

Opportunity in the Cloud

An Interview with Marc Benioff,
Chairman and Chief Executive Officer, salesforce.com

EDITORS' NOTE Marc Benioff founded salesforce.com in 1999, and is regarded as the leader of what he has termed "The End of Software." He has been widely recognized for pioneering innovation with honors such as the 2007 Ernst & Young Entrepreneur of the Year award. He was appointed by President George W. Bush as the Cochairman of the President's Information Technology Advisory Committee and served from 2003 to 2005. He also authored *The Business of Changing the World* and *Compassionate Capitalism*. Prior to launching salesforce.com, Benioff spent 13 years at Oracle Corporation from 1986 to 1999. In 1984, he worked as an assembly language programmer in Apple Computer's Macintosh Division. He founded entertainment software company Liberty Software in 1979 when he was 15 years old. Benioff received a Bachelor of Science in Business Administration from the University of Southern California in 1986.



Marc Benioff

COMPANY BRIEF Salesforce.com is a publicly traded company that is the market and technology leader in enterprise cloud computing. The company's portfolio of Salesforce CRM applications allows companies to collaborate and communicate with their customers across sales, marketing, and service functions, and their Force.com Platform enables customers, partners, and developers to quickly build powerful business to run every part of the enterprise in the cloud. As of April 2009, salesforce.com manages customer information for approximately 59,300 customers including Allianz Commercial, Dell, Dow Jones Newswires, Japan Post, Kaiser Permanente, KONE, and SunTrust Banks.

How do you define an entrepreneur and what makes an innovator successful?

True entrepreneurs see the world for what it could be instead of seeing it as it is. Entrepreneurs are optimists at heart. They have to be passionate, unreasonable, and even a bit crazy, but this is what gives them the permission to put everything on the line, the power to do things differently, and the ability to make amazing contributions.

What makes innovators successful is having a new and compelling vision. Success results from more than being a visionary, though. Entrepreneurs must unite others behind their

vision and engage them in the cause. Entrepreneurs can never succeed alone. It is only through collaboration and constant iteration that entrepreneurs can execute good ideas and turn them into meaningful solutions that can change the world.

What policy most helps entrepreneurs, and what most hurts them?

The fact is the only stimulus that entrepreneurs can really rely on won't come from the government. Stimulus has to come from an entrepreneur's own efforts. This is the only policy that is available and applicable in any time. There are some legal barriers that can make it more challenging than necessary to start a business. We can always do more to fund education and create policies that specifically encourage individuals to start businesses. This makes sense for everyone as encouraging entrepreneurship is pivotal to creating jobs and long-term stability. Entrepreneurs play a more important role in creating jobs than big business, science, or the government.

In addition, if we're talking about policy on a global level, it's entrepreneurship rather than foreign aid which is essential to building markets in developing countries. Seed money to entrepreneurs creates jobs, products, and services. We know that people emerge from poverty through trade and commerce; policies that encourage global trade are essential to improving the state of the world.

You recently published a book titled *Behind the Cloud: The Untold Story of How salesforce.com went from Idea to Billion-Dollar Company* – and *Revolutionized an Industry*, detailing the story of the company. Would you provide a brief account of how you began and why you wrote the book?

I started salesforce.com in a rented apartment in 1999 with the goal of making enterprise software as easy to use as a Web site like Amazon.com. That idea – to deliver business applications as a service over the Internet – was a simple one, but it would change the way businesses use sophisticated software applications and, ultimately, change the way the software industry works. In less than a decade, salesforce.com went from a simple idea to a public company with more than one billion dollars in revenue. It also spawned the \$46 billion cloud computing industry. *Behind the Cloud* is about

the making of that industry and the opportunity it provides for all companies to become more innovative by focusing on their business as opposed to their infrastructure.

You created a unique model for the salesforce.com Foundation. Would you highlight the model and how it has impacted your efforts in this area?

At the same time that we incorporated salesforce.com, we also created the salesforce.com Foundation as a 501(c)(3) public charity. The idea was for the foundation to be integrated into the company and to grow with it. Our 1-1-1 model – whereby the company contributes one percent of profits, one percent of equity, and one percent of employee hours back to the communities it serves – has allowed us to donate \$14 million in grants, deliver our service to over six thousand nonprofits at no charge, and contribute more than 150,000 hours of community service.

This decision has established us as a meaningful place to work and made us more committed to the success of our employees and our customers. It is through making all our stakeholders successful that we have ignited our own success.

What are your key priorities for salesforce.com for the coming year?

We are now focused on Platform as a Service, which allows customers to run all their enterprise applications, their Web sites, and their intranets in the cloud. By enabling developers to create and deliver any kind of business application entirely on-demand and without software, salesforce.com has catapulted beyond its CRM roots and expanded into a multi-category company.

What is most exciting is the new functionality that has been built by our users and outside developers. Using our platform eradicated the need for servers, load balancers, and networking switches and for people to tune and maintain, and afforded developers the luxury to focus on exactly what they do best, and that has allowed innovation to flourish and everyone to benefit.

I am really excited about what I see as a huge shift in customer service. The Service Cloud, our vision for customer service, gives call center agents everything they need to find answers and communicate with customers through every possible channel: phone, e-mail, chat, Web, and social networks. Companies need to join the conversation and we're focused on providing innovative ways to do that. ●