

How To Make a Difference

The Secret Weapon for Success

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

EDITORS' NOTE Marc Benioff is regarded as the leader of what he has termed "The End of Software." He has been widely recognized with honors such as being named a Young Global Leader by the members of World Economic Forum, the 2007 Ernst & Young Entrepreneur of the Year award, and was appointed by President George W. Bush as the Cochairman of the President's Information Technology Advisory Committee, serving from 2003 to 2005. Prior to launching salesforce.com in 1999, 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 is the author of *The Business of Changing the World*, *Compassionate Capitalism* and *Behind the Cloud*. He received a Bachelor of Science in Business Administration from the University of Southern California in 1986.



Marc Benioff

COMPANY BRIEF A publicly traded company, salesforce.com 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 applications to run every part of the enterprise in the cloud. The company manages customer information for approximately 67,900 customers including Allianz Commercial, Dell, Japan Post, Kaiser Permanente, KONE, and SunTrust Banks.

How important is social responsibility to the culture of salesforce.com?

I've often thought of our foundation and our model for integrating philanthropy as our secret weapon for success. Having a way to give to the communities in which we live and work aligns us as an organization. Our people are here for a more meaningful reason than just to collect a paycheck – that has a significant impact on our company and culture.

The idea of giving people paid time off to volunteer was introduced to me by Alan Hassenfeld, the former Chairman of Hasbro. He demonstrated

how doing something purposeful made employees feel more invested in the company. It inspired them to do their best.

The culture we built – bolstered by our integrated philanthropy model – has allowed us to achieve quarter over quarter growth and enabled us to stay aligned with our roots. Even with nearly 4,000 people (compared to four people when we started 11 years ago), we haven't lost excitement or determination, because each of us is doing more than a job: We are changing an industry and we are contributing to affect positive social well-being. That vision enables us to work well together and inspires us to be a better company.

How has the unique model you created for the Salesforce.com Foundation impacted your efforts in this area?

When we first started salesforce.com, my co-founders and I set aside one percent of our equity, one percent of paid employee time, and one percent of our product earmarked for a separate nonprofit foundation. As our company grew, so would the contributions made by our foundation.

We call this our 1-1-1 Model and it has become an integral part of our company. We give employees six days paid time off each year to volunteer, supporting the charities of their choice. It has had a powerful effect, with more than 178,000 hours donated so far. The model has generated more than \$19 million dollars in grants to organizations like Kiva, Room to Read, and the Acumen Fund. As part of our one percent product donation program, 8,000 successful nonprofit organizations including the Red Cross, Susan G. Komen for the Cure, United Way, and Habitat for Humanity are running on salesforce.com's service.

How do you define the key CSR focus for salesforce.com, and do these efforts align with salesforce.com's business strategy?

We are a company that wants to help others to bring about positive well-being in the world, and we are dedicated to that mission in both our for-profit and nonprofit endeavors. We support programs and centers that teach youth about technology and we run innovative programs, like BizAcademy, that inspire entrepreneurship and help students in underserved school districts find internships and jobs. Overall, though, we let our employees and our constituents help us determine our focus areas as well as how to make them most effective.

From the beginning, we decided that in order for our foundation to be successful, it had to

be driven by the interests of our employees and community. Building a foundation that reflected their passions was the only way that they would embrace it as their own. We have so many examples of how our employees have helped shape the foundation, from organizations they introduced to us, like Rainforest2Reef, to launching entire new focal points, such as a commitment to becoming a more green company.

We are also committed to contributing to urgent needs. We just offered a matching donation program for employees, partners, and friends of salesforce.com and raised more than \$800,000 to support the earthquake relief work of the Red Cross and World Vision in Haiti. We also recently had a very successful volunteer event in which 150 of our employees assembled 600 medical kits that are now in Haiti, where they will benefit 3,500 individuals affected by the earthquake. They completed this task in 45 minutes. I love this project, not only because it made such a significant contribution, but because it also illustrates the power a company has when it leverages all of its assets – its people, its customers, and its relationships.

Product donation is also a key part of our business model and we give our service away for free to any nonprofit organization that believes they can benefit from it. The program has always specified that we give 10 licenses for free and any additional licenses at an 80 percent discount. In the past, our corporation collected that revenue. A few years ago, we moved that group – and the \$2 million per year in revenue it generated – to the foundation. This revenue-generating model allows our foundation to be more sustainable and to expand.

How do you evaluate and measure the success of your efforts?

We measure success through our application. The first application we built on the Force.com platform measures everything related to our foundation. It tracks volunteer hours and the percent of volunteerism by department. It also measures product donation so that we know the number of users, log-in rates, and how they are using the service and what other applications they need. We even use it to track grant outcomes as well as our youth programs, including the number of students placed in internships, number of years, promotions, and scholarships as well as years in college, grades, graduation rates, and job placements. This application has been so effective at helping us evaluate and achieve our goals that we've also made it available for other companies to use. ●