

1/1/1 Model

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 Co-Chairman 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 and Salesforce Chatter 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. Salesforce.com manages customer information for approximately 92,300 customers including Allianz Commercial, Dell, Japan Post, Kaiser Permanente, KONE, and SunTrust Banks.

Would you highlight the importance of corporate philanthropy and social responsibility to the culture of salesforce.com?

It's a critical piece of our business. We believe in the power of corporate philanthropy. Businesses need to be responsible to their communities, employees, and shareholders.

Our approach to philanthropy has helped differentiate us in the market for key talent, and it helps us determine if candidates are a fit with our values and culture. Our foundation and the activities that flow from it keep us connected to our communities around the world.

You created the 1/1/1 integrated corporate philanthropy model for the Salesforce.com Foundation. Would you highlight the model and how it has impacted your efforts in this area?

When we incorporated salesforce.com, we created the Salesforce.com Foundation as a public charity. The idea was for the foundation to be integrated into the company and to grow with it. Our 1/1/1 model disseminates a portion of the financial and intellectual wealth of the organization to those most in need: 1 percent equity, so using 1 percent of founding stock to offer grants and monetary assistance to those in need, especially to support youth and technology programs; 1 percent time, so finding meaningful activities for salesforce.com employees during their six paid days off a year devoted to volunteerism, and promoting a culture of caring; and 1 percent product, so facilitating the donation of salesforce.com subscriptions to nonprofits, helping them increase their operating effectiveness and focus more resources on their core mission.

We do this because an integrated corporate philanthropic model is a better, more sustainable way to give back. If adopted on a large scale, it could change philanthropy as we know it.

How do you focus your giving efforts for salesforce.com and is it important that these efforts align with the firm's business strategy?

We do not look at it as trying to solve social problems that will make us more profitable, but of course there is a secondary gain to what we do. If our communities are more successful, we will be more successful. And employees find more meaning in their daily work here because of the foundation, so that makes us a stronger company.

We are committed to donating our product to nonprofits, and we have seen amazing results as organizations can better manage and share information. We also sell our service at an 80 percent discount to any nonprofit that wants more than 10 licenses. This generates revenue for our foundation, makes it self-sustaining, and enables our grant programs to grow year over year.

How do you measure the success of your efforts?

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.

How do you engage employees in salesforce.com's social responsibility efforts?

All new hires participate in a volunteer activity at their orientation, in which they have a chance to help replant a forgotten park, paint a school, or help serve meals at a homeless shelter. We've seen that the effect of those first few hours of volunteering stays with most employees for a long time, because they continue their involvement with our foundation, and their interest, along with the work of our foundation team, has helped the foundation grow and scale around the world.

We also ask employees what they want to focus on, which generates a sense of ownership. We listen to employees and we let the foundation change as we evolve as a company.

You recently announced that you and your wife, Lynne, will focus your personal philanthropy for the next 10 years on a new medical center in San Francisco with a \$100 million dollar gift to UCSF Children's Hospital. Would you discuss this effort and the impact that you hope will come from your commitment?

For the past two decades, we've been involved in philanthropy, both personally and through the Salesforce.com Foundation, investing in areas such as education, health care, and human rights.

A few months ago we announced our most significant philanthropic gift ever – \$100 million to UCSF Children's Hospital – and with that gift, we changed our focus. Instead of supporting a wide variety of organizations, we now concentrate on just one. This investment is aligned with our own interests – advancing health care – and it's where we think we can make the greatest difference.

In the past six months, our gift has spurred over \$25 million in additional investment to support the new hospital by leveraging resources like Facebook Causes, which is changing philanthropy. ●