The World's Largest Start-Up

**An Interview with
Charles E. Phillips, Jr., Chief Executive Officer, Infor**

EDITORS' NOTE *Prior to Infor, Charles Phillips was President of Oracle Corporation and a member of its board of directors. Earlier, he was a managing director at Morgan Stanley in the Technology Group. Before his 18-year career on Wall Street, Phillips was a Captain in the U.S. Marine Corps in the 2nd Battalion, 10th Marines. He holds a B.S. in Computer Science from the U.S. Air Force Academy, a J.D. from New York Law School, and an M.B.A. from Hampton*

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University. He is a member of the Georgia State Bar Association. Phillips serves on the boards of Viacom Corporation, the American Museum of Natural History, The United States Air Force Academy Endowment Fund, and Phillips Charitable Organizations. Phillips also served on the Obama Administration's Economic Recovery Advisory Board.

COMPANY BRIEF *As the world's third-largest supplier of enterprise applications and services, Infor (www.infor.com) is helping more than 70,000 large and mid-size companies improve operations and drive growth across numerous industry sectors. This month, Infor will officially open its new corporate headquarters in New York City, becoming one of the largest firms in the city's growing technology sector.*

How has Infor remained consistently strong?

In the software industry, it's all about innovation and investing in products and we have done that aggressively. We spent half a billion dollars over the past 18 months on a series of product releases and rolled out about 300 products over the past four or five months that are now hitting the market.

It took two-and-a-half years' investment overall to get here, but we're starting to hit an inflection point and enjoy the fruits of that investment.

With the speed of business today, how do you keep products relevant?

We have focused on reducing the cycle time and thinking of software releases and new products in terms of weeks and months, not years, so we have a steady series of releases and we have changed products to allow that to happen.

But it also requires that you listen to customers because you can have a lot of great ideas but they have to solve business problems that customers care about and are willing to pay for.

Are the large global companies the sweet spot for Infor or is it a much broader market?

We have small customers that are important because they move faster and buy a complete suite of product that they can implement quickly.

The very large customers tend to move more slowly but provide insights into different parts of the industry.

The biggest variable right now is that we're seeing growth in some emerging markets where we have more coverage – places like India, the Philippines, and China.

Does the U.S. still offer strong growth opportunities?

There is tremendous growth left in the U.S. Many customers are using products from 15 or 20 years ago in terms of their software applications. They're now beginning to understand the value of the data that they have collected over the years, and that there are new ways of analyzing it and using predictive analysis to enhance the value of their social network.

So our business tends to go in cycles: things slow down and then something changes and it takes off again. We're at the beginning of another growth cycle.

Is it difficult to maintain an innovative culture within an organization the size of yours?

Innovation is what we value – we call ourselves the "World's Largest Start-Up" and we're organized in a way to foster innovation and encourage communication and transparency.

It has to be something you value and work on; it's why none of us have offices. Once people see the leadership of the company acting this way, it tends to filter down.

How do you look at corporate citizenship efforts in terms of the business?

It's a core part of our strategy. If you want employees to feel a sense of belonging and to have pride in the company and internalize its values, you have to internalize some of theirs, and support values they feel proud of. It's hugely important and a cheap way to build culture, so it's a smart investment.

What has led to the development of New York as a worldwide technology hub?

Forming a tech sector in New York has resulted from a combination of Boston shutting down in tech as well as innovation in other places that have close ties with New York, like Israel. It's easier to get employees to move to New York than California. There is also so much start-up capital filtering into New York over the past decade – there are tons of start-ups around.

The type of technologies that are coming out now are more consumer-oriented and more application-oriented, which means you want to be close to customers, which is easy to do in New York.

With the efforts of Mayor Bloomberg and the Partnership for New York City, how effective has the public/private partnership become and how critical will it be to enhance that relationship with the next mayor?

The Partnership is an undiscovered gold mine for businesses in the city. It's well run, and the relationships that are built and the information that is shared in these meetings is very valuable. I haven't seen organizations like it in other cities.

It's very good at what it does and in terms of setting a tone, it has helped create a city that is business friendly, and where you can quickly build a network and leverage it to find out how to operate in the city. People here are eager to help.

What are the biggest challenges for start-ups in New York City?

More companies and start-ups would consider New York if they could figure it out. For most of them, it's all about real estate. Density is one of the major strengths of New York but the downside is that it's tough for a start-up to find affordable real estate.

Recently, you're seeing the larger companies who have more space than they need subletting it to some of the smaller companies, which benefits both parties.

What are the key aspects that make for a successful CEO?

Napoleon got it right a long time ago: The job of a leader is to define reality and inspire hope.

CEOs have to define the reality of what their companies are facing and what they need to do, and do it in an upbeat fashion that motivates people. They have to inspire people and give them enough leeway to effectively operate and innovate. They have to have faith in their people and push them further than they think they can go. ●