s.

What can a CEO learn from government?

I appreciate the opportunity to talk about this. We have so many CEOs that were great friends and supporters and they say, “You have to run government like a business.” And I would say to them, “Well, first of all, your board of directors isn’t 253 people.”

Mine was the House and the Senate. Also, you don’t go to your board of directors in order to get the revenue to run your business. So those are the differences, but you can apply business principles every single day you govern. You can demand efficiency. You can require productivity.

One of the first things we did was to merge a couple of the existing cabinet levels into one because their missions overlapped and they were kind of interrelated. You can bring a certain amount of fiscal discipline. You can keep the control on taxes. One of the first things we did, we reduced taxes every year and even during tough times,

“With homeland security I knew we couldn’t secure the country from inside the beltway. We had to reach out and start building those relationships with the private sector that owns 85% to 90% of the infrastructure.”

we reduced it at the bottom level. We substantially reduced the regulatory burden on our companies and we changed the environmental framework and then we tried to operate.

I had a vision. We discussed very specifically what we would do after I was elected. Those goals that we articulated publicly during the campaign became the basis of the first four years of my governorship.

What were you proudest of that you accomplished as Governor?

Multiple reforms -- we’re proud to have been able to cut taxes and reduce regulatory burden. I’m very proud of the changes we made in the educational area in terms of some of the standards we set. A lot of effort on charter schools, tax credits for contributions to private schools, made a dramatic change. In regards to business and the environment, my predecessor said, “You have an environmental problem. We’re going to penalize you.” And we said “No, no, no.” The agency was really a job-crushing community-harassing regulatory nightmare. We just said, “Look, we have an environmental problem and you didn’t cause it; let’s just clean it up.” And if you did it willfully, we’re going to throw the book at you.

Where did that happen? Often times it’s inherited, sometimes it’s accidental and you treat those things differently. But the other thing that I’m most proud of is we set the model even for federal legislation. We reused the previously tainted or environmentally challenged sites. We built an environmental recycling and reuse program. Depending on your future use of that site, your conditions for clean up weren’t based to a standard of William and Hannah Penn. It was based on perspective view.

Clean up requirements would be one thing. If it was going to be a daycare center or a playground versus another manufacturing base on an old manufacturing base, the standard of clean up and reuse is entirely different. It was a common-sense approach that was long overdue and welcomed by the business community.

What were the words that embodied your governorship?

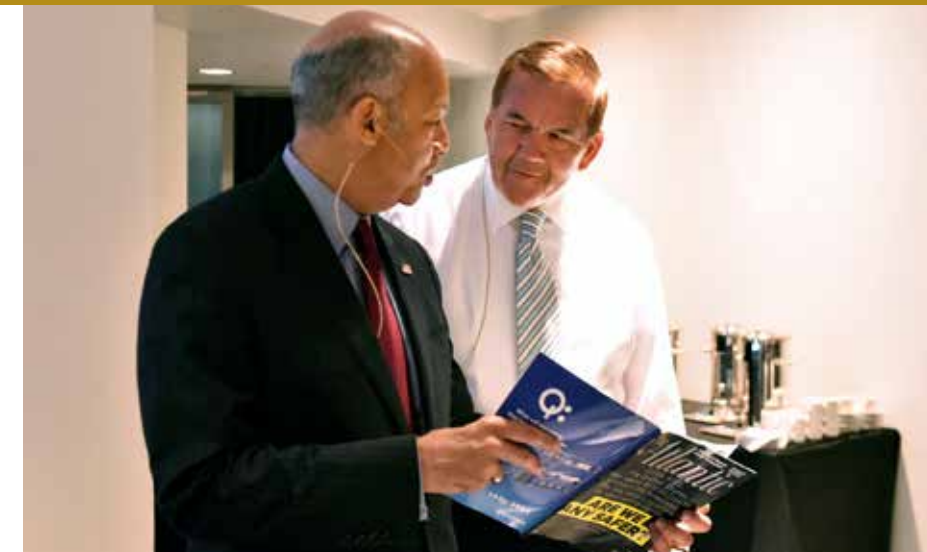
People will accept change if you articulate it in a way and make it relevant to them. Secondly, one of the notions is that government can be a partner, and people don’t like to say that. They can also oppress depending on the nature of the policy. We try to relieve the burdens of government and try to figure out ways to partner, because government can’t create the jobs. You have to provide the incentives, and sometimes it’s not just financial incentives, we just reduced the taxes and we reform workers’ compensation, relieve some of the regulatory burden. And it’s a lot easier for a CEO of a company to take a look at your environment and say, “Things have changed.”

The environmental regulations are still friendly to the environment but they’re also friendly to business. We cut the capital stock and franchise tax, the worker’s compensation premiums are down and you have a good workforce. So people say, “I think I’ll invest in Pennsylvania.” We didn’t win them all, but we won a lot more than we did before I got there.

Let’s shift. What was it like when you saw 9/11 unfold?

It was a chilling event. I was at home in Erie, Pennsylvania visiting my mother in the hospital. I pulled in the driveway after the visit. I was told that a commercial airliner had struck the first tower and then struck the second tower. I went in and called my emergency management team to put them on operation immediately. I’m watching the television, and NBC reporter Jim Miklaszewski says, “I’ve heard an explosion on the other side of the Pentagon.” We know what happened there. Then I learned on the phone that there was a plane and it looks like it was on its way back toward DC that ended up in Shanksville, Pennsylvania. I was there in western Pennsylvania five or six hours later.

So my emotions that day were like most Americans.



Gov. Ridge and Jeh Johnson, DHS Secretary under President Obama, backstage prior to a September 2016 event in Washington to recognize the 15th anniversary of the 9/11 attacks, hosted by The Atlantic.

There was anxiety. There was fear. There was anger. There was a sense of “somebody is going to pay for this, there has to be retribution.” But there was also that sense of “How did it happen? Why did it happen? Will it happen again?”

You get a call from President Bush ...

I had known the President for quite some time. As a matter of fact, I remember walking on the beach of Kennebunkport where he said, “I’m thinking of running for President.” I said to him, “I think you have to do that.” Then he was George, now he’s Mr. President. He will always be Mr. President. But, he was looking for someone I think that he could trust. I think he believed I had good relationships on both sides with Congress and could help him tackle a federal issue. You have a lot of federal resources, but to build a national infrastructure it cannot be just the federal government involved in making America safe, but you also had to connect with the states, connect with the locals. He had to connect with the private sector and, ultimately, he gave me the opportunity to do that and, of course, I’m very proud to this day of what we were able to accomplish.

Talk about your strategy and what you’re proudest of that you accomplished on Homeland Security.

We had to build tangible, sustainable relationships not just with the law enforcement community but also a sus-

tainable protocol in the states and with local communities. With homeland security I knew we couldn’t secure the country from inside the beltway. We had to reach out and start building those relationships with the private sector that owns 85% to 90% of the infrastructure.

You had to work with the locals on training, on exercises. Some of our money was very well spent locally. Immediately, the first couple of years it wasn’t spent as well or as wisely as it could have been. But I’m most proud of the fact that today, in a post 9/11 world, there is a single agency in the federal government that is connected on a day-to-day basis with the people and the institutions that make our system of government and our economy work. That lends itself to not only being prepared for a physical attack, but also a cyber attack, because as we’ve seen this thing has progressed since 9/11. The profiles of the terrorist have changed. The geography has changed. There are more terrorist organizations expanding. Their reach is much broader and they’ve taken advantage of the internet. Their tactics are different, so the risk remains, but the greatest risk in the CEO world is the risk of cyber attack, even though they have to be worried about a physical attack on that critical infrastructure.

How should CEOs view the true state of homeland security today?

First of all, we shouldn’t be breathless. We must recog-

“For CEOs, the chances of a physical attack on your enterprise are almost infinitesimal compared to a potential cyber attack. That’s not just from terrorists, but also from hackers or nation-states engaged in economic espionage. It’s critical that they accept that as a permanent risk to their operations.”

nize going forward that this is a permanent condition and prepare accordingly. Companies must avail themselves of information sharing analysis centers. Because they’re a source of information sharing between the federal government and you, you can share some information with the federal government relative to physical security, challenges, and more recently, cyber security challenges. From a policy standpoint, we must improve our country’s information-sharing ecosystem. Our adversaries are able to deploy the same attack repeatedly. Cyber threat information sharing must become so effective and efficient that once an attack is detected, every business should be protected against it by day’s end. I’m now serving my fifth term as chair of the U.S. Chamber’s National Security Task Force and this is a top priority.

For CEOs, the chances of a physical attack on your enterprise are almost infinitesimal compared to a potential cyber attack. That’s not just from terrorists, but also from hackers or nation-states engaged in economic espionage. It’s critical that they accept that as a permanent risk to their operations.

What is Ridge Global’s model?

We’re a company that deals with risk, readiness, and resiliency. We help organizations decrease security risks and improve enterprise resilience. I’m proud of the team of globally recognized experts we have been able to assemble who can offer our clients strategic counsel on identifying, preparing for and mitigating cyber risk.

One of the initiatives we’ve undertaken just recently is to work with the National Association of Corporate Directors and Carnegie Mellon University, preeminent when it comes to cyber issues and cyber security. We designed a 20-hour certification program that provides corporate directors with an orientation on the elements of cyber-security that they should be attuned to for proper cyber oversight. It’s not intimidating, we’re not trying to turn you into a technologist, but the fiduciary duty to support your CEO and management means that we think there’s a lot of knowledge to be gained, to improve the relationship, the conversations, the dialogue between your board of directors and your management team around the very complex issues of cyber security.

Again, you can’t get any better than Carnegie Mellon and certainly, the National Association of Corporate Directors as the advocate for the profession of directorship which sets the standards for boardroom practices, shares our vision for bridging the gap between the domain of IT professionals and the boardroom. The directors who earn the certificate demonstrate their own leadership in this critical area of corporate governance.

We think it will enhance their ability to give them additional knowledge and make those conversations between the board of directors and the management, the CSO and the chief technology officer crisper, more knowledgeable, more relevant, and therefore enhance the effectiveness of their oversight and hopefully improve the digital security of the enterprise.

How about potential vulnerabilities like our national power grid?

The energy industry itself and utility companies work really hard to ensure that their digital infrastructure is secure. It’s not just digital infrastructure. They understand it’s about operations, it’s about HR, it’s about communications, it’s about mergers and acquisitions, it’s not just about IT. How do we as individual companies work together to secure that broader national grid? We are making incremental progress and moving in the right



“There are 57 million people in America with disabilities. Too many of them are not working. We know them to be good, solid, reliable, dependable, effective employees.”

direction. This will require even more robust public-private collaboration in the years to come

You’re working on something that I know is really important to you, which is on the National Organization on Disability. Talk about what you’re doing.

I want to thank you for just raising that. In this very competitive world, over the past 10 years, I’ve been privileged in addition to starting my own businesses, to be the chairman of the board of directors of the National Organization on Disability. We see this world from the demand side, not the supply side -- the demand of companies from the CEO down to get qualified people with great abilities. We work with the large companies, for example, Starbucks, PwC, REI, Lowe’s, Walmart and many others. We’ve been in the insurance space. We’ve been in the service space, and all of these companies have discovered that it’s not a matter of social responsibility or just meeting some kind of diversity requirement. There are 57 million people in America with disabilities. Too many of them are not working. We know them to

be good, solid, reliable, dependable, effective employees.

What NOD does is we work with a company to help build a profile, help identify those in the community that can supplement the workforce, and we have plenty of testimonials from companies that have hired people with disabilities, not as a means of charity, but as a good business decision. I want to encourage CEOs to check out the National Organization on Disability. Doug Conant, former CEO of Campbell Soup Company, who is on the board as well, can speak to it with an enthusiasm and rigor unlike any other CEO that I have ever met. Doug will be the first to tell you that hiring a person with a disability, not because they’re disabled but because they have an ability, you fit them in and you’re going to be feeling very good about the hiring because they will end up being a very dependable and excellent employee.

You’re starting to see employers marrying the remarkable skills of people with autism, for example, to jobs that demand their unique abilities. Microsoft recently launched such an effort with its own autism-hiring pro-



Gov. Tom Ridge and Robert Reiss – Interview aired: 1/29/2017

Following the tragic events of September 11th, 2001, Tom Ridge became the first Assistant to the President for Homeland Security and, on January 24, 2003, became the first Secretary of the U.S. Department of Homeland Security.

Before the events of September 11th, Tom Ridge was twice elected Governor of Pennsylvania.

Born August 26, 1945, in Pittsburgh's Steel Valley, Ridge was raised in a working-class family in veterans' public housing in Erie. He earned a scholarship to Harvard, graduating with honors in 1967. He was drafted into the U.S. Army, where he served as an infantry staff sergeant in Vietnam, earning the Bronze Star for Valor, the Combat Infantry Badge and the Vietnamese Cross of Gallantry.

After returning to Pennsylvania he earned his law degree and, later, became one of the first Vietnam combat veterans elected to the U.S. House of Representatives, where he served six terms.

Tom Ridge is now founder and chairman of Ridge Global. He is a founding partner of the Ridge Policy Group, a full-service government affairs firm with offices in Washington, D.C. and Harrisburg, PA.

gram. NOD now has more than 40 companies – many Fortune 500 companies – who are part of our Corporate Leadership Council. These are real leaders in disability inclusion and they routinely share best practices. If there is a CEO looking to broaden their inclusion program I'd encourage you to have someone in your diversity and inclusion or HR departments take NOD's Disability Employment Tracker. It's a self-assessment tool that will show you where you stack up against competitors. Then you can work with the professionals at NOD to build a plan to move forward. You can learn more about the Tracker at NOD.org.

You have had a truly fascinating career so far. What's in your future?

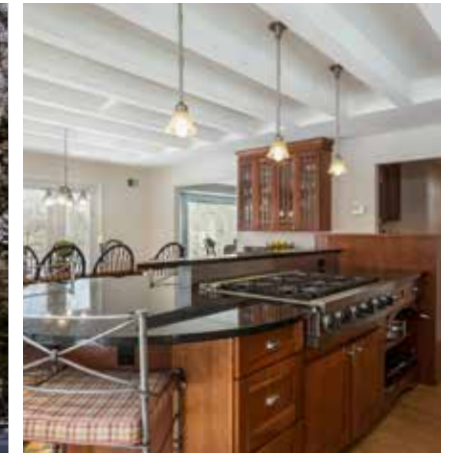
I want to continue to work with my friends at NOD. I've learned a lot over the past 10 years. I have been privileged to serve on a couple of publicly-traded boards. I've learned even more about the business community, about all the risks associated with being a CEO. What I found most interesting since I left government almost 10 years ago is running Ridge Global and working with CEOs is very enriching. It's very rewarding. It's challenging and I enjoy every minute of it.

It's been a real pleasure having you, Tom.

A great pleasure to be with you, Robert. Thank you very much for the invitation.



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An Architect's own home sets a tone very different from today's cookie cutter styles. This unique, and distinctive home, is located in a commuter friendly corner of Ridgefield. Entertain & wow guests with the best of everything. Stunning chef's kitchen with adjacent wine room/butlers pantry, expansive living room, cozy family room & private office are all on main level. The grand stair case in the foyer leads to three gracious sized bedrooms in addition to a master bedroom with adjacent loft/sitting area & a stunning master bath with oversized shower. The lower level recreation room includes steam room and full bath and walks out to a blue stone patio & backyard. Walking distance to town. Exceptional quality - truly a must see! **Offered at \$979,000**



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“A great tea should have the same taste cool as it does warm or hot. If it gets more bitter, more astringent, thinner as it cools, then you’re not talking about the quality cup of tea that’s important to Bigelow.”

Robert Reiss: As the largest specialty tea company in the United States, what’s most important to you?

Cindi Bigelow: I always like to say to run a tea company, you need to be a tea person. And to be a tea person takes time to get there and to really understand what quality means. When I joined the company thirty years ago, I knew my family and our company stood for quality and I could state that, but I didn’t really know what it meant. It has taken me years to really understand the depth of that meaning and how I have done that was to really travel the world. I have gone to our plantations in Sri Lanka and in India, and to our gardens that we have in Italy and in Europe, California and Oregon so that I understand what a quality cup really looked like. What are the different quality levels of tea? It’s taken an eight-or nine-year journey of me traveling to honor what quality truly means. I’m going to China in the next couple of months.

Our products are second to none. We will not launch any-

“My dad was always there, he was humble, he was kind to everyone, and he became my role model.”

thing that my family does not drink and is not passionate about, and it shows.

For the average tea drinker, what is one thing to look for to recognize quality?

When you’re talking about so many different ingredients, you need to make sure you’re getting a full-rounded taste profile. We call them low, medium, and top notes. A lot of times a product can have a beautiful aromatic experience and also be visually appealing but it doesn’t deliver on the taste. When you’re drinking tea, for instance a chamomile, it should be a sweet, almost buttery, complete taste profile.

How do you know that it’s a round flavor?

I like to say tea also needs to taste good as it cools down. A lot of times when you drink hot tea, you can’t really get all the notes because it’s too hot. A great tea should have the same taste cool as it does warm or hot. If it gets more bitter, more astringent, thinner as it cools, then you’re not talking about the quality cup of tea that’s important to Bigelow.

So when drinking tea, look for a full, round taste, and think about that while you’re drinking it.

Let’s talk about some of the products you have. In 1945 your grandmother, Ruth Bigelow, came out with what still is your blockbuster, “Constant Comment”®.

“Constant Comment” is our flagship tea and it’s still, to this day, only blended by the Bigelow family. My parents are the only ones that make “Constant Comment.” They literally put on their lab coats and go behind closed doors to blend it. Today, we have a hundred and fifty different flavors. We have many black tea flavors, many herbal flavors, many green flavors, we have classic line, Organic line, Benefits line. What they all have in common is that we know when we put them out there, we

put our name on them and they are a beautiful cup of tea.

What’s it like growing up in a family business and having the last name Bigelow?

When I was younger, I really never put a lot of weight behind the fact that I have the last name Bigelow. As I was growing up, though, I did experience that people put more weight on it than I thought it actually deserved. I would have people say to me, “Why are you studying so hard? Why do you have to get an A? Why do you have to...?” I used to look at them and I was so confused. I didn’t understand it. Even in graduate school, they would say “Why are you working so hard? You already have a job.” I just never looked at working hard as anything short of doing the best you can. When you are going to run a company, you’re working as hard as you can and you never take anything for granted, you are never entitled. This was just part of my upbringing.

You learned lessons from your dad about humility, in terms of you getting straight A’s. Talk about what your learned from your dad.

Ethics. I happened to work hard to get good grades and my father always made me feel so good about it. He’d say “Oh gosh Cindi, I only got C’s, so I can’t imagine what it’s like to get A’s.” He was always so sweet so I was never pressured. It was all my own how I wanted to perform but he was always so supportive. When I was leaving to go to college, he and my mom were the ones packing me up, even though my father was running the company. He was always there. I don’t know how to describe it.

My dad was always there so for my children, I tried to do the same thing. They knew I worked and I remember when they were younger, one of them said to me, “You’re the only mother that works, Mom.” I said, “No, there are a few of us out there, honey.” But I also wanted to make sure we had dinner together every night, that I was available in the classroom, that we often went away on the weekends so that I could always be with them. I

“I’m not sure what having it all means for women, but you can have what you prioritize. So my recommendation to males and females either starting their career or already in one is to pick what’s important to you.”

learned all that from my dad. My dad was always there, he was humble, he was kind to everyone, and he became my role model.

What advice do you have on balance in life?

You have to set your priorities. I had an interesting conversation with Linda McMahon the other day. She was interviewing me in front of university students and she asked, “Can women have it all?” My response was simple. I’m not kidding when I say I’m not sure what having it all means for women, but you can have what you prioritize. So my recommendation to males and females either starting their career or already in one is to pick what’s important to you. If it is important to be very engaged as a parent, then that needs to be a priority.

For me, it was working very hard, giving it everything I had, being the best parent, the best engaged I could be, being involved with the community and trying to make a difference. Then also, for myself, doing things that I felt were good to help keep me in shape whether it was yoga, skiing or walking. I picked those as my priorities and that’s what I’ve always focused on. If you’re asking yourself whether you can have it all and you choose three or four things then yes, you can have three or four things, but it has to be things you’re conscious of and you’re always working toward.

That’s fascinating. It’s all about being conscious and about making the decision and if you do, you can.

Yes, absolutely you can, and you should start early. That doesn’t mean you need to know what your career path is. Mine’s obviously a little unusual as I knew in high school, although my parents say they did not know this, that I wanted to run Bigelow Tea. I knew that was my priority and I geared my career toward that.

So what was it like in 2005 when you actually became CEO?

It took me a little while, to be honest, to recognize the weight of that...I had run different divisions leading up to getting to this position I aspired to and worked toward. I hopefully built a reputation and deserved the title but it took me a little while to realize the weight of it and how every move I made was so critical, that ultimately everything was on my shoulders. I realized the CEO sets the tone for everyone inside the organization.

“My parents say they did not know this, that I wanted to run Bigelow Tea.”



David, Cindi & Eunice Bigelow

It took me a few years to be able to deal with the burdens on my shoulders the best that I could.

Right now, in full disclosure, we’re sitting in this amazing room you need to describe.

The Brownstone Room, as we call it, is where it all started. It looks just like the brownstone where my grandmother started Bigelow Tea with the creation of “Constant Comment” Tea. We created this room, as sort of our creative room, you can actually write on any of the walls, and in here we create what I call unique practices. As a company, we have fun but we work hard every day to be better than we were yesterday and we challenge



ourselves on every front. We challenge ourselves about products we are in, what makes sense, are our products the best they can be? What are our business practices? Are they the best they can be? What else can we do?

One of my issues, and those that work closely with me will tell you, I am quick to say what we didn’t do right and how we can do better. At times, I had to learn that people might take that as though you’re not complimenting them or not appreciating all the good things they have done. I’ve had to take a few steps back to make sure they clearly understand how great they are at this or that, or that even though something’s very good we can still strive to do things a little better. For me, innovation and improvements occur at every level, everything that we touch we’re always trying to do better.

What inspires you to come up with these new ideas?

I love the word “inspire.” However, I’m not sure inspire is the right word for the particular way I operate. It’s just looking for opportunity and recognizing that opportunity can come from many places and in a conversation with anyone. I try to be like an open oyster that hears, looks, listens and is constantly looking for a potential idea. It doesn’t need to be my idea -- it is about developing these

“I realized the CEO sets the tone for everyone inside the organization.”

opportunities. The problem with that is it’s hard for my team because there are so many potential opportunities to investigate. You have to recognize it puts a lot of pressure on the team because I never compromise. I’m always saying, “Wait a minute. This has real potential.”

Were you always like that?

I’d like to think so but I can’t say that I was always like that. I know that I had to develop myself to ensure that I am that way now. I was maybe too young to even think like that in the earlier years but I also have learned as years have gone on to circle back on these things. When you are thrown different opportunities, you need to take that extra time for communication. One of the things I always thought I did well was communicate, and then I realized I wasn’t communicating enough. I was making too many assumptions.

If I had three or four ideas, I needed to circle back to let the team know what I was thinking, why I thought these were of value, where I thought it fit in the context of what we’re doing and what the potential opportunity was. I had to frame these opportunities better so that people understood where they’re coming from so that it didn’t look like all these ideas were just getting thrown at them.

I would share the fact that to me, about 30% of our time, we need to be experimenting with new ideas. If things do or don’t work, that’s okay. That’s part of our job but we always need to learn from things that don’t work, that is the key.

When I walk around, I get a sense about this exciting culture where everyone is smiling, authentic, having fun and working hard. What are your insights on culture?

First of all, I will tell you as a CEO, you have to understand the value of culture. That’s a major part of the job. If you really want to have a culture where people are feeling honored, you have to understand that you need to set the tone on that and you need to appreci-



Bigelow “Constant Comment”, Green and Cozy Chamomile Teas are just a few of the teas Bigelow blends today.

“I try to be like an open oyster that hears, looks, listens and is constantly looking for a potential idea.”

ate those working for you. For example, I always say to my team, “We have hundreds of people making tea bags every day, day in and day out.” And I say to the managers, “Do you want to do that?” And the response is, “Well no, not necessarily.” Those managers have to understand the importance of letting the people who are making those tea bags know how much they appreciate that they’re making those tea bags every single day and we so appreciate the fact they’re doing it with passion and with commitment. You have to really take inventory of what you have in front of you, what you have in your hands and constantly, constantly message -- similar to what you do with your children from early on.

A business is the same thing -- you have to nurture it, you have to message appropriately if you want those smiles you see walking around. First of all, smiles need to mean something to you. You need to set the right tone as the CEO. If they don’t mean much to you and you really don’t care, don’t bother trying to get everybody to smile. But if you want that environment where smiling means something, then focus on that. And don’t forget the added benefit, that is the employees then they go home and they can have a good day with their family.

Not every day is a great day. I have a lot of people at one point or another who may be frustrated with me. I

always try to circle back to them and have a good conversation but I am also constantly messaging the need to create an environment where people feel really good and they feel appreciated for everything they’re doing.

In your hand you’re holding a glass house with all your values.

Yes. I call this the Bigelow home and it took myself and my teammates about two years to really perfect. It’s putting everything we’re doing under one umbrella -- what is the purpose of this company, why do I get up every morning and why do I want everybody else to get up every morning? The purpose of our company was to create an environment of pride that brings out everyone’s desire and ability to make a difference every day. That’s very lofty but as I always say, shoot for the moon, fall amongst the stars.

From that purpose comes the vision of that beautiful uncompromising quality cup of tea. But at the foundation of the home are the values of Bigelow Tea, values that we worked to develop as a team. These values are very important to me and are essential to what the home is. I had a lot of people say to me, “You have too many values, you have to reduce them.” And I said “Why? These are the values that either we already have or we need to

“We produce 1.8 billion tea bags a year and we are zero waste to landfill.”

aspire to have.” We have 15 different values -- fun, transparency among them. The values give the employees the opportunity to see them and reflect back on what they do and don’t see is actually happening.

Let’s talk sustainability. In 2010 you won the award.

Sustainability very much fits our purpose about “making a difference every day.” We should all try to make sure we’re keeping Mother Earth as clean and as safe as possible. We produce 1.8 billion tea bags a year and we are zero waste to landfill.

Wow!

That’s right and that’s a lot of work, effort and energy. But as a CEO, that is something that is critical to me and I’m proud of the fact that to our employees, working for a company where sustainability matters is one of their favorite things.

Any final advice to CEOs?

My final advice is to remember that you are the number one role model, you set the tone and you set the standards. What you do, how you act, good times and bad, behind closed doors, in front of other people, sets the tone for everybody else in the organization as acceptable behavior. We need to remember that every single day.

Great having you on the show, Cindi.

Thank you, Robert.



Cindi Bigelow and Robert Reiss -- Interview aired: 2/05/2017

Before assuming her role as the third generation president and CEO of family-owned Bigelow Tea in 2005, Cindi Bigelow spent 20 years in virtually all areas of the company that her grandmother founded. Cindi is instrumental in expanding Bigelow Tea into new channels while building awareness and brand engagement across social media -- all to ensure Bigelow Tea is accessible everywhere, 24/7.

As passionate as she is about producing the finest cup of tea, Cindi is equally concerned about community and sustainability issues. She initiated the Annual Bigelow Tea Community Challenge that has donated over \$1.4 million to local charities and participates in volunteer projects that include Habitat for Humanity’s Adopt-a-Home program. Under her leadership, the company was one of the first in Connecticut to install solar panels to offset energy usage, and she has implemented other innovations that have earned Bigelow Tea the distinction of being a Zero Waste to Landfill company.

Cindi holds a bachelor’s degree from Boston College, MBA from Northwestern University, Kellogg School of Management and Honorary Doctorates from Fairfield University and the University of New Haven. She frequently makes appearances speaking to students and industry leaders, sharing insights on business ethics and career development and has received numerous awards for her years of community service. Favorite pastimes include being with her children, skiing, tennis, yoga and drinking lots of tea.

For the Love of a Brand: The Power of Advocacy



By Rashmy Chatterjee, Chief Marketing Officer, IBM North America

Every day, customers choose which brands they do business with. Often that choice is made with a sense of affiliation with the purpose the brand represents. Likewise, talented people choose organizations they want to work for, based on their belief in what the brand stands for. Customer and employee loyalty, which have always been assets, now have the potential to become an important business driver if they can be evolved into positive advocacy. Organizations that prioritize advocacy, by creating ‘love’ for their brand, are able to create a real differentiator in the market.

There are a number of reasons that today’s environment calls for an increased focus on advocacy.

First, we are **moving to a business to individual model**. Traditionally, businesses have been defined as B2B or B2C. The assumption was that a B2B business operated in a fenced setting, and could define how to engage with clients and influence decision makers. Today, most decision makers are influenced digitally well before any direct engagement. Data shows that for B2B buyers, 67% of the buyer journey is completed digitally, and 93% of B2B purchases are initiated via search. Thus, the emotional connection a buyer builds up with an organization through digital discovery has significant power.

Second, **peers and colleagues have the greatest influence on the customer journey**. With the vast array of information available, buyers are increasingly relying on their informal networks for decision making.

A recent paper by Forrester cites that the #1 source for gathering information during the discovery phase is peers and colleagues, and that 53% of buyers would rather research online than speak to a salesperson. Additionally, over 90% of B2B buyers have stated that reviews drive major purchase decisions.

And finally, **control points have shifted**. In the Mad Men era, the creation of brand value could be controlled by a small marketing team, pushing its message to a defined audience. Today, delight or frustration travels quickly across social channels. Employees serve as brand ambassadors using their own personal social profiles, and customers serve as either promoters or detractors by sharing their experiences with brands across social networks and online forums. These thousands of people become co-creators and stewards of a brand’s perception.

These reasons show the need for a focus on advocacy, and the leadership that can harness positive advocacy to drive business growth. Positive advocacy is built when someone feels strongly about an experience – when they “love” an experience vs. being “fine” with it. When that positive experience is consistent over a period of time, it builds a relationship of trust and loyalty.

So how could a leader begin to build advocacy?

The most fundamental way to inspire love for your brand is to instill a **shared sense of purpose**. Why does the company do what it does? What pain points, short term



and long term, does it hope to address for clients and society? A meaningful purpose inspires employees to work with commitment and creativity, and it attracts talented people to join the organization. It builds a customer base that “chooses” an organization because of a shared purpose, thus building a group of advocates and the ability to better control the brand position – not by mandate, but through a shared sense of purpose and values.

Leaders also build advocacy by **empowering authentic engagement**. Customers expect their interactions with brands to feel more “human,” and the humans behind the brand matter. For organizations, this means being transparent and empowering employees to be authentic. Traditionally organizations have had a strong line between ‘personal’ and ‘professional’ views, and social channels challenge that distinction. This is why a clearly stated purpose, and shared values, help a cohesive message get amplified.

And finally, c-level executives need to **lead from the front**. When an organization rallies around advocacy, or metrics like NPS (Net Promoter Score), it demonstrates a commitment to client experience, and a desire to build trust by keeping what client’s love and removing anything that causes them friction. When CEOs put ad-

vocacy on top of their agenda, they send a clear message to customers and employees that they are invested in the conversation about the brand and they care deeply about what customers are thinking and saying about the business. A leader who stays focused on customer centricity will break bureaucratic layers across the organization and establish a culture that will build the love for a brand.

In conclusion, customer advocacy is born of true love for a brand. Only when senior leadership focuses on intimately understanding what their customers love, and rally their organizations around delivering it consistently, can the rewards of advocacy be realized.

Rashmy Chatterjee is the Chief Marketing Officer of IBM North America. She leads Marketing, Communications, and Citizenship, with responsibility for client experience, engagement and the IBM brand in North America. Rashmy has held multiple leadership positions with IBM in Strategy, Sales, Marketing, Digital, and Channels for global and geographic business units. A graduate of the Indian Institute of Technology, Rashmy previously served in the Indian Navy where she was the first female engineer.



“We played a game with our CIO and we hired a private firm but we didn’t tell the CIO. We said, ‘What we want you to do is break into our network. We don’t care what you have to do. We don’t care when you do it. We want to see if we’re vulnerable to an attack.’”

Robert Reiss: Let’s talk about LexisNexis® Risk Solutions for Government.

Woody Talcove: I’ve been at LexisNexis Risk Solutions now for nine years and one of the things that I didn’t realize when I started was that the company was doing big data and analytics before big data and analytics was known to anybody or anything. What we do is really simple, Robert. We do two things.

First, we stop fraud and second, we catch bad people. We do that in three markets: public safety, health and human services, and tax and revenue. We use our data assets, our analytical assets and our technology to help solve problems that our customers didn’t think were solvable previously.

What’s an example of catching bad people?

Let’s talk about one of the things that is near and dear to my heart and that is stopping tax fraud. Everyone knows what tax filings are and that date is coming up fairly soon. As excited as you may be to file your personal income tax return, there are a lot of people, mostly fraudsters, who are probably not located in our country, that are even more excited to file their fake returns.

“One of the things I learned from Craig Benson is to show up and do things that people don’t expect which I call randomness.”

Let me give you an example. This is from one of the states that is a customer of ours. Without revealing their identity, about four years ago when they started engaging with us, they had an epiphany that more people were filing income tax returns than people actually living in the state. That didn’t make sense.

We used one of our solutions called the Tax Refund Investigative Solution, which we refer to as TRIS. TRIS is an identity filter that has 32 patented, beautifully-developed algorithms that find fraud. What we found was an international crime ring based out of Eastern Europe that had used stolen information from some of the data breaches to file thousands and thousands of returns. In the first year, \$143 million in fraudulent payments was stopped. One of the questions you have to ask is, “What would they use all that money for?” They use that money for horrible things such as child trafficking, terrorism and drugs. Helping stop fraud and finding criminals are the types of things that we do in that market every single day.

When you see all this fraud, what happens on the punitive level? I hear frequently that they’re not able to catch the people because it goes through layers of countries.

Exactly. It is so frustrating as a taxpayer, and it should frustrate every citizen. There is a problem in government -- these agencies, whether they’re tax agencies or health and human services agencies, were set up to help people that had a challenge, whether it be needing food stamps, or help with rental assistance, to name a couple of examples. In the case of tax refunds, tax agencies were never set up to combat fraud.

It was never envisioned that organized criminal groups would attack government agencies and your refund check. Think back maybe 10 years ago, if you needed a benefit from a government agency, what did you have to do? You would go down to a local county office, show them your license, fill out paperwork and then you re-



ceived your benefit. If you were going to commit fraud back then, you’d have to go to that office hundreds of times to commit fraud at scale.

What can a CEO do if potential fraud is suspected?

Every single day, you need to be watchful about cyber breaches and hacking. Think about your company and its assets, and then think about its value to an adversary and what extent they will go to get that information. If you’re a bank, you have people’s PII, Personal Identifiable Information: their name, address, telephone number, how much money they have in their account. What is that worth to an adversary?

Your first thought is what it’s worth to an adversary, and secondly, what is the defensive or offensive move you should take?

Correct. It’s never ever being satisfied. With my board of directors, there is a great amount of time spent mitigating the risk of cybersecurity. Here’s the problem with cybersecurity – it’s complicated and, as sophisticated as



“It is better to create your future than it is to have a market define your future.”

Let’s shift over from the business side to your leadership philosophy side.

I believe in a few things. I believe that people want to do the right thing. I believe that groups make better decisions than individuals and I believe that randomness in an organization is one of the best ways a leader can truly know what’s going on.

When you say randomness, what does that mean?

I want to do a shout-out to my mentor, Craig Benson, who ran a company called Cabletron. He was also governor of New Hampshire, is a great guy, an incredible leader and brilliant. One of the things I learned from Craig Benson is to show up and do things that people don’t expect, which I call randomness. He taught me this. For example, it is common for me to just hop on a plane to go out and meet with the salespeople. I won’t let them have their managers or VPs present. I want to talk to them about what they’re doing. I want to talk to them about our solutions. I want to talk to them about our value proposition. And then do you know what I want to do? I want to go out and meet with the customers.

So I say, “Okay, I want to go visit your biggest customer,” and we get to the customer and guess what? The customer says, “I am so glad you’re here. I haven’t seen you in six months!” Or when the salesperson responds, “I don’t know how to get to that customer’s office.” I’m a little surprised because that is the customer that drives 80% of our revenue and the salesperson doesn’t know where they’re located, or doesn’t have a phone number or email address to contact them. What do you think I’m going to do?

Well, unfortunately, that salesperson is not going to be an employee here anymore because there needs to be a certain level of care about our customers and I only want people in my company that are passionate about serving our customers.

we get, the criminals become even more sophisticated because the win for them is so big. The probability of them getting caught is so low, and they will do almost anything to get their hands on those assets.

You can never think that what you’re doing is enough. You have to continue to challenge your organization. One of the things I’m obviously very concerned about is cyber attacks. Every single CEO, every single business, whether you are a doctor’s office or running a bank, needs to protect that PII.

One of the things that we did is we played a game with our CIO and we hired a private firm but we didn’t tell the CIO. We said, “What we want you to do is break into our network. We don’t care what you have to do. We don’t care when you do it. We want to see if we’re vulnerable to an attack.”

So we hired this company. It was comprised of these computer geniuses. The end result is they weren’t able to get in. They were in our alley trying to break in to our wireless network and our CIO, who also runs finance and operations, had just changed our encryption level. It couldn’t be broken into.

They had done anything and everything they could, including sending spoof emails to our employees. One of the things that we do on a regular basis is we’ll send emails that look legitimate, but they’re not because we want to test our people. We want our employees to look at those emails to see if the domains are correct, because you’ll be surprised what will happen.

Do you have any specific ideas on ways to build a great corporate culture?

Yes. When I started nine years ago, I inherited a business that was not functioning and I was told by the leadership that the issue was the employees not doing a good job. What I needed to do was improve execution and I said, “Okay, just give me six months. I’m going to dig into this.”

Part of what I did during that time is I went and I spoke to the employees. One of the challenges we had back then was we weren’t being honest and we weren’t getting down to the brutality of why it wasn’t growing. The other problem that we had was people were pointing fingers at each other and they weren’t being personally accountable.

One of the things about me is I can deal with a lot of things and I just want to fix it, but what I need is a group of people that are honest with each other, that can deal with conflict, and will get down to the root cause of the problem. I remember as we were going through this, we were in a conference room. It was 2:30 in the morning.

2:30 in the morning?

Yes, 2:30 in the morning and let me tell you something personal – I get up at 4:30 every morning. I figured I’d lock these guys in the conference room and I’d beat them into consensus. Guess what? I had a bunch of night owls and we went on and on, but what came out of that meeting, which was one of the most important meetings we had at this business, was why we weren’t winning, and we all were in agreement.

What we agreed to was that the old business model wasn’t going to sustain us into the future, that we couldn’t do just what we were doing, and that we needed to do more.

How many hours was this meeting?

It lasted about 15 hours.

You thought they’d run out of steam but they kept going. So was it at a certain point everyone was tired and you broke down to an agreement where you were all on the same page?

At a certain point, I posted on the white board the following: “If we need to grow this much and we’re using this current model, please explain to me how we’re going to get that much growth out of the current model?” The question couldn’t be answered. It was simply impossible. It was the universal truth. The other piece of leadership advice that I give people is it is better to create your future than it is to have a market define your future. Out of that we created a series of new solutions that fundamentally changed how our markets stop fraud and catch bad people. Those solutions are just incrementally better than anything else in the market. What happens to us, by the way, nine years later, is our competitors and others look at what we’re doing and they tried to copy us. But they don’t have the leadership team. They don’t have the alignment. They don’t have the passion that our team has. That’s what continues to differentiate our business compared to everyone else’s.

Give me a specific example of how you take someone to the next level who might not be a great leader yet has potential.

“I fundamentally believe in promoting from within. I do not like to hire people with a Director or VP title that come from the outside. It takes too long to acclimate them. They don’t understand our culture, and it also takes a lot of wind out of someone’s sail.”

To start with, I fundamentally believe in promoting from within. I do not like to hire people with a Director or VP title that come from the outside. It takes too long to acclimate them. They don’t understand our culture, and it also takes a lot of wind out of someone’s sail. When someone has been here for seven years and works very hard yet they don’t get promoted, I don’t think that’s right. So what we do is we work very hard on taking talent and making sure that we understand what they want.

I’ll give you an example. Forty-five percent of my employees over the last 36 months have received a promo-

Haywood Talcove CEO, Government LexisNexis Risk Solutions



tion. How do you get promoted in my organization? There are a couple of ways. First of all, you have to be indoctrinated into our culture and believe what we believe. One of our beliefs is treating our employees well. We have very low attrition of employees, which is under four percent. The average employee has been in my business for 17 years. If we give you the opportunity to lead, we expect that you will take very good care of our best asset.

Secondly, we believe in hard work. This is not a nine to five job. Our customers don't work nine to five, neither do you. It means making sacrifices. It means doing all sorts of things to make sure that we're servicing our customers. The other part of it is an opportunity to grow. For example, we have skip level meetings.

Skip level meetings?

Yes. For example, I'm always looking at our next generation of talent and as I said, I promote from within. We

"I'm looking for character. I'm looking for passion. I'm looking for people that know what they're talking about."

will do meetings that will have layers below me – two, three, four levels below – and I'll spend time with those employees.

What are you looking for?

I'm looking for character. I'm looking for passion. I'm looking for people that know what they're talking about. I've been here for nine years and one of the things for me is I know our business really well and I know our customers really well. I'll ask an employee, "So I understand that you've met with so and so. What are they concerned about?" I'm not necessarily interested in what the answer is. What I'm interested in was how they answer. Do they know that customer? Do they know what's important? Are they going to take some time to tell me about what they think we need to do better? The other part of culture is we're always getting better even though we're doing great right now, and even though we're growing faster than the market, it's not good enough. I want employees that have insights into what we can do to take our business to the next level.

As CEO, what are the key things on your dashboard? When you wake up in the morning at 4:30, what do you look for?

Haywood Talcove CEO, Government LexisNexis Risk Solutions

"I randomly call customers."

The first thing I look for is customer satisfaction. I am obsessed with servicing our customers. We do not have a business if we don't have things that people want and if we don't do a great job. So, we have metrics around that, but the other thing that I do is I randomly call customers. I have a list and I call, saying, "Tell me about your experience, good, bad and indifferent and how we can get better." I want them to know that we care.

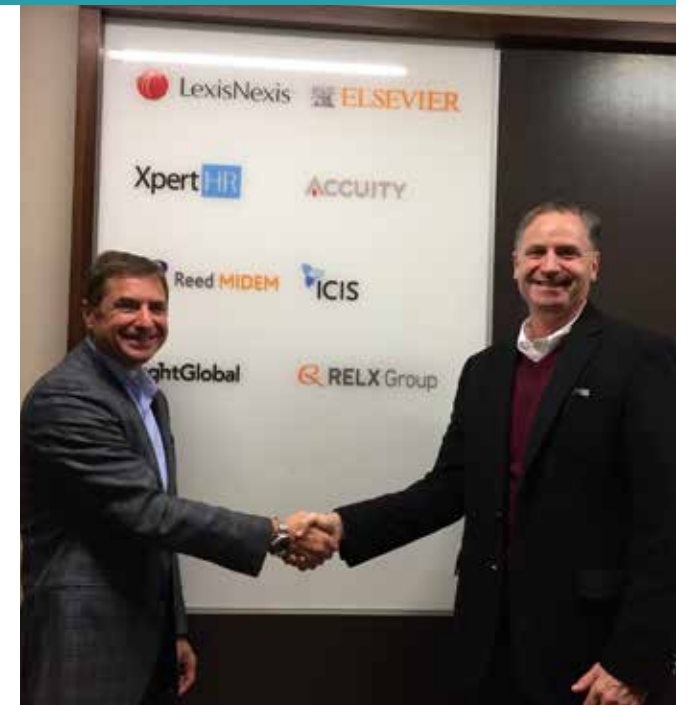
The second thing that I look at is our product roadmap. Innovation is a lifeline of a business. If your products aren't in the market and differentiating and adding value in a way that others don't, then you don't have a business and we are obsessed about that.

What is your final advice to entrepreneurs, to people in work on how to they can become a CEO?

I don't think anyone ever wakes up and says, "I want to be a CEO." What you have to want to do is do something that makes a difference. You want to do something that aligns with who you are as a person, that you're completely passionate about and that's what we have at LexisNexis Risk Solutions.

Great having you on the CEO Show, Woody.

Robert, thank you.



Woody Talcove and Robert Reiss – Interview aired 12/25/2016

Haywood "Woody" Talcove is Chief Executive Officer, Government, LexisNexis Risk Solutions. In this capacity, he oversees LexisNexis Risk Solutions for Government strategic business activities concerning all customer operations, sales, marketing, communications, consulting, corporate development and ecosystem activities. He also serves as CEO for LexisNexis Special Services Inc. (LNSSI), a separate subsidiary.

Talcove has transformed the LexisNexis Risk Solutions Government business from location services to one focused on using identity to mitigate and stop fraud and help law enforcement catch criminals. His open-minded approach to problem-solving and listening to customers' needs has enabled the company to create new markets with innovative technology solutions and consistently drive growth in revenue.

A passionate advocate for children, he serves on the Board of the Cal Ripken, Sr. Foundation and the National Center for Missing and Exploited Children (NCMEC). He also serves on the University of Maine Board of Visitors. Talcove earned his bachelor's and master's degrees in public administration from the University of Maine.





“The Yankees stand for tradition, excellence and winning.”

Robert Reiss: What is the Yankees brand and what does it really stand for?

Randy Levine: The Yankees brand, in my opinion, and I think in many people’s opinions, is the most well known, most respected sports brand in the world. It’s based on the traditions of excellence, winning and a certain way of presenting what Yankees baseball is all about. The Yankees are about tradition. Everything we do is related to that. We’ve had the same uniform – the famous interlocking N and Y – and we’ve never changed it. Although we have a new Yankee Stadium, it looks just like the original Yankee Stadium. We respect our traditions and the great players who have represented the franchise over the years. Everything from Monument Park to Old-Timers’ Day demonstrates that our past is part of our future. Although we have to be innovative and have a relevant message in today’s times, the Yankees stand for tradition, excellence and winning.

What would you never capitulate on?

We would never capitulate on fundamentally changing what the brand means. There have been many teams, that for many reasons, change uniforms all the time. It may be good for them in their market in terms of helping to generate revenue. However that’s not what we’re about. There are many teams who will have certain nights for their fans that are probably fun and exciting but would not be something we would do. We believe in a certain message and, at times, we are criticized for it. People think we’re too corporate. People think we’re too staid, but the Yankees brand is what the Yankees brand is. Our players have to be clean shaven, and we are probably the only franchise in Major League Baseball with this rule. This was something that the boss, George Steinbrenner, was very, very particular about. Over the years, we have maintained our traditions, and that consistency is important to our fans. There are a lot of people who love us and there are a lot of people who hate us – and that’s good because it means that everyone is thinking about us.

You like when people hate you because it makes you at the top of their mind?

It makes you very relevant. Years ago, back in the 40’s, the famous columnist Mike Royko wrote a column that said, “Hating the Yankees is as American as cheating on your taxes and pizza pie.” I think there are a lot of people who hate the Yankees for different reasons. People are upset that we win so much. We have won 27 world championships.

You’ve been in the playoffs something like 18 out of the past 22 years?

Yes we have. Obviously, we have great rivalries. The Red Sox are a great rival, and in the City our rivalry is with the Mets. It’s all a lot of fun. The important thing is that in any conversation about the sport of baseball, the Yankees are always in the middle of it.

What are the properties in the Yankees organization?

When we talk about the Yankees, let’s remember we have the New York Yankees baseball team which is the core of everything we do, but we also have a strong interest

“When it comes to the Yankees team, it’s much more important to provide a winning championship season to our fans and break even rather than seek a profit. In some of the other businesses, the goals are more profit-driven.”

in many other companies through our holding company, Yankee Global Enterprises. For example we started, and still maintain, a fairly large equity interest in the YES Network which is the most-watched regional sports network in the world. We maintain a partnership in a company called Legends Hospitality Management with our principal partner, the Dallas Cowboys. Legends operates food and beverage, merchandising, hospitality and premium sales at numerous venues, and it also offers consulting expertise. Legends works on building franchises, arenas and venues, and is a partner in many locations with Live Nation. Additionally, Legends operates One World Observatory which is at the top of the Freedom Tower. It’s an extremely sophisticated company.

We also have a big college football business. George Steinbrenner loved college football. He coached at Purdue and Northwestern, and played at Williams. At Mr. Steinbrenner’s urging, we put together a college football game hosted at Yankee Stadium called the New Era Pinstripe Bowl, which has become very successful. Having college football games at Yankee Stadium has become quite a tradition and a core business.

In addition, we invested in a partnership with the Premier League Manchester City Football Group to bring a Major League Soccer Franchise to New York City. That experience has been very successful.

Together with the Hard Rock group, we have a partnership in the restaurant business with the New York Yankees Steakhouse. One location is situated right across the street from Radio City Music Hall in Manhattan. There is also one located at Yankee Stadium and there are several in Florida. Additionally, we have a memorabilia business along with an interest in several of our Minor League teams.

When you wake up in the morning as President, what’s on your dashboard?

My job is to be the liaison between the Yankees and all of those companies. I sit on the boards of most of those companies and their CEOs interact with me. What I focus on with my job is working with the Steinbrenner family, who owns the team, with Hal Steinbrenner as the managing general partner and control person. He delegates to me in many ways to help make sure that these businesses all get operated in an appropriate way. I’m very driven by revenue growth.

More than profit?

It depends on the particular company. When you get to baseball economics, it’s very different when it comes to the Yankees. More important than making a profit is the philosophy that we put money back into the team so that the team is competitive. We want to make sure that we always provide our fans with a winning product while investing in players, whether they are young players through the draft or appropriate free agents.

When it comes to the Yankees team, it’s much more important to provide a winning championship season to our fans and break even rather than seek a profit. In some of the other businesses, the goals are more profit-driven.

What is a lesson that you learned from George Steinbrenner?

The incredible thing about George Steinbrenner was that he had the greatest instincts of any person I’ve ever known. He was a risk-taker when people might not have been ready to take risks. For example, before it was as common as it is now, he put everything on the line, betting hundreds of millions of dollars that we could produce the YES Network – and it worked. When we created Legends Hospitality, again, it was a risk. In the old model, people would write you large checks in order to be your hospitality provider. He bet on us that we could form our own company and do it better.

As president of the Yankees, what is your philosophy on the balance between free agency and build-

ing a farm club that makes for a winning team?

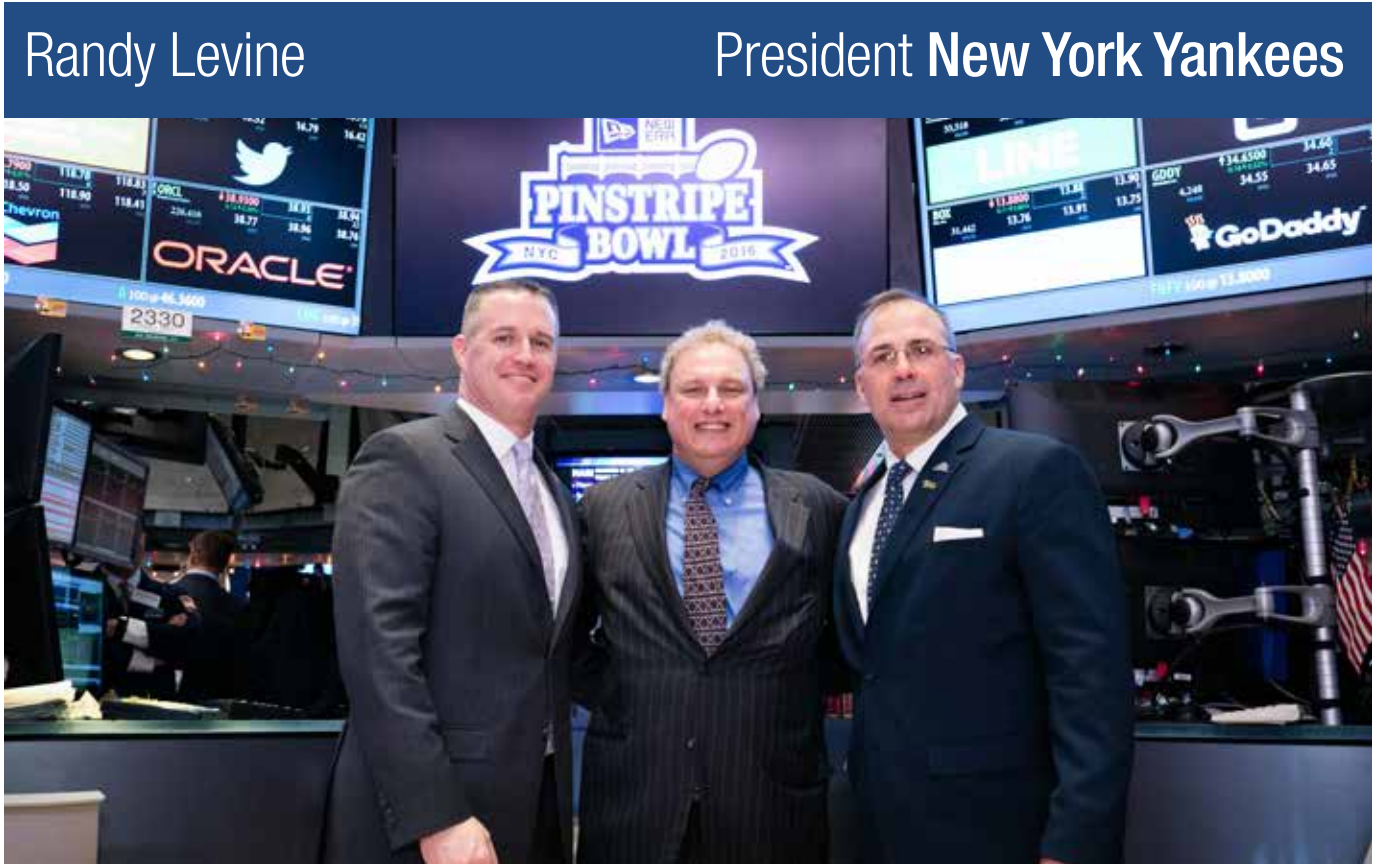
The main responsibility of putting that kind of baseball operations philosophy together is through our general manager, Brian Cashman and his baseball operations department. We have all come to the conclusion under Hal Steinbrenner that to be really successful for a

“The incredible thing about George Steinbrenner was he had the greatest instincts of any person I’ve ever known. He was a risk-taker when people might have not been ready to take risks.”

long time as demonstrated by our great teams from the mid ‘90s into the 2000s, you need a core of homegrown players. It’s very hard to do. But we have also had some success putting a team together just through free agents. Over the last several years, we have been competitive — both making the playoffs and just missing the playoffs. But last season, we decided it was time to turn it over, and Cashman and his team did a fabulous job of acquiring a lot of great young talent. Unlike some other teams like the Cubs who just won the World Series, we have done a superb job of remaining competitive at the Major League level while at the same time replenishing our system with young players for the future. Here in New York we can’t afford to be bad for long periods of time — so it’s a balancing act to always be championship caliber while investing in youth. We now have a lot of great young players who should impact our Major League club over the next several years. Hopefully, they’ll all start to produce and we could have another run like we’ve had over the last two decades.

What do you think the future of the Yankees will be over the next five years?

I think it’s very exciting. You’ve seen some of the new players emerge – Gary Sanchez, a great catcher who broke records last year; Gleyber Torres, a young, 19-year-old shortstop, was the youngest player in the Arizona Fall League and won the MVP, hitting over .400. We have Greg Bird, our first baseman, who was hurt last year but has a lot of potential. We have a lot of great players.



NYSE Floor Dec. 2016 -- Randy is at center with the two coaches from the New Era Pinstripe Bowl (Northwestern's Pat Fitzgerald, left, and the University of Pittsburgh's Pat Narduzzi, right) taken at a recent charity event for the Ali Forney Center.

Our farm system is currently ranked No. 2 in the game by ESPN.com and Baseball America, and we’re excited about that. You put four or five core players together like when we had Jeter, Mariano, Posada and others, and you’re talking about championships.

Everyone forgets Bernie Williams – the fifth Beatle.

We definitely don’t forget him. Bernie Williams was instrumental to all of those championships.

Is winning about pitching? Is it about defense? Is it about hitting? Is it about chemistry?

It’s all of it. Obviously, everybody always says great pitching beats great hitting, so you need great pitching. We have some great young pitchers coming. But it’s a mix. The great championship teams do everything well.

You were a Yankees fan growing up and I know you liked Yogi Berra. What is it you like most about the Yankees today in your job?

What I like most about the Yankees is that I see the organization progressing in many different ways. We have

a great team and a bunch of promising young players, who our fans love. Our fans get so excited watching homegrown talent. I’m also really excited about the way we’re reaching out to new fans. We recently spent a lot of time and a lot of money trying to understand millennials and younger fans who may not have an interest in sports such as baseball. We’re doing some renovations in the stadium to try and encourage their interest, and I see a future consistent with growing our brand while maintaining our core traditions.

What is it that the basic fan does not understand about the economics of baseball?

The economics of baseball are very complicated because in Major League Baseball, you have a situation where it’s not just about how much revenue you produce, there’s a revenue sharing system that’s also in place. It’s a very complicated formula which just changed under the basic agreement. However, there was a period of time when we were sharing \$100 million dollars a year with various other teams. That’s changing now, but that’s a lot of money. It’s based on the fundamental goals of Major League Baseball, involving revenue sharing and the competitive balance tax, which is essentially a restraint

“The great championship teams do everything well.”

on payroll in order to keep a level playing field. It’s complicated, and as I said with us, the goal in the economics of the Yankees is to put our money back into the team to always be competitive.

How about the status of Major League Baseball as compared to the NFL, NBA or other sports? What’s your take?

Major League Baseball is the national pastime – it is always going to be one of the premier sports. As the Commissioner has said, we’ve had some challenges in attracting young people that is occurring in all sports. We’ve put a lot of effort into it. Baseball runs from April all the way to October. It’s a great soap opera, and the fans who follow us always amaze me. They have good days and bad days depending on how the Yankees do. Baseball is their daily companion for half of the year.

“The most important thing is to never think anything is impossible because nothing is impossible if you work hard and try hard.”

How is digital impacting the future of the organization and the sport?

Digital significantly impacts everything. We’re a part of Major League Baseball Advanced Media which just embarked on a deal with Disney and ESPN for BAMTech. Everything is moving digitally. When our fans go to the ballpark, they want to be able to be interactive. Now when you watch “television,” not everyone watches an actual television. People can stream games on a computer. They can watch them on their phones. Social media is huge. You have to communicate with your fans all the time.

I want to ask you about a leadership philosophy, a quote someone once told you, perhaps by your parents when you were growing up, by someone that’s really shaped the way you think.

I’ve had a lot of great mentors through the years. As far as leadership philosophy, the most important thing is

never to think anything is impossible — because nothing is impossible if you work hard and try hard. That even means getting knocked down two or three times along the way. So, I’ve done things that people thought were very hard because I had the basic feeling that nothing is impossible. There’s a baseball adage that even the greatest only hit .300. I hope I hit a little higher than that but you can’t be afraid to fail.

Any insights on the challenges or opportunities in terms of marketing and connecting with a millennial fan base?

We spent a lot of time on that. It is and was a great challenge and we’ve tackled it, and I think we’re being successful in making headway. We spent a long time and a lot of money on research. Millennials — you can’t characterize all of them — but many of them are very different than the older generation. I don’t think some of them have as much passion and love purely for the game. Millennials love the experience. Often they’re more focused on the experience at the game, rather than the actual game. Sometimes it’s more important for them just to be at the stadium than watching a particular team. Fans want to be a part of it, take a “selfie” that they compose into a cool image on Instagram, Facebook, Twitter or Snapchat. They like to come in groups.

“Millennials love the experience.”

Similarly, baseball is not a clock sport so it takes time, about 3 or 3 1/2 hours. We spend a lot of time trying to find ways to shorten the game. Just last week, Major League Baseball decided you don’t need to actually throw four pitches for an intentional walk.

Another example of how fans have changed is that now they are late buyers. Last year, our walk-up was significantly higher – with double-digit increases, in fact. We entered into a long-term agreement with StubHub, who is our partner on the secondary market, and we also only do digital ticketing now. Our arrangements are in place where we can reach millennials both through us and StubHub to give great ticket prices and great seats at the last minute.

We’re addressing concerns like these, and based on our results last year, we seem to be successful in meeting our fans’ needs. We’re making renovations in the stadium specifically for them. It’s an ongoing process and it’s hard to say it’s all millennials driving these changes, but there clearly is a generational difference that you need to focus on. You need to see what your product is, see what the interest level is, find out why they are there and find out what will make them come back.

A lot of CEOs would love to have that stock performance year after year. The Yankees formula has helped you win year after year. What can CEOs learn from the Yankees?

The thing I would recommend is if you have a core brand, stick to it. You can change it but I think people get confused when you go off your core brand message. Obviously, you need to update it and you need to manage it, but you don’t want to make people confused with what you’re all about.

Operating a baseball team – or a team in any sport – is different from most businesses. You’re building institutional value. Where the real value comes is the long-term growth in the valuation of your assets. Forbes had said last year that the Yankees are valued at \$3.4 billion and if you believe Forbes, our brand is one of the best in the world. I’m not talking about being tops in sports – it’s in the Top 10 with AT&T, Disney, Apple and so forth. That’s because the Yankees are about having a consistent message. We’re long-term holders. When you put together our interest in the television network, in the hospitality company, in NYCFC, etc., with long-term interests, some might suggest that it’s over \$5 billion. The idea here is to constantly change those interests, keep them relevant but keep them consistent with what our brand is.

Thank you, Randy.

A pleasure, Robert.



Randy Levine and Robert Reiss – Interview aired: 3/12/2017

Randy Levine begins his 18th season as President of the New York Yankees in 2017. He was named to his position in January 2000, becoming the first person to hold the post with the club since 1986. Under his supervision and guidance, the franchise constructed the state-of-the-art Yankee Stadium, completing the facility on time for the beginning of the 2009 season, which culminated in the franchise’s 27th World Championship.

Mr. Levine was a principal founder of the YES Network, which has been the most-watched regional sports network in the United States, and was also one of the lead negotiators in the sale of 80 percent of the network to News Corp. He also negotiated the partnership in 2013 with Manchester City Football Club to bring Major League Soccer to New York City. New York City Football Club (NYCFC) began play in 2015 in Yankee Stadium. Additionally, in 2008 Mr. Levine was instrumental in creating Legends Hospitality, LLC, with the Dallas Cowboys, which currently operates at the Yankees’ and Cowboys’ stadiums, as well as many other world famous venues, including One World Observatory. In 2004, he helped organize Yankees-Steiner, a leading sports memorabilia company.





“Our Mission Statement defines our philosophy. We didn’t start this company merely to make money. Profits are a consequence of what we do- not the purpose of our business.”

Robert Reiss: Ashok, tell us about Preferred Brands.

Ashok Vasudevan: Thank you, Robert. Preferred Brands International (PBI), is the manufacturer and marketer of Tasty Bite, a range of natural, convenient & specialty foods. The company was born here in Stamford, Connecticut and is now entering its 23rd year of uninterrupted growth. A few years into the founding of the company (which incidentally, we started with \$5,000 of capital) we acquired the backend manufacturing facility called Tasty Bite Eatables Ltd. which is a public company listed on the Bombay Stock Exchange (TSTY:IN). Today, we have a consumer business and a foodservice & institutional business with more than 100 SKUs. Any product that carries the brand name Tasty Bite is necessarily natural & convenient. Many are organic and none have artificial ingredients like preservatives, colors, flavors or GMOs. The tagline captures the spirit of the brand: “Real Bold Real Food.” Products include ambient Indian and Asian entrees, Organic Rices & Grains, Asian Noodles and a Spice & Simmer range. The brand

is available in most major grocery stores and supermarkets across North America, Australia, New Zealand and we have just launched in the UK.

Our foodservice business of sauces and frozen formed products is largely based out of India where we strive to become the partner of choice to leaders in the fast food/ QSR industry.

As I’m looking at a package, it says “Heats in one minute.” What technology do you use?

We have three technologies in the company, including shelf-stable, chilled and frozen. The consumer business uses a shelf-stable technology called “Retort.” Retorting is a thermal processing technology used to cook food, keep it microbiologically safe and yet retain all the goodness of the nutrients inside without the need for additives, preservatives and chemicals. So, the food comes packaged in a retort pouch. Since the food inside is fully cooked to perfection, for the consumer it’s only 1Step-1Minute! Just microwave the pouch, for 60 seconds and you’re good to go.

Now I know people call you founder, but that’s not actually correct. Your wife, Meera, is actually the founder.

Robert, that is accurate. I am not the original founder. Meera is. She is a market researcher by training and background. We came to America about 25 years ago. Two years into it Meera’s insight and entrepreneurial bug kicked in and we grabbed an opportunity that presented itself to build a natural foods company. We then created what is now the longest surviving PowerPoint slide in the company! We called it “Megatrends.” That chart continues to drive our thinking and vision even today. Meera has this uncanny ability to understand consumer behavior and insights. I guess that’s her training. The chart we created identified three megatrends way back in 1994 when we set up this company.

- The first megatrend was the move towards health and natural foods. This was the time when the FDA had started becoming more active with the nutrition label. We saw the anti-tobacco lawsuits coming up. We saw a very large movement towards diet-consciousness. There was a tiny but growing awareness of organic

foods. Whole Foods and other natural stores had just started sprouting. There was a spring in the air resulting in the birth of the natural foods industry.

- The second megatrend was the Growth of Convenience Foods. This is interesting. A very large number of American women went to work in the 1980s. More American women went to work in the ‘80s than in the previous four decades combined with the exception of the Second World War.

That, in Meera’s mind, triggered the second megatrend, which is that people are going to have less time in the kitchen and therefore the growth of the convenience food industry would be significantly faster than before.

- The third megatrend was the explosive growth of Eth-





entirely in international business with Unilever and PepsiCo, and so when we started this business, even though we incubated with only \$5,000 here in Stamford, it was conceived as global on Day 1. For example, the resin that came into making the Tasty Bite pouch is Japanese. The pouch itself was made in Korea. The pack designer happened to be here in New York but the actual carton the pouch went into was printed in Hong Kong. The manufacturing of the product was done in India and we launched in California, all while being based in Stamford, CT. Globality was hardwired into the DNA of the business at inception. This did not need as much capital as it did a viable network.

The second bias is towards strategy. I prefer planned progress to drifting, and purpose over improvisation. Strategy, Process and execution have been a big part of how we have run this company from the very beginning. Strategy is not restricted to the boardroom. It percolates easily across the organization with widespread participation.

The third bias is simply to do things that have a certain sense of responsibility not only to ourselves, our consumers & stakeholders, but to the community at large. Somehow, we knew we were building a viable organization that would be socially responsible and delight consumers at the same time. Soon after forming the company, we expanded our founding team to include Hans Taparia, Soheli Shikari and Ravi Nigam. This five-member co-founding executive team we call the E-Com continues its long partnership to this day.

What challenges did you have to overcome?

What do you do when you drive a broken car on a road that needs fixing? That’s the double whammy we were hit with when we acquired the manufacturing company called Tasty Bite Eatables Ltd. in India in 1998. We believed this backward integration into manufacturing would strengthen our business model here in the US. Just before this acquisition however, the Indian public company (TSTY:IN) had filed for bankruptcy after wiping out its net worth many times over, owed back wages to its workers and had pressing creditors at its doors. The company was literally on a ventilator and a government regulator was standing by happy to yank it.

nic and Specialty foods. The way we came at this was quite funny, in retrospect. Prior to 1990, the American census used to describe immigration in very broad brush terms. For example, API was a term the US census used for Asian Pacific Islanders. That included everybody from Saudi down to the Middle East, to South Asia, to Far East, all the way to Japan. All of them were called Asian Pacific Islanders. But in 1990, for the first time, they started granulating that.

By looking at the census data, we could sense that there was a migratory pattern that was emerging and food habits are traditionally the last to change for the immigrants coming in. And so we perceived that the third megatrend would be specialty cuisines and ethnic foods. In 1994 when we founded the company, it was based on the three megatrends and Tasty Bite was positioned in the sweet spot of the Venn diagram of natural,, convenient, specialty foods. And that’s the position we have continued to occupy for 23 years we’ve been in business!

You only had \$5,000 and you were going after a huge market. How did you approach this?

That’s a fascinating question. But first let me confess to 3 biases. First is a bias towards all things global as opposed to local or national. My background has been

In a well-coordinated effort we managed to turn the company around in the very first year we took over. This was in 1999. Since then the company has grown more than a 100-fold in revenues and its stock has performed even better!

What’s the road you referred to that needed fixing?

Well, that’s the Food Industry itself. The instinctive reliance by companies on chemical additives whether to enhance taste or improve margins without addressing consumer wellbeing is but one example of a bumpy road. That has since changed for the better but will forever need to be a work in progress.

What did you take away from this experience?

Every challenge, I believe, soon meets its challenger. A big challenge for one is but a tiny nuisance to another. All we did was to attract a large number of people who believed in what we were doing and if there is something that has to be said about this, it’s the acknowledgement of the number of people who’ve touched our lives and this company. We know it takes a village to bring up a child. But it took a global network to build this company. Over the years, the collective goodwill of literally dozens of companies who believed in us, hundreds of friends, colleagues and investors who rallied around us was incredible. The list is long and the relationships we have built are priceless. Forever, will we be grateful and inspired.

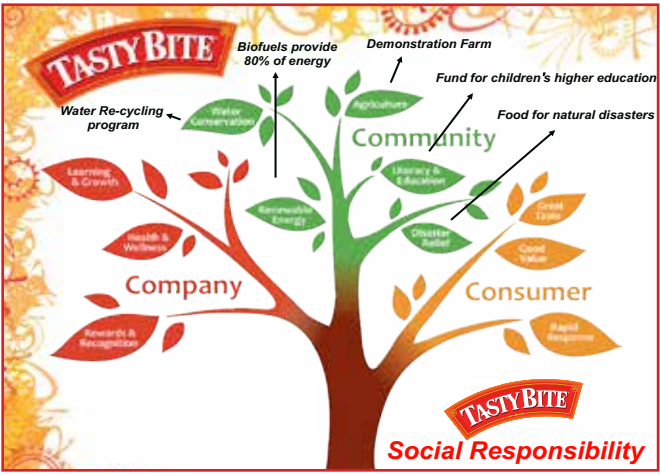
And today, it’s much more than a company to you, though. Really, it’s a philosophy of life.

So I think of PBI almost as an organism, not just an organization. And I think of this company as having a soul. As an organism, it’s vibrant and it’s growing. I like to think the strategy of the business will make sense when we understand the soul of this company. That is captured in our Mission Statement. It’s not a statement we just paste on the wall. It’s our moral compass, our guiding spirit that drives business decisions and our operations everyday. It has four parts to it – (i) Purpose (ii) Competitive Advantage (iii) Scope and (iv) Environment. This captures the essence of almost everything we be-

lieve in in the company. This statement drives our thinking, investment, strategy, hiring, training, marketing, communication, product development, supply chain and in all of this, money hasn’t been mentioned even once. Our Mission Statement defines our philosophy. We didn’t start this company merely to make money. Profits are a consequence of what we do – not the purpose of our business.

Since this was your philosophy from day one, how did you make sure all your new hires had the same philosophy?

I worked only in two companies, Unilever and Pepsi. Both are great corporations. I learned a lot of values in Unilever, a lot of values in PepsiCo. Equally, I also learned what I would never do. It is these dos and don’ts



“In 1994 when we founded the company, it was based on the three megatrends and Tasty Bite was positioned in the sweet spot of the Venn diagram, of natural, convenient, specialty foods.”

that helped us design our organization. When we set up this company, we said the one thing we would not do is to add chemical additives, preservatives, artificial colors, artificial flavors or GMO in Tasty Bite. That was a commitment we made from the get-go. We are aware that we are what we eat. In fact, we have a very simple statement to all employees in the company before they come into the office or into the factory. “Please don’t put anything in Tasty Bite that you wouldn’t put in your mouth.” It’s just that simple.

And you would never capitulate on this?

We would not capitulate on it. This is the core of who we are. We are responsible for the wellness of our consumers. We are not the suppliers of consumers to the healthcare industry.

So how do you go about maintaining the integrity of that and yet constantly innovate?

You know, people have often said culture trumps strategy. I think values trump even culture. Irrespective of whether we are based in Australia, UK, India or North America, we have a common value ecosystem in the company that drives all of our thinking. We think of this ecosystem as a tree with three branches viz. the Company, Community and Consumers. There is the company, which has to do with the common set of values that help us deal with each other as employees. Similarly, how do we deal with our stakeholders and the community at large? And finally, how do we specifically engage with our consumers? These three branches on the same tree cannot be at odds with each other. It has to be internally,



externally and dynamically consistent. It’s not as though in the pursuit of one, we necessarily have to compromise on the other. These Boolean problems are false anchors. It’s like asking the question, if you had to choose between social responsibility and providing consumer delight, what would you choose? And I often say, if you ever come to such a fork in the road, buddy, you took the wrong road. Go back.

Let’s talk about your foundation.

Meera and I set up the Foundation a couple of years ago after we were able to realize some of the dreams, at least some of the financial benefits of running this corporation for the last 23 years. It’s called the Meera and Ashok Vasudevan Foundation (MAVF) and is dedicated to the idea that it is possible to permanently eliminate hunger and malnourishment in a manner that is sustainable, self-reliant, and healthy.

The foundation is based here in Connecticut and the focus is entirely on the US. We believe that by 2030, consistent with the sustainable development goals set by the United Nations, we can end hunger and malnourishment in America. So, we have 13 years to make that happen.

Hunger and malnourishment go together. The USA is the only country in the world where the hungry are often obese and hence mistaken for being well fed. The sad truth is the diet of the hungry is often calorie-dense but nutrient-light. So one has satiety, not nourishment. We are working with other organizations in this space and are looking to build a collaborative that will hopefully accelerate the end of hunger in America. This is a disgraceful social condition that should not be tolerated in the 21st century. It’s possible to achieve this dream by 2030 if we set our minds to it. Alone, we can’t. Together we can.

Ashok, one final question: Where do you see the future of PBI?

When I think of the future of PBI, I think we’re going to see just a major commitment to a sustainable, healthy planet focused on wellness of consumers, eating stuff that is natural. We don’t need synthetic chemistry to feed us. We just need real food.

Ashok, a pleasure having you on The CEO Show.

Thank you, Robert. It was great speaking with you.



Ashok and Meera Vasudevan with Robert Reiss – Interview aired: 2/05/2017

Ashok Vasudevan is Co-founder & CEO of Preferred Brands International, and Chairman of Tasty Bite Eatables Ltd. the Indian public subsidiary of PBI. Ashok also co-founded ASG-Omni, a US & India based strategy consulting firm. His 30-year career has been spent almost equally between being an entrepreneur and a corporate executive. Prior to Tasty Bite, Ashok headed the India desk of Pepsi World Trade in Somers, New York. He received Pepsi’s prestigious MVP award in 1991. Ashok Vasudevan graduated in Agricultural Sciences from Bangalore and received his business education at the Bajaj Institute of Management in Bombay and the Harvard Business School. Ashok and his wife, Meera, were jointly presented the “2014 Indian American Achiever Award” by GOPIO CT. (Global Organization of People of Indian Origin). Ashok teaches International Entrepreneurship as a Distinguished Visiting Professor at the Great Lakes Institute of Management, Chennai. You can follow him on Twitter@Ashokvasudevan.



Great Models of Philanthropy

by Kathleen Ruddy, CEO, St. Baldrick's Foundation

More than 1.5 million nonprofit organizations are registered in the U.S. – each contributing to the causes that matter most to them. I think every nonprofit, no matter the size, starts from a place of passion and a commitment to improve the world. However, nonprofits vary greatly in how they work toward their mission and the difference they are able to make.

I have spent nearly 30 years working in the nonprofit arena and for the last 16, I have spearheaded the establishment of the St. Baldrick's Foundation. Finding the strategic model that best delivers on your organization's promise is the greatest challenge, and the greatest imperative. While the lessons I've learned apply directly to those in leadership in the nonprofit sector, I think every enterprise benefits from these habits.

Take Risks

The moment I heard about three Irish men shaving their heads to raise money for kids' cancer research, I

knew we had a winner. Asking someone to change their appearance and defy convention was a big ask, and the boldness of our volunteers sparked a reciprocal generosity on the part of their friends who quickly became our donors. It also helped us stand out from the rest that were doing variations of the same few things. Was it a risk? Yes. Had it failed, everyone would have cited 100 obvious reasons why it did, but kids inspire boldness, so the gesture fit the mission and this continues to set St. Baldrick's apart today.

Every enterprise is challenged to do more with less, which rarely, in my experience, works. That said, nonprofits are trying to solve massive problems with few resources, so bold ideas and actions may be essential.

Practice Your Values

At St. Baldrick's, we have six guiding principles that drive our decisions and dictate how we fulfill our mission. They are: Integrity, Transparency, Impact, Effi-

ciency, Pioneering Spirit and a Sense of Fun. Not only do we run "the business" in a way that is ethical, effective and straight-forward, we embrace a pioneering spirit in the way we raise funds, and in the research we support. We always want to be cutting-edge to achieve better outcomes for kids, faster. Working in cancer, we never underestimate the value of fun. This work is very personal, and we're truly fighting for our kids. When they get bad news, it hurts, so we find joy in the little moments, and celebrate the "off-milestones." And our head-shaving events are really fun, so shaving your head to save a child is a great way to save a life!

Whatever your organization's values, be sure you live them at every level of the organization or your supporters, customers, employees, or shareholders will know it's disingenuous, and it will hurt you in more ways than can be measured, and in every way that can be measured.

Empower Your People

When people work for you – whether they're employed or volunteering – they are investing valuable assets, namely their time, talent and ideas, and they deserve to know they are appreciated. We provide our volunteers and employees with the tools and support they need to succeed. Volunteers who have never spoken to the media, or solicited a gift or managed an event, are coached in these skills and more. As a result, their results are very much their accomplishments, as are the grants the St. Baldrick's Foundation makes with the funds they raised. None would happen without volunteer and donor power.

Encourage Collaboration

When St. Baldrick's began, the initial response was so strong, and from some unlikely places, so it reshaped our vision of the impact we could have. While the reinsurance industry gave us our start, schools, colleges, public servants and others from professions as disparate as the circus community to paranormal investigators to banks and restaurants helped build the organization.

All along, cross-sector collaboration has been part of our model. Today we have more than 30 nonprofit partners and scores of corporate partners, and we've found new ways to collaborate with physician-scientists and medical institutions, and with Capitol Hill and government agencies. We call volunteers from these groups our "missionaries," because they're constantly enlisting new people in St. Baldrick's work to advance scientific discoveries that help children with cancer. This concept of, "from many one" is the essence of what it means to be an American, and a St. Baldrick's volunteer.

By empowering our people to collaborate, to take risks and to practice our shared values each day, we are moving toward our ultimate goal – a true cure for every child with cancer. That's a winning message no matter what business you're in.



Kathleen Ruddy,
Chief Executive Officer
St. Baldrick's Foundation

With more than 25 years of professional nonprofit fundraising, marketing and public relations experience, Kathleen began work in the childhood cancer community in early 2001 – the same day she began planning the growth of what would become the St. Baldrick's Foundation. The daughter of two cancer survivors, Kathleen believes in paying it forward, and enjoys managing and serving as a board member for the Foundation, in addition to being a two-time shaver, DWTW participant and active advocate for children with cancer. She is a frequent speaker at nonprofit conferences and gives her time to advise start-up charities and young people pursuing careers in the nonprofit sector.

Who's on your "A" List?



By Nancy May, President and CEO of BoardBench Companies

It's time to fill another vacancy on your board. You've laid out what you have and what you don't have, and where you want the board to go. You've also assembled a "robust" list of candidates to start with.

Now comes the hard part: assessing who you've got. But how? When it comes to evaluating individual candidates I like to start with the three "A's": aptitudes, attitudes, and attributes.

Aptitudes: Those skills and experiences needed to be a solid director, and in particular, the director you need on your board right now. Done right, these aren't too difficult to pin down. They're there in their record, mostly, and usually summarized nicely in their CV and Bio. However, more can (and should) be ferreted out from obvious and not-so-obvious information sources. Of course, there's hyperbole inserted into almost everyone's background: who doesn't try to package themselves in the best light? As for you, if you believe everything you're told the first time, what are you doing on a board? Good news, though: in most cases, this part of due diligence is not so difficult for the diligent. The key is to determine how much is acceptable exaggeration (from none to very minor) and what is outright baloney (which should always be a show stopper). Nonetheless, professional skepticism, good research, and more-than-basic interview skills will serve most committee members well in the selection process. If not, a reputable search consultant can get this done for you, especially when they know their own reputation is on the line. Whether a candidate fits the bill, skill-wise, can be as simple as comparing round pegs (what they have) with the round holes (what you want) laid out in your skills matrix or other tools, to see

who makes the first cut. That's not to say that ringers and outright imposters won't make it to the table. There are talented people out there who can and have fooled just about everyone. Fortunately, this is very rare, and almost unheard of among those companies that are thorough in their vetting. Trust but verify, as the saying goes.

Attitudes: How do you measure motivation, viewpoints, dedication, loyalty, open-mindedness, tolerances, curiosity, thirst for knowledge, etc.? These are not so easy to pin down. The best way to start is to establish a baseline for what you seek in all directors. Then push the level of comfort up a bit. What helps is to understand what incumbent attitudes have not worked well for the board in the past (the snoozers, whiners, passive aggressors – you know what and whom). A director peer evaluation can improve on what you have, cull what you can't, and even help backfill with better directors.

But how do you get at how a person thinks? You do it face to face. Few things work better. A good interviewer can peel back the layers and get past most practiced actors' facades, if armed with good visual perception, objectivity, and a heaping portion of surreptitious caginess in the questioning. I will give you a hint here: a person's attitudes will come out in the way they see themselves, what they like and don't, and how they justify what they do and how they decide.

Attributes: The qualities that make up a person's character will show you how they are likely to act. So important, yet so few want to tackle this because, to take the measure of someone, you have to get personal. But you know that you really, really want the directors around

you to be trustworthy; to have your back; to bring new perspectives into discussions; and to pull their weight. Some boards have time bombs sitting on them. Sometimes they stay dormant, sometimes they blow — dramatically. If that ever happens to you, you'll probably take your own collateral damage very personally.

So, how do you assess the quality of a person's character? Look for a baseline? Some boards put required director characteristics into their governance principles. But this is mostly done to cover the board against director trans-



gressions. It's not always a useful roadmap for candidate selection. Instead, think about what kind of person you want sitting next to you making the tough decisions. Start with that, and you can begin your detective work. This kind of due diligence comes from scouring the records and speaking with people: colleagues, competitors, friends, family, and even foes. A person's character leaves tracks throughout their professional career. It comes out over time in what they've said, how they said it, what they did, and how they did it. The measure of one's character comes not from what they think of themselves, but rather from what others think of them. The opinions of those others are key. You can get a better assessment of someone's character from a broad cross section of opinions

from those whose lives were impacted on by someone, taking in the best and worst said. Reference checking is a must, but only the barest of beginnings. Candidates don't give you references from people who dislike them. Yet most professionals have trodden (purposefully or accidentally) on someone's toes in their career. Detractors are out there, you can find them, and their opinions may add balance to your assessment. References can, themselves, provide even more references. Those who extol a person's virtues should back it up with specifically remembered situations, just as critics should. Personal and other close relationships should also be canvassed as needed. No one is perfect. You need to know the imperfections, who really appears solid and who may not be.

There's not enough room here to talk more about the "deep dive" into a candidate's background, head, and reputation. Suffice it to say that it can and should be done, even though it's not easy. There are those who are really good at this, if you think you may not be. No shame in that. I do deep candidate vetting for clients and find that a second pair of eyes can be very helpful for peeking under the hood.

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“There’s a common phrase people always say is that human beings don’t like change, and I completely disagree with it. I think people are very comfortable with change when they’re in control of it. People just don’t like change when it’s being dictated to them.”

Robert Reiss: As CEO, how would you define the ShoreTel brand?

Don Joos: ShoreTel focuses on business communications for customers, and it’s about making interactions simple. What we look to do is to embed communications into the workflow of an organization, and then make that interaction brilliantly simple. That shows up in your basic phone system. It shows up in contact center technology, mobility technology, conferencing and collaboration technology, all the various modes that people use to communicate internally as well as externally with our customers.

Talk for example about your mobility application, which to me is breakthrough.

The example gets into the word interaction versus communication, and that’s really the shift that’s happening, communications has a connotation of being just about people to people. What we’re seeing in the market place, is not limited to just people to people, but it’s how people

“We must constantly be comfortable feeling uncomfortable because that allows us to evolve forward. For example, I was speaking at a partner conference in December and from the stage I asked everyone in the audience to take out their smartphones and put in their pass code and unlock it. Then I asked them to hand it to the person to the right of them. This room of 1,000 plus people suddenly had this buzz...”

to machine are interacting and machine to machine are interacting. An example of machine to machine, which I use as a great example, the engineering team at ShoreTel just prototyped this with me, centers around my smartphone which is my primary device. And so, via my smartphone, my presence is known, and what I need to do next is known, it identifies who I am to other devices.

For example, I’m on the network and I have a 9 o’clock meeting in a specific conference room. My calendar says that. When I walk into that conference room, the presence of my smartphone tells the phone in that room that I have arrived, because it’s connected to my online calendar. It knows I’m supposed to be in that room at 9 o’clock, and it knows why I’m there because in my calendar there is a conference bridge number and pass code that I’m supposed to dial. However, it automatically calls into the conference, opens up the line, dials the number, dials the pass code simply because it knew I was supposed to be there and it knew what I was going to do. More importantly, with beacon technology, it also told the projector in the room that I need to share a slide presentation, and per my calendar for others to see, I was going to do a desktop share. So, it starts to warm the projector up and gets everything ready so that I can do the desktop share. Some people would look at it and say, “Well, that’s a great technological innovation.” I’m saying, “Yes, but it’s really about innovating the customer experience, the user experience.” That is really what we focus on -- we innovate the user experience because that’s the most important part of technology.

The biggest driver was for those who travel a lot, like myself, and who work off a smartphone. The toughest thing is when you get off the plane and you know you must get on a conference bridge right away. I was always the one that had the napkin in their pocket with the

1-800 number written on it along with the 10-digit pass code because you can never remember these things. We simplified all that, on our mobility application, there’s a button called ‘join’. All I do is push it, a single button, it’s that simple. It’s integrated. It dials everything up for me. So, as a user, one single button, and everything happens.

ShoreTel also has solutions like going from IM to a phone call or video call in one click.

That’s part of what we call promoting the way that you interact. You may start in a conversation with someone, then you want to evolve it to a call and then you want to evolve that call to a video call. It allows you to not break that stream of interaction, it just allows you to change mode to the next level, and choose the right medium for the message.

Most of the companies you work with have less than 5,000 people. That’s your niche of where you could add real value.

Yes, that’s the sweet spot. The 5,000 and under is the sweet spot from a go-to market. It’s not a technical limitation and we have customers significantly larger. What’s great is they grow with us and we grow with them. We enjoy success in that segment of the market worldwide.

Let’s shift to leadership philosophy. In full disclosure, I interviewed you several years back and you were first embarking on a transformation from product to service.

When I stepped into the CEO role back in 2013, we were focused on shifting the company from a product company to a recurring revenue business and really, the difference is being a provider of service. We broke



it down at that time into three phases. I said there was going to be a foundation phase, a migration phase, and an acceleration phase, and we're through the first two phases, so the heavy lifting is done. Now, we're in the fun part. The fun part is on the growth side, the acceleration phase. This past September's quarter was an important inflection point in our transformation because it's when our hosted revenue became the largest source of revenue force against our revenue streams. It surpassed our product revenue.

To me, that was an important proof point and milestone in that transformation and I think it comes down to people always ask me about transformations and what you learn. When you're going to transform, you have to have the conviction of what you're doing. You can't be hesitant because when you're hesitant, employees, customers, partners, investors, feel that hesitancy and it gets confusing to them. We have held strong conviction on what we were trying to achieve.

Most people don't like the word change.

Change, yes, transformation is change. For me, how I'm naturally wired, I like change. I've always said there's a common phrase people always say is that human beings don't like change, and I completely disagree with it. I think people are very comfortable with change when they're in control of it. People just don't like change

when it's being dictated to them. For example, if you're flying a lot, if you choose to change your flight you're okay with it. When the airline cancels it, and puts you on a new flight, you don't like it as much. It's all about when you are in control of it. Change is inevitable for us to move forward.

"I would advise to make a culture of simplicity. Don't come up with a vision and mission, come up with a mantra."

For me, what I think about and what I talk about within the business is we must constantly be comfortable feeling uncomfortable because that allows us to evolve forward. For example, I was speaking at a partner conference in December and from the stage I asked everyone in the audience to take out their smartphones and put in their pass code and unlock it. Then I asked them to hand it to the person to the right of them. This room of 1,000 plus people suddenly had this buzz... Then I asked them to think about what they just did. You just took this personal device that has so much about you on it and you handed it to someone you don't know. At that moment, I highly doubt most people were saying, "Wow! What great opportunity did this create?" They were thinking about, "Oh no, what risk did I just introduce?" It is that mindset, that gut feeling you have at that moment. When they did that, I said, "That's the feeling of comfortable

"Regardless of what you state about your strategy, if you don't connect the dots, employees will connect the dots."

being uncomfortable," because you knew it wasn't going to turn bad. They're sitting right next to you, but you still had that uneasy feeling. I said, "That's the emotional state that you need to have as it relates to change within your business." It allows you to challenge the status quo because it's not about being right or wrong, it's about moving forward.

You've spoken about making your interactions with the customer experience simple. How about making change simple? What are some of the actual things you will do?

Driving change to me is having what we call a true north, and having a mantra to make interactions simple. With a lot of companies, you're told that Corporate America says, "You have to have a vision statement. You have to have a mission statement." Consultants will charge a lot of money to come up with something that I think is typically very generic and unmemorable. Most employees don't feel connected with it and they don't even remember it. I would advise to make a culture of simplicity. Don't come up with a vision and mission, come up with a mantra. Come up to have a mantra that everyone can rally around. You can connect the dots back to that mantra, because employees, regardless of what you state about your strategy, if you don't connect the dots, employees will connect the dots. They just may not connect them in the manner you want, so you have to be very purposeful and always bringing them back to, "What's that true north? What's that mantra? Why do we exist as a business?"

How do you get the executive team working together through change?

One of the exercises we went through is, driving alignment is partly also understanding who each other is. A process I went through is we did an analysis of each other. It's a process called the Birkman Assessment. I would recommend this Assessment, or any comparative one, to any CEO out there. It's a psychological profile of your

teams and what we found is that I had some people who are very action-oriented, I had others who are deeper thinkers, I had others who are planners. We found that we actually had a blind spot. Collectively as a group, our blind spot was when it came to implementing things, we need to make sure we slow down, making sure we have the enrollment and engagement of the organization. It did two things. One, it helped us as a team understand where we need to put extra focus, but it also helped us in individual interactions. It helped us to understand how we show up versus how we're naturally wired as individuals because we all have learned to be successful. We have adopted who we are but you're wired a certain way and typically in a stress situation, you show that natural wiring. What it enabled us to do was when there was tension that was going on, slow down... we had a better perspective of each other, we could frame things differently or we could engage with each other in different ways. This is just all about everyone adopting their style for the broader group so you can just move through things more effectively.

"You're wired a certain way and typically in a stress situation, you show that natural wiring."

How did this alignment work out in your strategy shift?

If you go back to the strategic focus of the business around building the business on a recurring revenue model, the big shift in the business was we were no longer becoming a provider of our product. We were becoming a provider of a service which is much more than just feature functionality. It's about the lifecycle of a customer and that experience. We couldn't just operate in functional silos. One initiative we created was an 'interlock process' between sales marketing and the development organization because as a provider of a service, it isn't just features coming out that product marketing needed to deliver to market, it could be changes that we're making to our portal, it could be back office things that we're doing but impacts the overall experience.

It was making sure that everyone understood the timeline, everyone understood the purpose behind what was happening and that we could then line up channel pro-



grams, we could then line up what we wanted to put in to the market. It was about aligning everyone around this lifecycle concept. It led to an organizational change that we made around the lifecycle of a customer, but it all came from a broader question that I kept challenging my team with. I kept asking the business, “What is the most optimal way for us to fill in the blank to execute our strategy?” You typically see the most optimal way based on how we organize ourselves, but what is the most optimal way from a go-to market perspective, and that gets back to change, always challenging the status quo and saying, “Is that the most optimal way for us to do this?” It’s that change that led to this ‘interlock process’. It’s all under the theme of, “You need to be comfortable feeling uncomfortable.”

“In managing change, know what business you’re in and stay true to that business and keep your focus narrow.”

Any final insights on managing change?

One is know your business. In managing change, know

what business you’re in and stay true to that business and keep your focus narrow. In our transformation, as we started to really probe that question, we had to make a change. We’re a provider of a service and have a data center which is needed for a cloud service. What I came to realize is, I don’t need to control it. There are companies whose business is core to do just that. What I realized was, software and applications are what we focus on. We focus on making interactions simple. I don’t need to own the infrastructure side of it, I could let someone else take care of that and redirect resources. I kept asking the question, “What business am I in?” We’re in the business of making interactions simple. The other was always asking, “What is the most optimal way to execute our strategic plan?” It gets back to that change philosophy -- you must be comfortable, you have to allow and force people to be comfortable being uncomfortable.

Any perspective on customer experience in your industry?

The big thing is, in the experience, you must look more holistically. First, there’s technology but it’s how you interact post-sales process, post-implementation process.

“We’re in the business of making interactions simple.”

Secondly, is really understanding the customer experience and how their needs are evolving. As the interactions go from people to people, to people to machine and machine to machine, as larger mid-market and enterprise customers continue to adopt hosted services. Their needs are evolving too where they want to consume certain components of a solution, but they also have their own developers and they want to build their own experiences. Customers have their own development resources where they want to build their own proprietary technology and their own experience and they want to be able to bring the pieces together. That’s what we do. We are a provider of a solution but we’re also an enabler and it’s really the customers evolving into wanting both of those needs in a single environment.

Finally, I know you’ve learned some important lessons from rugby.

When I was playing, I received advice from one of the top players in Australia. I had a fortunate situation where he was coaching us and I played the same position. His advice to me in rugby was, “When you find yourself in a pile and you’re coming up, just get running. Stay in motion because nine times out of 10, your instincts are going to take you in the right direction and the one time that you are off direction, just course correct. It’s a lot easier to course correct when you’re in motion.” For me, that is always applied to the business world -- standing still is the worst thing that you can do. Stay in motion, make the course corrections, and continue to evolve.



Don Joos and Robert Reiss. Interview aired: 2/26/2017

Don Joos was appointed CEO in August 2013. He has a proven track record of building and transforming businesses through innovative growth plays, and brings a wealth of strategy, operations and execution experience to ShoreTel.

Joos joined ShoreTel in April 2011 as vice president of global services, and later served as senior vice president of business operations overseeing company operations through the direct management of engineering/R&D, product management, global support and services, IT, quality and operations. Prior to joining ShoreTel, Joos spent nine years as a company vice president at Avaya. Joos applied his business entrepreneurial capabilities helping to build an e-commerce start-up and has held service and operational roles at Williams Communication Solutions, Nortel Communication Solutions and Marshalls Inc.

He holds a bachelor’s degree in sports management from Springfield College in Massachusetts.





“We have to take the same energy and capital we put into the environment and apply it to thinking about how we keep our population sustainable. The answer to that is a focus on wellness.”

Robert Reiss: Welltower is a \$40 billion company at the intersection of real estate and healthcare. Describe your business model.

Tom DeRosa: Welltower owns almost 1,500 healthcare buildings in the United States, Canada and the UK. Yes, you can think of us as a real estate company. You can also think about us from the perspective of what goes on inside those buildings. At any given moment of the day, there are over 200,000 frail to demented elderly residents living inside our buildings where we are providing innovative and progressive residential care models for this at-risk population.

I know you’ve had 183 consecutive quarters of positive dividends. How did Welltower accomplish that?

From a financial perspective, we have a very stable asset base because we own income-producing real estate. We not only own it, but we manage that real estate at a very professional level which helps us drive increas-

“We rallied our employees around raising money for the Alzheimer’s Brain Ball. The \$3.2 million we raised was the largest single sum of money that was ever raised by one group for an Alzheimer’s Association event.”

ing earnings and cash flow from that real estate. We also make sure that we capitalize the business the most effective way we can. I’m very proud to say that in 2016, we received BBB+ ratings from Fitch & S&P and a Baa1 rating from Moody’s. This gives us tremendous access to global capital to continue to grow this business.

What accomplishment are you proudest of since you took over as CEO in April 2014?

What I’m proudest of is that we are aligning ourselves with the best-in-class operators of senior care and connecting this sector to the broader healthcare industry. Within the last two years, we finally landed on the radar screen of the major regional and academic medical centers in this country, in part because they realized they have an issue. Specifically, their issue is the looming population boom of frail to demented elderly. Unless we figure out how to keep that population healthy, well and active, they will wind up on the doorsteps of these health systems, and we just cannot afford that.

When your team recently raised \$3 million for Alzheimer’s Welltower, what inspired you to galvanize the whole organization towards that goal?

As I said earlier, you can think of us as a real estate company or you can think about us from the perspective of what’s happening inside that real estate. We decided to connect our employee base to what’s happening inside our real estate. We did that by connecting ourselves to the Alzheimer’s Association who, everyday, is raising money to direct funds, both to research and to care for the population -- this growing population that’s afflicted by this incurable disease.

We connected our employees and operating partners, because whether you have family members or friends

that have been afflicted by this disease, everyone knows someone who has been touched by dementia and Alzheimer’s. We rallied our employees around raising money for the Alzheimer’s Brain Ball. The \$3.2 million we raised was the largest single sum of money that was ever raised by one group for an Alzheimer’s Association event. We were very proud that we got to go to the New York Stock Exchange and ring the bell, not only for Welltower, but also for Alzheimer’s.

When you talk about Alzheimer’s, what made you know, “we need to be involved in social issues”?

When you go to visit one of our communities, you will see residents who were previously living in very difficult situations, not only for themselves but for their family, and for family caregivers who could not take proper care of them because of their Alzheimer’s disease. You see a person who is physically still in the world but who mentally has retreated from the world. Then, after a period of time, you will see that same person who has been provided the most appropriate, vital setting with the right programs, and they “come back to life,” essentially. They come back to life, to whatever extent they can regain some cognitive skills. You see the impact that it has both on the individual and their families. So, we get to experience these high moments every day.

It must be challenging. It must be frustrating. It must be invigorating.

Yes, and one of the biggest challenges today is the cost of progressive Alzheimer’s care. It’s very expensive and there is no insurance or government reimbursement for this care. The full burden of caring for someone with this disease falls on the individual and their family. Unless you are very poor in this country and could qualify for a Medicaid long-term care nursing home, there is no



Welltower CEO Tom DeRosa speaking with former Senator Tom Daschle (D-SD) at Spotlight Health Aspen where Welltower convened a panel discussion about the challenges associated with maintaining wellness for an aging population.

reimbursement for the services that someone with this disease needs. In fact, there’s not even a standard diagnosis for Alzheimer’s. So we are taking this on.

We have just entered into a strategic collaboration with Johns Hopkins Medicine to start to look at the outcomes that we are achieving in our residential care settings for people with Alzheimer’s disease. We know from our experience that these residents make far fewer trips to the emergency room and that when they have an acute episode, they require fewer overnights in the hospital. In part that’s because when they arrive at the hospital, they are well fed. Their bodies are as mobile as their bodies will allow them to be and they’re as cognitively engaged as their minds will allow them to be. Compare this to a person who is living by themselves with sporadic care provided by a beleaguered family member or a neighbor.

There are so many mysteries about Alzheimer’s ...

We don’t know why someone gets it. Alzheimer’s disease and the progression of the disease is different in every person. This notion that we’re going to find a pill that we can all take that will work for all of us is unlikely. So we raise money. We have our employee base, operators and friends raising money for a cure for Alzheimer’s. In

the meantime, we believe we’re offering the most effective alternative for people that are diagnosed with this disease.

People don’t realize that there are a variety of stages of Alzheimer’s disease and to the extent that we can recognize the signs of the disease early, we can put a better infrastructure around those individuals so they can live more productively over a period of time.

“One of the roles of a CEO is to use their platform to bring awareness to bigger issues that impact society.”

What is the role of a Fortune 500 CEO in helping societal issues like this?

One of the roles of a CEO is to use their platform to bring awareness to bigger issues that impact society. We take the position that we are a global provider of effective real estate solutions for people’s healthcare needs. We take that very seriously. Whether it’s using the platform to bring awareness to a disease (like Alzheimer’s) that is one of the fastest growing diseases and one that



Welltower CEO Tom DeRosa, joined by Miss USA, Olivia Jordan, and Harry Johns, president and CEO of the Alzheimer’s Association, raised awareness of Alzheimer’s disease by ringing the Opening Bell® at the New York Stock Exchange (below) and participating in a ceremonial lighting of the Empire State Building, (left) which was lit purple for Alzheimer’s awareness.



will affect billions of people over the next 30 years – we’ll use our platform to try to wake people up to that reality. We’re also using our platform to talk about the bigger issues in healthcare delivery. Starting in the late 18th century, the concept of the acute care hospital began to be developed in the U.S. Today, we have hospitals all over the United States, in every community. Those hospitals, you have to remember, were built for those days when, if you showed up with a broken leg and it took three days to fix your leg, you’d spend three days in the hospital. The hospital would then submit a bill to the insurance company and they’d get paid, probably at a pretty decent margin.

Today, that’s changing as we move from a fee-for-service model to a value-based healthcare model. Now, if you break your leg and show up at the hospital, you’ll probably be there a few hours and you’re not spending the night. Think about the number of hospital beds that were built in this country to accommodate the older model – reimbursement for as many days as you spent

in the hospital. That leads us to say, “We have too many hospital beds in this country.” It is not economic to treat every healthcare issue in an acute care hospital setting. We are working with hospitals essentially to drive their patient populations into more appropriate, lower-cost settings. We’re moving much more to an outpatient model in this country. There are many conditions historically that required someone to stay days in a hospital. Today, whether it’s Medicare or whether it’s private insurance, they are basically telling the hospital, “You can’t keep that person overnight and if you want to keep them overnight, that’s on your budget, not ours.”

As we’ve discussed before, the whole economics of healthcare is not working. It’s built for people who are going to be sick by 50 and now we’re going to live much longer.

Exactly. Think about the fact that when someone’s parents turn 65, they probably thought if I have another 10 to 15 years on this earth, I’m doing well. Today, when



The 85+ population is expected to double in 20 years. Welltower is helping to redefine home by building communities focused on wellness – mobility, nutrition and cognitive engagement.

someone turns 65, they’re probably looking at another 30 years. That is profound and it’s a concept that we have not come to terms with. The world is getting older.

2016 was the first time we saw the population of aged 65 and above growing faster than the population of aged five and below. This affects not only healthcare, it affects every aspect of society. Every company here today at CECP for the Board of Boards is going to be touched by this phenomenon.

I always say when someone turns 65 and walks down

“2016 was the first time we saw the population of aged 65 and above growing faster than the population of aged five and below. This affects not only healthcare, it affects every aspect of society. Every company here today at CECP for the Board of Boards is going to be touched by this phenomenon.”

Madison Avenue in New York, they probably think, “I’m one of the oldest people walking down the street.” In the future, they’re going to feel very young because the things that used to kill us don’t kill us anymore. The fact that we as a society started smoking in the 1920s -- that showed up in the 1960s with legions of men dying of heart disease. That continued into the ‘70s and, if you made it out of the 1960s without getting a heart attack, you wound up with lung cancer. We have modern medicine that has eradicated a lot of heart disease and has also turned many cancers from death sentences to chronic disease states. It’s also why Alzheimer’s disease is coming up more and more quickly. In the past, we didn’t live long enough to see Alzheimer’s in scale. Alzheimer’s is a form of dementia that typically presents itself in 80-85 year olds.

You were mentioning CECP and I know that CECP is talking today a lot about the economics and how that can drive social issues, and that social is now becoming part of a CEO’s dashboard in terms of one of the core strategic elements.

Exactly! I think about 20 years ago, CEOs were not as concerned with the environment and sustainability. To-

“Welltower is a member of the Dow Jones Industrial Sustainability Index which recognizes the sustainable business practices we employ across our nearly 1,500 buildings.

day it’s something that we are measured on every day. In fact, I’m very proud to say that Welltower is a member of the Dow Jones Industrial Sustainability Index which recognizes the sustainable business practices we employ across our nearly 1,500 buildings. Sustainability is something every CEO is concerned about. What we all have to be concerned about is the sustainability of the population. We are dealing with the sustainability of the frail to demented elderly. We have to take the same energy and capital we put into the environment and apply it to thinking about how we keep our population sustainable. The answer to that is a focus on wellness.

What is the future of Welltower?

The future of Welltower is to continue to be recognized as a partner that can help the broader healthcare delivery continuum achieve better outcomes at much lower costs.



Welltower connected three of its partners to create a collaborative care delivery model in the Philadelphia suburbs that includes a new outpatient facility for Virtua Vorhees Hospital (above).



Tom DeRosa and Robert Reiss. Interview aired: 4/16/17

Tom DeRosa is Chief Executive Officer of Welltower Inc. (NYSE: HCN), an S&P 500 company. Under his leadership, Welltower™ has grown into the global leader in health care real estate with a broad, diversified portfolio across the United States, United Kingdom and Canada. Together with its operating partners, the company is connecting health care delivery providers and properties to create more healthful environments for an aging population and to drive efficiencies in health care delivery. Since Mr. DeRosa assumed his current position in April 2014, Welltower’s enterprise value has grown to over \$40 billion. He has served as a Director of the company since 2004.

Throughout his career, Mr. DeRosa has championed diversity and inclusiveness believing that innovation and business success stem from a creative mix of personalities, skills and backgrounds. Mr. DeRosa has extensive corporate governance experience and has sat on the Board of four NYSE companies: Dover Corporation; CBL & Associates Properties, Inc.; Empire State Realty Trust, Inc. and Health Care REIT, Inc. He has previously served on the Board of Directors of Georgetown University and as a member of the Health Advisory Board of the Michael Bloomberg School of Public Health at Johns Hopkins University. Mr. DeRosa currently is governor of the World Economic Forum and serves on the Board of Argentum, the largest senior living association in the US. He is a frequent speaker on the growth of aging populations and the devastating impact of dementia on people, their families and health care delivery systems.





“If you study the payback from the infrastructure spent, it’s much bigger than the payback from tax relief by a wide margin.”

Robert Reiss: Steve, give a snapshot of Witkoff.

Steve Witkoff: We are developers, we are owners. We’ve just finished developing \$4 billion to \$5 billion worth of construction projects in the City of New York. That includes several condominium projects, hotels, and mixed-use. We have done plenty of construction activity in Miami as well and have a very large project going on in West Hollywood, California today. And of course, we still continue to own iconic properties like the Woolworth Building and other properties in New York City.

When my grandfather was a young lawyer he had his offices at The Woolworth Building. How did you get that property?

We bought it in 1998. Rubin Schron and I led a group that acquired that property and it’s just a fabulous building. I actually walked the American flag up to the top of that building on the 14th of September 2001, right after the attacks.

That must have been pretty emotional.

It was. We moved a generator into that building and I think we were the only building that was really operational during that time. The ESU (Emergency Service Unit) and officers from the 10th Precinct slept downstairs during the entire rescue effort.

Let’s talk about real estate. What indicators do you look at to understand market movement?

Most people think the indicator is going to be interest rates. We don’t at all. We think it’s all about growth. So, if there is growth in the system – and there are many who believe that President Trump’s policies are going to lead to national GDP growth – then of course it’s about individual markets. If you believe in growth, cap rates will compress because people pay for growth. That’s part of what this President is offering up. If you don’t believe that there is growth then you are going to see flatlining of real estate pricing. Before this election, that’s what we were seeing in many of the major markets out there. You are seeing a basic flatlining - other than maybe in multi-family, in the hotel sector in terms of pricing and that it’s unclear what the shape of this administration’s economic policies are going to be.

I think people have a sense that you are going to see some tax relief and corporate repatriation of dollars overseas as well as an infrastructure policy which is critical because that really underpins the growth model. As that takes shape, I believe that’s when we’re going to really be able to assess where real estate pricing ends up. But until we see the shape of it, it’s going to seem unclear to some.

It would seem likely that a lot of the growth in jobs is going to be built on growth of infrastructure be it bridges, roads...what’s your take?

If you study the two pillars of GDP growth, it’s demographics, which are not really on our side right now, and it’s productivity. We’re going to need a little shot in the arm which is infrastructure investment. Infrastructure means more jobs. On the other hand, it’s complicated because the minute you get a tax relief policy, that’s creating pressure on the deficit, and if you now want to spend more money on infrastructure, you’re creating even additional pressure. The shape of an infrastructure policy

is going to have to revolve around tax incentives and private investment alongside some public investment that reduces the amount of obligation that the government is going to have to put forth to support such a program. And if you study the payback from the infrastructure spent, it’s much bigger than the payback from tax relief by a wide margin.

“Growth leads to jobs, which leads to individual empowerment.”

I know you have somewhat of an economic think tank here.

We do. My son, Alex, who graduated from Wharton, is a very bright young man. If he were sitting here being interviewed he would explain it to you, but I want to say that the payback for every infrastructure dollar is one-and-a-half to two dollars to one. And on taxes, it’s maybe half of that. So they both have a percolating benefit. They both generate additional spend in the system – but infrastructure is much more. We have crumbling highways, roads and airports. All around the world, the airports and bridges are nicer than in the United States. I take the subway every day in New York City. That’s what makes the City so great because you’re interconnected throughout all five boroughs and even New Jersey and Long Island. We have to stay ahead and improve that system.

What’s your take on international investment and Trump’s program?

First of all, I believe that we are going to see a wave of international investment into the United States for several different reasons. The Trump program is perceived as growth-oriented for all the right reasons. He speaks about it and he believes in it. I believe this is a President who believes that growth leads to jobs, which leads to individual empowerment. That is the bedrock of his economic policies, in my view at least. The international investment community looking all over the world for opportunities thinks that it’s really scary to be in some of these emerging marketplaces. This is a country that has a pro-growth administration, but on top of that, has a rule of law and a real legal system. This is the place they want to be invested in.



“The problem in the system today is that Dodd-Frank is so restrictive. I say it all the time. I could not start my business today under the Dodd-Frank regime. The Trump ethos is all about expanding that opportunity to everybody.”

As they compare the United States growth prospects to all other countries, to me, people look at the following four elements. One, we have probably the world’s most efficient labor markets. Two, we have an independent labor energy policy. Three, we have a culture and system that promotes technological advances and you see it all the time. Technology is continuously advancing in this country. And four, most importantly, we have the world’s most efficient capital market system so you can borrow, which means guys like me, who started with nothing, can go to a bank if they have an idea or a dream and may be able to get the funding and the financing they need to grow a business. That was my situation 30 years ago.

What is something people don’t know about Trump that they should know?

What they don’t know about him is the reason that he is targeting Dodd-Frank as one of the worst regulations out there. He understands that Dodd-Frank is a system of laws. It’s not just Dodd-Frank, but it’s all the regulatory framework that goes with it, the Basel framework as

well. Once you restrict capital and lending in the system, who does it hurt? It hurts the guys who need that debt the most. It doesn’t hurt a person like me. I have a 30-year pristine track record of borrowing and now I’m a member of that group I wanted to be part of 30 years ago. I am a part of the establishment. I am the guy that banks are happy to lend to.

The problem in the system today is that Dodd-Frank is so restrictive. I say it all the time. I could not start my business today under the Dodd-Frank regime. The Trump ethos is all about expanding that opportunity to everybody.

What’s the real story behind how you got started in real estate?

I was a lawyer. I practiced law at Dreyer & Traub, which was one of the leading boutique real estate firms. That’s actually where I first met our President. He was a client of the firm while I was an associate, and I worked on some of the transactions that he was involved with. I

used to see him at the office and of course I was always inspired because we represented many people like him. We represented the Calico family, Cadillac Fairview, Integrated Resources, all the swashbuckling real estate guys who would come into our office and I would say, “I wonder if I could do that.” I had \$20,000 saved and I wanted to put a down payment on a building and I said to my father, “Would you lend me another \$20,000 because I really think that I’m going to make some money here.”

“My biggest breakthrough was learning everything there was to know about the business. I mean everything.”

My father of course had a depression era mentality. I grew up in a family where all we talked about was becoming a lawyer or a doctor because then you could actually make a living. They were impressed with those degrees because no one could ever take that degree away from you. If you were a child of parents from the depression era, you always felt that you could lose your job at any moment, but if you had that professional degree, you couldn’t. You could always put food on the table. That was the way my parents thought about things. My dad was supposed to say to me, “You can’t do that. Stop being a dreamer. Stick with law. Make a living.” I joke that my father must have been reading a Psychology Today article right before I asked him if I could borrow that money because that was about the only liquid savings he had. And he said to me, “If you believe in it, I do.” And he gave me the money.

It probably was a reckless decision on his part but the truth is we were very successful with that first building for all the wrong reasons. We were totally lucky, but that’s what started it all. That was in 1986.

What was the key that helped you breakthrough to great success?

My biggest breakthrough was learning everything there was to know about the business. I mean everything. I remember when I first went into the business, I thought I was a deal guy. I went out and traded in all my Moe

Ginsburg suits. I went to Barneys and bought a blue blazer. I remember the brand, Emanuel Ungaro. I got a pair of loafers. I traded in all my white Oxford button-down shirts that I had bought at Brooks Brothers, my striped ties, my whole legal outfit and I began wearing the outfit that I thought deal makers wore: blue blazers with gold buttons and an open neck shirt. I was a deal guy. And sure enough, the market turned two years later, and what became important was learning how to work at the properties and making cash flow from them.

That’s when I really had to learn the business. I learned how to plaster. I learned how to sew pipe. I learned how to thread pipe because we had to do all of the repair and maintenance work at those properties during some very, very difficult times in order to make sure we could get cash flow to pay the mortgage, the oil, the bills, and all the other expenditures associated with running an apartment building. That’s when I really learned the business. And when you learn how to operate multi-family properties, a 24-hour business where people are living round the clock, you can run almost any property out there and then nothing seems intimidating after that.

“The toughest thing for me was in the early 1990s going up to properties and meeting working class people who weren’t working and they couldn’t pay the rent, and I totally identified with them.”

What was the toughest part of your business?

The toughest thing for me was in the early 1990s going up to properties and meeting working class people who weren’t working and they couldn’t pay the rent, and I totally identified with them. In fact, I would sympathize with them. If you couldn’t pay the rent, these are not people who are looking to game the system. If you didn’t have a job, you couldn’t pay the rent never mind being able to put food on the table first for your children, and if you couldn’t do that, how are you going to pay the landlord? To me, if I had children in those days, I would have chosen to put food on the table, too. So, the toughest thing for me was trying to blend those feelings, and



the truth is we did it well. Back then, I had a really good partner, and what I'm most proud of is the way that we ran our business. We identified with our tenants and I think that helped the way we thought about the business. Today one of my best skill sets is being able to interact with people from all walks of life. I met some exceptional people who would have worked if they could have worked. There just were no jobs out there.

“Today one of my best skill sets is being able to interact with people from all walks of life.”

What advice can you give CEOs on the concept of negotiation?

I believe in being very straightforward and very transparent. I know those are catchy phrases, but I believe in it because you get caught up when you're not transparent, you're not honest and you're not truthful. On the other hand, there are many who do not give that truthfulness back to you and do not respond in that same way, and that's when you have to negotiate hard.

What does negotiate hard mean?

Here's an example: we made an offer on a piece of land in Miami, and it was a very, very fair offer. It reflected the fact that the market is a fractured market from a financing standpoint. You cannot finance down there today institutionally. There are alternative lenders, but it's very, very difficult to finance the way you can in New York. We shook hands with this particular group. Then



Steve Witkoff and Robert Reiss. Interview aired: 3/19/2017

they sort of changed the terms on us. I got on the phone with them and made it known that I really wasn't happy about it. The next day, I woke up and said to myself I'm not doing the deal.

So you would say, always be willing to walk away?

Absolutely.

Finally, what's your advice on leadership?

I think leadership is all about setting the right example. Jack Welch once said, "A great manager trains the guy underneath him to take his job." And, as a great leader, you can't be afraid to train somebody with a sense of excellence, with a sense of high ethics. That to me is what makes great leadership.

Steve, a great pleasure having you on the CEO Forum.

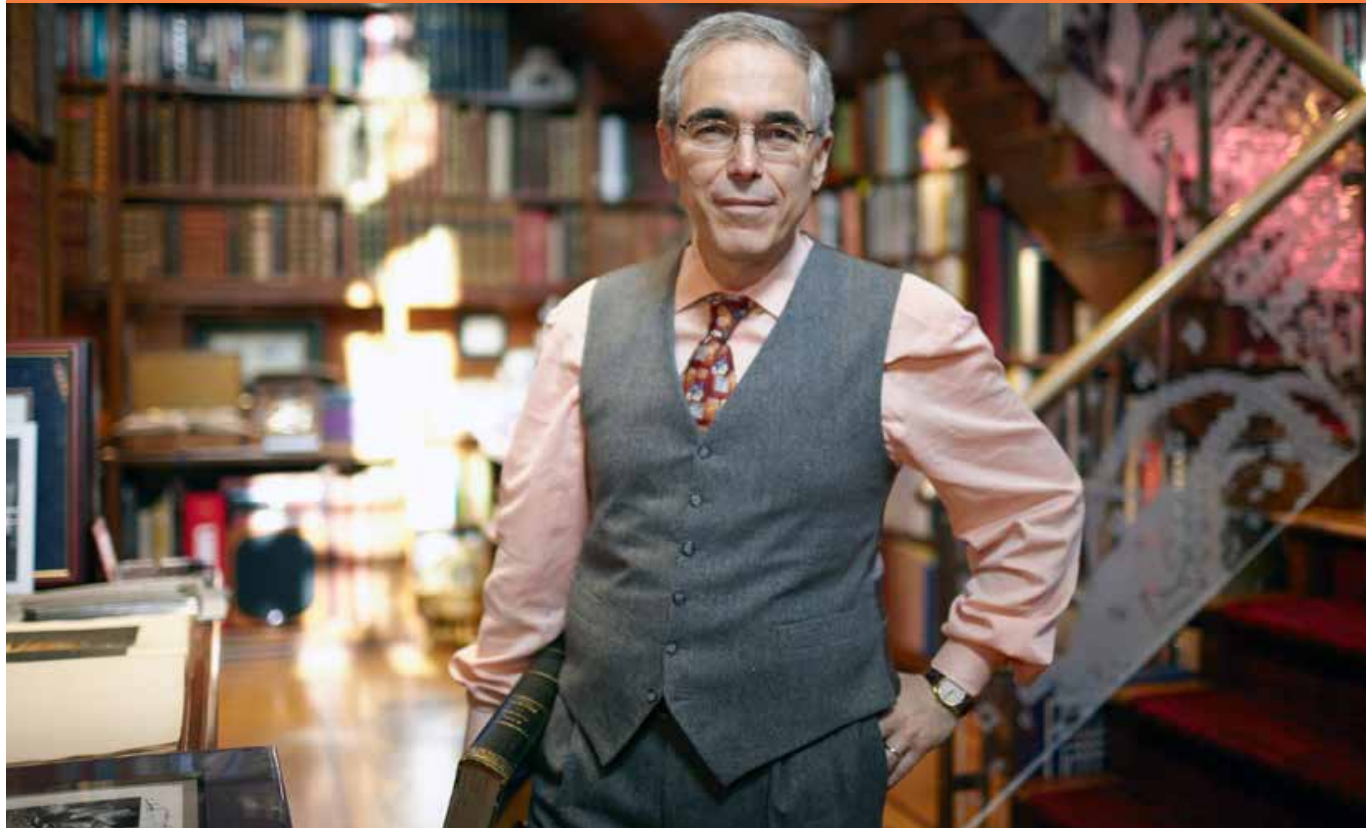
Thank you, Robert. Thanks for having me.

Steven Witkoff is Chairman & Chief Executive Officer of the firm, which he founded in 1997. With his extensive experience in all aspects of the development process, from financing and acquisitions through construction, he has successfully led the repositioning of over 70 properties comprising some 18 million square feet in major central business districts in the U.S. and abroad.

Prior to founding the firm, Mr. Witkoff co-founded Stellar Management Company, where he acquired and repositioned a portfolio of residential buildings in New York City. Prior to Stellar Management Company, Mr. Witkoff practiced as an attorney in real estate law at Dreyer & Traub and Rosenman & Colin, where he represented a number of large developers and investors.

Mr. Witkoff earned a J.D. from Hofstra University. He has served on the Executive Committee for the Real Estate Board of New York (REBNY), and as a trustee for the Intrepid Foundation. Mr. Witkoff currently sits on the Board of the Jeffrey Modell Foundation and is a widely sought after public speaker on trends in global real estate.





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Robert Reiss: Last time we interviewed was about a decade ago and now you’re doing something really exciting called Upside which is transforming travel. Let’s start off with when you started Priceline, which really changed everything. Talk about what your original concept was and what you’re proudest of in developing Priceline.

Jay Walker: In all fairness, Priceline didn’t change everything. It simply changed the way leisure travelers could buy travel using the Internet in a new way. Before Priceline, it wasn’t possible for a customer to say, “Look, here’s the price I’m willing to pay. I’m willing to be extremely flexible. Is there any airline out there willing to transport me from point A to point B on the day I need to go?” You had to be a leisure traveler; you had to be very flexible; and you had to be driven entirely by price. That’s how leisure travelers often are. Priceline changed that game.

How has that game changed in 2017?

Now we’re working on a different dimension entirely. We’re working on small business travelers, the ones who don’t have volume deals, the ones who don’t have travel departments who arrange and buy their flights and hotel rooms

“Every night, Upside downloads three terabytes of data. That includes the entire air travel system and 100,000 hotels - all that inventory, price, connections options, availability, fare classes - are all loaded every night into the Amazon Cloud where our Big Data software pre-analyzes every possible combination on every possible business route you could fly.”

for them. It turns out these small business travelers spend about \$165 billion a year and they have no help at all – no help wading through hundreds of choices, no customer service, nothing. We’ve designed a website where if they buy their air and hotel together, we give them a package price; and we reward them for saving money, by giving them gift cards. The less each traveler spends, the more rewards we give them in addition to their miles and their points - which is a great way to get a small business person to say, “Show me how to spend less on my next trip and if I can, I will; and you’ll give me more rewards while my company pays lower prices.” That’s the kind of thing the Internet can now do with smart software. It couldn’t until very recently, but now it can.

Is there any smart technology now that’s enabled this to happen?

Big Data software is the key. Every night, Upside downloads three terabytes of data. That includes the entire air travel system and 100,000 hotels - all that inventory, price, connections options, availability, fare classes - are all loaded every night into the Amazon Cloud where our Big Data software pre-analyzes every possible combination on every possible business route you could fly. Let’s say you’re flying from New York to Los Angeles. When you fire up your phone and come to our website, you don’t see thousands of choices. You simply tell us what you need and in seconds, you see the six smartest choices for the times you need to get there and the times you need to get home, and you see the six best hotels that work for your particular needs at your destination. All of those choices are business-quality airlines and hotels. And, each of those choices shows you how much value in free gift cards you’re going to get and how much less your company is going to pay.

Upside is a timesaver. It takes just minutes to arrange and purchase a trip. It’s the easiest way to comparison-shop for

travel, to make sure you get what you need while saving money for your company. Typically, when you buy travel yourself for a business trip, it takes about 45 minutes to an hour to compare all the flights and choices. The average time on Upside is currently 11 minutes from start to finish. Our goal is to get it down to five.

If you get it down to five minutes, you’re saving time. The traveler gets these benefits and the company saves money. It’s a very simple model.

Actually, it’s almost as though simple is hard, right?

As Einstein said, you want to make it as simple as possible, just not simpler?

Right! Or to put it another way, the reason it becomes simple is because we do all the hard work for you. The simplest thing of all is to call your travel agent and say, “Book me a ticket to L.A. and make it a good flight and a good price.” We’re doing all that work in the background so you don’t have to do it when you’re on your phone or on your desktop. But like a human travel agent, we also take your unique needs and preferences into account, so every trip is customized just for you.

What is your plan to make this ubiquitous?

Upside is really about a much bigger idea than business travel, and that is what we call the Flexibility Economy – although we’re applying it first in business travel. What we’re doing for the first time is making it possible to use software so that little bits of your flexibility can be valued in real time. The real issue here is you’ve got all kinds of flexibility that you’re not using because you have no way to get rewarded for exercising it. In the past, that flexibility showed up in your shopping behavior when you spent your own money. Given a choice between Brand A milk for \$5 a gallon and equally fresh, equally high-quality

“Upside is really about a much bigger idea than business travel, though it starts in business travel. What we’re doing for the first time is making it possible to use software so that little bits of your flexibility can be valued in real time.”

Brand B for \$4 a gallon, you might say, “Okay, I’m flexible enough to buy Brand B today because it’s on sale.” But when you’re shopping with your company’s money, you tend to say, “Give me whatever choice is the most convenient. Give me the 9:00 o’clock flight. I don’t need to look at the 8:30 flight or the 8:00 o’clock. I want to fly out of Kennedy. I don’t need to look at Newark or maybe a connection out of LaGuardia.” However, that “most convenient” choice may be considerably more expensive for your company. So why choose it? Because you’re not spending your own money.

Take that flight half an hour earlier and guess what? On Upside, it’s \$80 less for the trip and \$50 more in an Amazon gift card for you. Suddenly you’re saying, “That’s not so bad.” Come home on a connection from London over Toronto, we’ll give you a \$400 Amazon gift card and we’ll give your company \$600 in savings. You might say: “Well, you know, it wasn’t my money but that’s pretty good.”

Business travel is just our initial application for the Flexibility Economy. It turns out that there are many markets where somebody else is paying the bill so you’re not using your flexibility like you would if you were spending your own money. In those markets, you – the buyer – have no motive to spend less. If we could reintroduce the motivation to spend less into economic markets by showing third-party consumers in real time small choices they can make while still meeting their needs, we’re reinventing the commercial equation in those markets. That commercial equation is currently disconnected because there is not a good alignment of interests between the buyer and the person paying.

Upside is about realigning those interests, finding the small choices in any given vertical that shows the customer what the choices are, values those choices and then administers the incentives as well as the savings.

When you talk healthcare, it’s about \$2.7 trillion or 18% of the GDP and there’s a real problem with transparency where not all information is shared. How could Upside work in that environment?

Of course, as we all know, healthcare is a tough problem. But incentives for small bits of flexibility by patients or consumers can work very well in healthcare.

First of all, healthcare is even more distorted than you’ve just said. Not only does the buyer not know what they are paying for the x-ray; the seller doesn’t know what they are charging for the x-ray. You’ve got a completely distorted model. Transparency is the least of our problems in health care. The lack of alignment is a much bigger problem. If everybody was spending their own money every time they walked in to get an x-ray, you could be certain everybody would know what the price was. But they’re not spending their own money, so why bother researching and comparing prices?

The first thing we have to do is build a system that says to the consumer, “When you spend less, we’re going to give some of that savings to you, and whoever is paying is going to get a piece of the savings, too, in the form of lower costs.” Once that’s in place, then guess what?

“Once you create a market mechanism where you can monetize an asset, the market sorts out its transparency problems very fast.”

Consumers suddenly have a motive to spend less, even though it’s not their money. And the sellers of x-rays have both a motive and a means to benefit as well. Each x-ray provider has down time; they have extra capacity. They will provide information that says, “Look, we normally charge \$150 for an x-ray but if you get somebody



in here between 3:00 and 4:00 today, we’ll do it for \$120, or we’ll do it for \$110. We might even do it for \$55.” That is how you monetize the consumer’s flexibility. Once you create a market mechanism where you can monetize an asset, the market sorts out its transparency problems very fast.

“As a business system designer, I look at broken business systems and I say, ‘Boy! How would you reinvent that business system?’”

Think eBay – nobody ever knew what all that stuff in their closet was worth. Now you can go right on eBay and see exactly what some of that is selling for and you say, “Wow! Do I want to go to the trouble of selling my telephone insulator collection I collected as a boy, or do I not want to?” Before you make that decision, at least you can see what it’s worth. In the past, that wasn’t possible.

Trust markets to work when you align interests of buyers and sellers and you use technology to take the friction out of the system.

What was the ‘aha’ moment when the idea came to you?

I can’t recall the specific ‘aha’ moment but I invent for

a living. I am not the most inventive person, but I am one of the top 10 patented living inventors so I look at problems a little bit differently than most people. I’m a business system designer; that’s what I do. I’m not a landscape painter but if I was, every time I looked at a landscape, I’d say, “How would you paint that?” As a business system designer, I look at broken business systems and I say, “Boy! How would you reinvent that business system?”

What are your sources of information for innovation?

Well, there’s no magic formula. I try to immerse myself in the world’s knowledge. I spend time looking at the history of business. I study general history as well. I talk to people all the time. By the way, I’m also a consumer. I buy business travel; I buy life insurance; I buy health care. I, just like you, go to the Department of Motor Vehicles and say, “You have to be kidding! This is the best system to renew your driver’s license?” I’m no different than anybody else. The difference is my day job is thinking about that, whereas most people’s day job is doing something else. If your day job was thinking about business systems all the time, you’d be working on the same problems I am. It often comes down to me thinking, “You know what? I can figure out how to improve that system.” It never is a moment when I or my colleagues at our in-

“Nobody knows what’s next in terms of the weather but we know what’s next in terms of the climate.”

vention lab say, “Aha!” and then pop champagne corks. That’s just not how we work; but I’m constantly chipping away at certain classes of problems.

What is the key for CEOs if they want to innovate successfully?

Most of innovation is about focusing on the real issue, and then asking the right questions, which most people spend very little time thinking about. They’re very busy trying to come up with the right answer. Ask the right questions and then intensely and relentlessly borrow from Sam Walton’s book, as I did. I’d much rather have the right question than the right answer. It’s all about the customer – beginning, middle and end. Most people, however, are not relentlessly focused on customers and their needs. Instead too many entrepreneurs and business people fall in love with their idea for a new product, or a new process, or some whiz-bang new technology.

How do you know what the customer really wants?

Well, that’s an art and a science. Truth is, if you asked Steve Jobs when he was living that question, he would have said, “I don’t know what the customer wants. I just know what I want and I believe there are a lot of people like me.” Other people like Sam Walton would have said, “You know how I know what the customer wants? I see what moves on the shelf. If it doesn’t move on the shelf at that price, I know the customer doesn’t want that product at that price.”

We live in a data-driven world. More than ever before, we can see the data that tells us what the customer wants – but there is still plenty of room for artistry here. Many customers don’t know what they want until they see it, especially if they haven’t seen it before.

There’s so much data. How do you know how to ferret through to find what’s truly important?

That’s an artist’s question. You don’t know; you sim-

ply iterate. I can only tell you that whenever I’m inventing, by the time we bring a product or a service to market, it’s gone through hundreds and hundreds of revisions. There isn’t anybody other than Mozart who is going to have a finished symphony when they take it from their head to paper the first time. It’s about endless iteration. It’s about asking real customers, finding people who are willing to be honest with you and then constantly trying different ways to do things.

That said, the iterative process doesn’t take the genius out of the final result. There are geniuses who can create hit songs much more frequently than you and I. They’re clearly incredibly talented at it. But not every song they write is a hit song; or, as Bernstein liked to say about pop music, survives the test of time.

Let’s talk about how things will change in the future, in the next five years. You’ve always been able to look ahead and see what’s coming down the road. Even in 2007 you told me cellphones will be huge. How do you know what’s next? And by the way, what’s going to happen with cellphones?

Nobody knows what’s next in terms of the weather, but we know what’s next in terms of the climate. That’s what I often tell people. I can’t tell you the weather next July 20th but I’m going to tell you it’s probably not going to

“I’d much rather have the right question than the right answer.”

snow, except if you’re skiing in Chile. To be a student of technology, you really must study it from the beginning. By looking at events and developments from the 18th or 19th centuries through today, you can see very clear trend lines, you see very clear patterns. For example, we can see that the cellphone is going to go away.

The cellphone will go away?

Yes, it’s just an intermediate form factor. The idea of carrying around this physical brick with this limited screen is clearly silly. The cellphone is simply an accommodation in a transitional period. The cellphone will go away and what’s going to happen is your glasses or contact lenses are going to have an augmented reality layer



that will allow you to see whatever it is you need to see. It’s silly to hold a screen. The glasses are a perfect screen and it’s clear there will be a way to overlay data as well as pictures and images in video screens so you will wear the network access. You’re going to have a device by the ear that allows you to directly hear so that you’re not holding anything to your ear.

Whether it’s going to happen in two years, three years, five years or even ten, I can’t tell you that. Those are weather questions, not climate questions. I can tell you it’s absolutely certain that the hand-held phone will go away as a form factor.

Connectivity is going to rapidly improve because humans are genetically wired to connect. We like being connected to people. We like sharing. Look at the scale of Facebook. Look at the ubiquity of social media. What is that all about? It’s about a set of forces which involve gossip, voyeurism, sharing insecurities - those things all drive the

human animal. We can tell that anything that increases connectivity is going to be more and more popular, especially at zero variable cost. We live in a world where the cost of connectivity is itself a very low marginal expense.

Google Glass never really took off.

Pay no attention to the fact it didn’t rain yesterday. How nice!

Are people going to be wearing actual physical glasses?

Connectivity will migrate to the regular glasses or contacts you wear.

I don’t wear glasses.

You just put them into contacts then.

I don’t wear contacts.

You will when it saves your life.

Everyone will then be wearing contacts or glasses, so it’s not a fashion thing, and you’ll be able to talk through your ear.

Exactly, it’s what’s going to save your life. It’s going to keep all your medical information. When anything’s wrong, you’re going to be able to see a warning. When that technology becomes available, affordable and reliable, you would no sooner go out without your augmented reality than you’d leave your house without shoes. In fact, your insurance company might offer you lower premiums if you’re always connected.

When you talked about Upside, you mentioned a couple of industries. What’s the big picture of

how it could transform the world?

The Flexibility Economy is coming. We've all heard of things like the sharing economy or the gig economy. The Flexibility Economy is shorthand for the idea that small amounts of flexibility are going to start to become monetized by both buyers and sellers. We already see this in insurance, where every insurance policy can be different; it just depends on what you want. 100 years ago, Henry Ford said you could buy a Model T in any color you wanted, if you wanted it black. Now, every car coming down the assembly line has different options, different colors, different packages. That's the world we're living in.

We are going to customize in real time using data tools on almost every purchase we make, because it's not simply the object we're customizing; it's also the package of services that surround it. Do you want to buy this phone with a warranty? What kind of warranty, with what kind of privileges? There is a whole set of environmental factors that surround every purchase we make. You're going to be able to price each one of them separately and decide which ones you want in real time like that. Why is this going to happen? Because it can, and when consumers see it they'll want it. Companies that figure this out and connect to the customer in that way will be the successful ones.

What is your final advice to CEOs?

My advice to CEOs would be to pay a little bit more attention to history. History teaches us so much and it's a surprising area. The people who've lived before or the people who've solved the problems you're working on, many of them were very good at it. There's a lot to learn from historical people who are business people. You could spend most of your life studying Sam Walton alone. A lot of CEOs are so busy in the moment and so busy in the immediate future that they forget the past has an enormous amount to teach them.

Thank you, Jay. It was great talking about a fascinating future where you're going to see everything through your eyes and the cellphone may be out.

It's just a transitional form factor, as we would say.



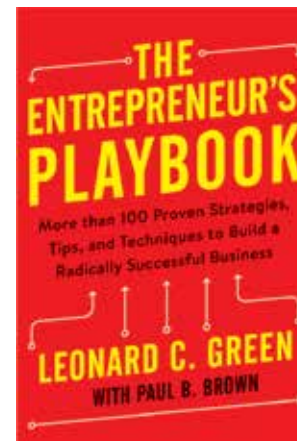
Jay Walker and Robert Reiss. Interview aired: 3/19/2017

Mr. Walker is best known as the founder of Priceline, which brought a new level of value to the travel industry. Today, Priceline is a highly profitable public company with millions of active customers and a market cap of \$85B. The business processes that guide Priceline's success were created in the invention lab of Walker Digital. A Patron of the world-famous TED organization, Mr. Walker is the Curator and Chairman of TEDMED, the health and medicine edition of TED, whose online talks have been watched more than one billion times.

Mr. Walker serves as the Executive Chairman of Walker Innovation. This public company owns and seeks to commercialize, license and enforce the unique portfolio of intellectual property developed by Mr. Walker, who is one of the world's top ten most patented living inventors and a named inventor on more than 650 U.S. patents. His inventions provide unique business systems and solutions across a dozen different industries.

A serial entrepreneur, Mr. Walker has founded three companies that each serve more than 50 million customers. He co-founded Synapse Group, a company that used the credit card processing network to revolutionize the magazine subscription business, serving as its marketing leader and creating a customer database of 25 million active buyers. For his work, he won the Direct Marketer of the Year award in 1999. Synapse is now a unit of Time Warner.

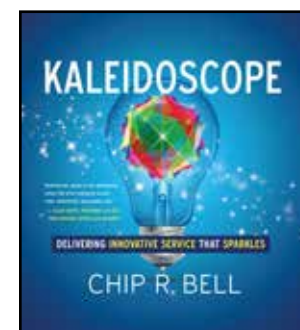
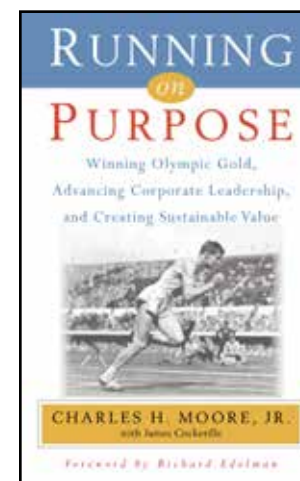
He has twice been named by the editors of TIME magazine as one of the "50 most influential business leaders in the digital age." BusinessWeek selected him as one of its 25 Internet pioneers most responsible for "changing the competitive landscape of almost every industry in the world."

**The Entrepreneur's Playbook**

The lessons and content in *The Playbook* are "life changing" and unique. The reader learns to think differently, gain confidence and become a "calculated risk taker." When encountering new situations, *The Playbook* assists them in developing new moves to increase their chances of becoming successful. This unique book is a collaboration of input from over 100 entrepreneurs and contains no formulas. It does include challenging exercises and methods used by successful entrepreneurs as well as techniques that have been used successfully by the Harvard OPM Program. The reader taps into some of the best ideas for making their venture work. They learn how to solve problems and think differently than everyone else. What makes the book so valuable is that the reader becomes a virtual student by submitting their solutions to the exercises to TheEntrepreneursPlaybook.org and they receive feedback from the author or the entrepreneurs in the exercises. The examples, reflected in the book, will become part of the way the reader thinks and conducts their business. The author is Len Green who is an experienced entrepreneur, investor, CPA and teacher for over 17 years at Babson College (#1 ranked college of entrepreneurship by U.S. World News). As Steve Jobs said, "Think differently. Be one of the crazies that changes the world." This book will provide you with the real world tools to do so.

Running on Purpose. Winning Olympic Gold, Advancing Corporate Leadership, and Creating Sustainable Value

Charlie Moore never broke his stride after winning an Olympic gold medal in Helsinki in 1952. His professional life achievements feature notable accomplishments in business as well as successful leadership roles in college athletics, the arts, and, ultimately, in corporate philanthropy. In *Running on Purpose* Moore has delivered a work that is not just a career memoir or an inspirational business book; it also champions family, resilience, persistence, the drive for results, strong communication, and other traits that can, and should, guide our personal and professional lives. This is the remarkable first-person story of the action, tenacity, creativity, celebration, and principles that carried Moore from one success to another – and that ultimately led to his most important legacy: providing insights for guiding twenty-first-century American business.

**Kaleidoscope: Delivering Innovative Service That Sparkles**

If you enjoyed Chip Bell's best-selling book *Sprinkles*, you are going to love *Kaleidoscope: Delivering Innovative Service That Sparkles*. The book was endorsed by the CEOs of Four Seasons Hotels & Resorts, Chick-fil-A, Bloomin' Brands (Outback Steakhouse, Bonefish Grill, etc.), La Quinta Hotels, WestRock, the Vice Chair of Morgan Stanley as well as best-selling authors Marshall Goldsmith, Jeanne Bliss, Joseph Michelli, and Don Peppers. Order your copy today on Amazon! Chip is a provocative, cutting-edge keynote speaker – read about his keynotes at www.chipbell.com/keynotes. Global Gurus has ranked him for the last three straight years among the top 3 keynote speakers in the world on customer service – two years in the #1 spot.

Why Family Offices and CEOs are a Perfect Match

by Carolann Grieve, CTEA, Senior Family Wealth Advisor



Family Offices are believed to have existed for centuries beginning with aristocratic European families and later adopted by American industrialists. The concept of the family office in the United States evolved out of necessity during the late 19th and 20th centuries as some of the great American families of wealth, such as the Carnegies, Fords and Rockefellers, accumulated their vast fortunes. With significant wealth came considerable responsibility, and the establishment of single family offices (SFOs) to exclusively manage the financial, business and personal affairs of these multi-generational families. The demand for family office services increased as more families achieved significant wealth, but the cost of running a single-family office grew, making it prohibitive to families with less than \$500 million (today that number is closer to \$1 billion), thereby making an SFO unaffordable for all but an elite few of the most affluent families. By the late 1990's, families began to combine offices and share resources to defray the cost of specialized personnel and the multi-family office (MFO) was born.

GenSpring Family Offices, a multi-family office, was founded in 1989 by Hap and Ellen Perry. After selling their family businesses, they could not find a wealth management firm who “sat on the same side of the table” as the client, so they set out to improve the original family office model in three ways:

1. Create a “Multi-Family” Office

From the beginning, GenSpring was founded to serve multiple families. With that comes the ability to exercise much greater buying power on behalf of clients to reduce costs and access leading providers while creating a collaborative community of families to share best practices.

2. Advise Over All Aspects of Wealth to Best Manage Complexity

Integrate and cost efficiently manage all elements of family wealth, financial and non-financial, to improve the likelihood of long-term success and family unity.

3. Professionally Manage for Sustainability

Create a professional family office organization that can provide wealth management stability through life events and continuity across generations.

As a result of Hap and Ellen’s plan to leverage buying power and cost, today the entry point to multi-family office services at GenSpring is only \$25 million of investible assets, way below the \$1 billion needed for a single family office. GenSpring’s unique service model not only focuses on the family’s financial capital, but in addition, centers services on the family’s human and intellectual capital, who they are and what they know. Further, to prepare family members for a life with wealth, GenSpring categorizes their needs into ten distinct but interrelated service elements which include Lifestyle, Expense Management, Taxes, Document Management, Fiduciary, Investments, Education, Estate, Philanthropy and Governance. However, GenSpring recognizes that not all families will require all the services a family office provides. This has resulted in the mixing and matching of the service elements to create different types of family offices that uniquely meet the needs of each family.

Why a Family Office is Important to CEOs

At GenSpring, we believe the wealth should not drive, but be in service of the family. CEOs want their business aligned as one and yet often when it comes to their family, their lives are very siloed. Executives can have re-

lationships with up to 25 different specialists¹, from their CPA, attorney, insurance provider, multiple investment advisors, private banker, etc. Whereas a relationship with a multi-family office would allow for the advisor team to integrate the advice from the various specialists to ensure a coordinated approach that is consistent with their goals and objectives. The multi-family office acts as the “quarterback” of all of these relationships, thereby simplifying the CEOs personal life by removing distractions, aligning the family and providing a better chance of sustaining wealth across generations. Studies have shown that 70% of families will fail to successfully transition their wealth beyond the third generation² and that nearly 90% of family businesses will not be family owned when they reach that point³. The cause has nothing to do with poor investments and estate planning, but rather, the insufficient preparation of heirs and the lack of communication and trust among family members. A multi-family office that delivers integrated advice, addresses family communication and provides family education can potentially reverse the odds of failure. Of the ten service elements GenSpring provides, several service elements address these concerns, namely Lifestyle, Education and Governance. Ultimately, a family office’s goal should be to simplify even the most complex financial life and help the CEO and his family to achieve peace of mind.

Carolann Grieve is a Family Wealth Advisor, responsible for assisting families with a wide variety of wealth management needs, including estate planning, tax, financial planning, fiduciary, philanthropy and family governance issues. She works closely with a client’s GenSpring Family Investment Officer and other professional advisors outside of GenSpring to ensure that all aspects of a family’s wealth management plan are closely coordinated. Further, she is a long standing member of the firm’s Family Education and Governance Working Groups and is a designated Specialist in each area. In addition, Carolann chairs GenSpring’s Women & Wealth Initiative. Through this initiative Carolann works with her GenSpring colleagues to create a welcoming environment emphasizing a holistic approach to financial stability, which in turn enables women to live an informed and responsible life with wealth, to feel fulfilled and empowered.

1. Family Office Exchange Benchmarking Study, October 2006

2. Williams and Preisser, Preparing Heirs

3. Beckhard, Richard, and Gibb Dyer Jr. “Managing continuity in the family-owned business.” *Organizational Dynamics* 12.1 (1983): 5-12





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